

Harrow Monitoring Group Paper:

Beyond UK Austerity: *resource constraints reordering socio-economic priorities, resulting in inclusion and exclusion*

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Executive Summary

This paper critically examines how constrained public provision has reshaped socio-economic priorities within the United Kingdom's national and local governance frameworks. It argues that limited state capacity has evolved beyond a temporary financial condition into a governing mechanism through which institutions determine priorities, regulate social relations, and consolidate political legitimacy.

In the post-austerity period, the allocation of public funding no longer simply reflects economic necessity; it actively structures inclusion and exclusion. Decisions about which services are maintained, reduced, or withdrawn shape the lived realities of communities and redefine the relationship between citizens and the state. Under the language of efficiency, resilience, and prudence, constrained public provision frequently legitimises selective investment while normalising territorial inequality and uneven access to opportunity.

The paper demonstrates how local authorities increasingly engage in “triage governance,” prioritising statutory obligations and visible regeneration projects while reducing preventive, welfare, and community-based support. Examples from Harrow Council and other UK local authorities illustrate how financial decisions reshape local socio-economic priorities, producing forms of managed inclusion where some communities remain politically visible and institutionally supported, while others experience gradual marginalisation through reduced services and diminished representation.

The paper further argues that restricted public provision intensifies competition among communities and creates fertile ground for political exploitation. In particular, hard right-wing and populist narratives increasingly frame access to welfare, housing, and regeneration funding through moral and cultural discourses of deservingness, belonging, and entitlement. As a result, resource allocation becomes not merely an administrative exercise but a political instrument capable of fuelling social division.

Ultimately, the paper contends that contemporary governance has reordered socio-economic priorities toward visibility, competitiveness, and political expediency at the expense of long-term social equity. It concludes by calling for more transparent, participatory, and socially accountable approaches to public provision that recognise human capability and social cohesion as foundational public assets rather than residual policy concerns.

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1. Constraint and the politics of allocation

1.1 The current pressures on public services in the United Kingdom cannot be understood solely as consequences of global instability, inflation, or post-pandemic recovery. They stem equally from political decisions concerning what is preserved, reduced, or postponed, decisions shaped by ideological assumptions about productivity, value, and social worth.

1.2 Since the 2008 financial crisis, austerity has embedded retrenchment into the structures of governance. Funding for local authorities, welfare systems, and community programmes has steadily declined (Taylor-Gooby, 2013). Constrained budgets therefore function not only as material limitations but also as political narratives used to justify selective provision, prioritisation mechanisms, and increasingly unequal outcomes across public services, including local government and parts of the NHS.

1.3 At both national and local levels, financial pressure increasingly translates into competition among social groups and localities, fostering a zero-sum mentality in which community aspirations become negotiable under budgetary limits (Clarke & Newman, 2012; Hastings et al., 2017; Lowndes & Gardner, 2016).

1.4 The consequence is not merely reduced provision, but the reordering of socio-economic priorities themselves. Public institutions increasingly favour projects capable of delivering measurable visibility, economic competitiveness, or political return, while long-term social infrastructure and preventive support become vulnerable to reduction.

2. Economic pressure at national and local government levels

2.1 Across the United Kingdom, governance has been reshaped by prolonged financial restraint and the institutionalisation of austerity. Since the early 2010s, local authorities have experienced substantial reductions in central government grants, estimated at approximately 40% in real terms between 2010 and 2020 (Hastings et al., 2017). While wealthier boroughs have been better positioned to compensate through local taxation and commercial partnerships, deprived areas have faced worsening structural inequality and declining service capacity.

2.2 At the local level, constrained provision has become embedded within everyday administrative decision-making. Councils increasingly engage in what Lowndes and Gardner (2016) describe as “triage politics,” determining which services to protect, reduce, or withdraw altogether. These decisions are rarely neutral. They shape whose needs remain institutionally visible and whose become administratively marginalised.

2.3 The Harrow Council administration’s slogan “*putting residents first*”, displayed prominently on departmental communications and echoed by several Conservative-held London councils, illustrates the tension between political rhetoric and material constraint. While the phrase projects commitment to local wellbeing, the realities of limited provision often determine which residents are practically included within that promise.

Hillingdon Council's continued emphasis on low council tax, environmental visibility, and neighbourhood management under the slogan "*putting residents first*" demonstrates how councils prioritise politically visible services while simultaneously managing growing pressures in social care and housing provision.

2.4 Harrow Council's recent financial decisions reveal how socio-economic priorities are being reordered under pressure. In response to escalating demand in children's services, adult social care, and temporary accommodation, the Council has increased council tax while simultaneously reviewing or reducing discretionary support mechanisms such as Council Tax Support for working-age residents. At the same time, investment has continued in visible environmental and regeneration projects, including road improvements, public realm enhancements, and town-centre upgrades, more attractive to voters. Such choices demonstrate how local governance increasingly prioritises projects associated with visibility, regeneration, and place-marketing while preventive welfare support faces restriction.

2.5 This pattern is not unique to Harrow. Birmingham City Council's effective bankruptcy declaration in 2023 resulted in large-scale cuts to community provision, cultural programmes, and neighbourhood services while statutory obligations remained protected. Similarly, Croydon Council's financial crisis led to the reduction or withdrawal of youth services, libraries, and community programmes, disproportionately affecting already disadvantaged communities. In Nottingham, severe budgetary pressures forced reductions in discretionary spending and substantial restructuring of local service provision.

Similar dynamics can be observed in boroughs such as Brent and Hillingdon. In Brent, large-scale regeneration and inward investment have coexisted with growing housing pressure, dependence on temporary accommodation, and concerns over uneven community participation in redevelopment processes. In Hillingdon, political emphasis on visible neighbourhood services and low taxation has occurred alongside increasing strain on social care and housing provision. In both cases, constrained public provision has reordered local priorities toward economically and politically visible outcomes, while deeper structural inequalities remain insufficiently addressed.

2.6 These examples reveal how constrained public provision generates differentiated inclusion. Certain communities continue to receive investment through regeneration schemes, visible infrastructure projects, or targeted initiatives linked to economic growth, while others experience gradual exclusion through diminished access to welfare, representation, and local support structures.

In Brent, escalating housing pressures and dependence on temporary accommodation have led the council to encourage lower-income households to relocate outside the borough into private rented housing, illustrating how constrained provision can produce forms of managed displacement and conditional local belonging.

2.7 Resource allocation under pressure also increasingly favours organisations with professionalised administrative capacity. Community grants are frequently distributed through competitive bidding systems requiring technical expertise, measurable outcomes, and institutional alignment. Larger organisations and politically connected groups are therefore more likely to secure funding, while smaller grassroots organisations, particularly minority-led or informal community groups, struggle to compete.

2.8 On a national level, the UK's Levelling Up initiative has itself been subject to criticism. By December 2023, only around 10% of allocated regeneration funding had been spent, according to the House of Commons Public Accounts Committee, which identified delays, administrative complexity, and weak alignment with local priorities (Public Accounts Committee, 2023). This reflects a broader contradiction within contemporary governance: resources are not entirely absent, but are often delayed, selectively distributed, or shaped by political visibility rather than social necessity.

3. Allocation of resources and the regulation of social policy

3.1 The allocation of public funding functions as a subtle mechanism of socio-economic regulation. Through selective investment in housing, education, welfare, and cohesion programmes, governments shape not only service delivery but also public expectations and social behaviour.

Within the NHS, prolonged funding pressures, workforce shortages, outsourcing, and waiting-list prioritisation increasingly shape differential experiences of access to healthcare, reinforcing wider socio-economic inequalities despite the principle of universal provision.

3.2 Claims that “there are simply insufficient funds” often conceal ideological assumptions regarding who is considered economically productive, socially responsible, or politically deserving (Clarke & Newman, 2012). Resource limitation therefore becomes a means through which inequalities are managed and legitimised.

3.3 Inclusion and exclusion consequently operate not as opposites but as interconnected processes within governance. Inclusion is often conditional, extended to groups and initiatives that align with institutional objectives, measurable outcomes, or prevailing political narratives. Exclusion emerges less through explicit rejection than through administrative invisibility and reduced institutional support.

3.4 The resulting landscape is one of conditional belonging, where access to welfare, participation, and recognition increasingly depends upon conformity to expectations of self-sufficiency, efficiency, and behavioural compliance.

4. Inclusion, competition, and managed difference

4.1 Policies promoting inclusion and cohesion are themselves shaped by constrained budgets. Inclusion increasingly becomes contingent upon participation in sanctioned programmes and adherence to institutional expectations.

4.2 “Diversity” remains a significant example. While publicly celebrated, diversity often functions administratively as a category through which limited resources are selectively distributed (Ahmed, 2012). In many cases, inclusion is measured through representation, visibility, or procedural compliance rather than structural transformation.

4.3 Competition for limited funding further fragments solidarity among communities. Marginalised groups increasingly compete for the same shrinking resources, encouraging rivalry rather than collective mobilisation around structural inequality.

Regeneration initiatives in Brent, particularly in South Kilburn, have also exposed tensions between redevelopment and community stability, with residents criticising prolonged disruption and limited influence over decision-making processes.

4.4 As a result, constrained provision does not merely reduce capacity; it reorganises social relations themselves, redefining belonging, legitimacy, and access according to institutional priorities.

5. Public spending constriction, social tension, and political opportunity

5.1 The continued contraction of public investment has intensified social tension, particularly in relation to welfare, housing, and opportunity. As the gap widens between expectations and available provision, distrust and resentment increase. Narratives of the “deserving” and “undeserving” poor have re-emerged, reframing structural inequality as a matter of individual morality and behaviour.

5.2 These tensions increasingly function as political capital. Local and national opinion-makers exploit grievances concerning perceived inequalities in resource allocation, transforming economic pressure into ideological contestation.

In Hillingdon, financial pressure linked to housing demand, asylum responsibilities, and Heathrow-related costs has increasingly entered political discourse around local entitlement and fairness, illustrating how constrained provision can become intertwined with broader debates about belonging and resource competition.

5.3 In particular, hard right-wing and populist movements have recast debates about limited provision around notions of fairness, national identity, and entitlement. Welfare recipients, migrants, minority communities, and particular localities are increasingly portrayed as

competitors within a struggle for diminishing public resources. The electoral growth of Reform UK in recent local elections, including gains in council representation in areas such as Hillingdon, reflects how pressures surrounding housing, migration, public services, and local provision are being politically mobilised through narratives of resentment, exclusion, and perceived unfairness in resource allocation.

5.4 By redefining economic limitation as a cultural and moral conflict, such narratives divert attention away from questions of redistribution and structural inequality. Community resources, including housing allocations, regeneration schemes, and grant funding, become mechanisms through which social division is amplified rather than reduced.

5.5 In this sense, constrained public spending functions not only as an economic condition but also as a political strategy: shaping public perception, reinforcing social hierarchies, and consolidating political authority through the management of tension and difference, helping nationalistic ideology.

6. Toward empowerment and fair public provision

6.1 Moving beyond austerity requires both conceptual and structural transformation. Financial limitation must be recognised not as an unavoidable condition but as the consequence of political choices regarding taxation, redistribution, and public investment.

6.2 Human capability, skills, experience, knowledge, and social capital, must be understood as a central public asset. Rather than relying on short-term competitive funding models, governance should prioritise long-term social infrastructure and preventative support.

6.3 Empowerment also requires redistributing decision-making power. Communities should participate meaningfully in determining local priorities and scrutinising resource allocation processes.

6.4 Only through more transparent and participatory approaches can the politics of scarcity give way to governance rooted in shared responsibility, social inclusion, and democratic accountability.

7. Conclusion

7.1 The management of constrained public provision reveals how economic restraint, political calculation, and social order increasingly intersect within contemporary governance. Limited resources have become more than administrative challenges; they now shape which communities are prioritised, which remain visible within policy agendas, and which gradually experience institutional exclusion.

7.2 Examples from Harrow and other local authorities demonstrate how financial decisions reorder local socio-economic priorities. Visible regeneration, statutory obligations, and

politically advantageous projects often receive protection, while preventive welfare services, grassroots organisations, and long-term social infrastructure become vulnerable to reduction or withdrawal.

7.3 At the same time, the politics of constrained provision has created opportunities for ideological exploitation. Public anxiety over housing, welfare, and local investment is increasingly mobilised through narratives of deservingness, belonging, and competition for limited resources. Inclusion therefore becomes conditional, shaped not only by need but also by institutional visibility and political utility.

7.4 To move beyond austerity requires more than restoring funding levels. It demands confronting the political construction of scarcity itself and recognising that equitable allocation is fundamental to democratic legitimacy and social cohesion. Transparent, participatory, and socially accountable forms of governance are essential if public provision is to strengthen rather than fragment communities in an era of continuing economic pressure.

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