

REDISTRIBUTION OF SOCIAL AND SOCIETAL RISK: THE IMPACT ON INDIVIDUALS, THEIR NETWORKS AND COMMUNITIES IN SCOTLAND

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UK austerity measures impact adversely and more acutely on already disadvantaged groups and communities. Focusing on the distinctive policy within Scotland, this research addresses the lack of evidence concerning the redistribution of societal risks down to the level of the individual user to inform public debate, decision-making and practice.

Policy analysis, focus-group discussions and interviews are used to consider:

- the evidence of risk transmission via cuts to public spending at a local level;
- the evidence of risk transfer via Welfare Reform;
- the existing coping strategies and potential for risk absorption and mitigation;
- how the cumulative effect of recent changes affects the distribution and the intensity of social risks experienced by particular groups and individuals; and
- the need to ameliorate any deleterious impact of the risk shift on the most vulnerable groups in society.

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EXECUTIVE SUMMARY

Over recent years, local communities in the UK have faced a range of challenges related to the combined impact of the economic recession, slow economic recovery, sustained government spending cuts and welfare reform. Collectively, these factors have impacted adversely and acutely on already disadvantaged communities and groups within society.

Recent austerity measures may be viewed as mechanisms by which existing social and societal risks are intensified. It might also be prudent to conceptualise this as a way of shifting the distribution of risk in society. That is, as the responsibility of the state shrinks, its relationship with its citizens is altered, with increased responsibilities for dealing with social risks placed with individuals and local communities, regardless of their ability or capacity to absorb such risks.

Research questions

This report focuses specifically on the redistribution of social and societal risks to individuals and communities in Scotland, brought about by the cumulative impact of recent austerity measures including welfare reform and cuts to public services. The research does not provide a comprehensive catalogue of all risk redistribution mechanisms, such as changes to the health care system; instead, it focuses on areas which have been least protected, leading to the most significant transfer of social and societal risk.

‘Social risks’ have traditionally been the focus of social policy, while ‘societal risks’ have emphasised the macro-level dimension and the public nature of those risks. This report offers insight into the lived reality of social risk transfer as a consequence of austerity experienced by individuals and members of their social networks and communities. The project identifies the challenges resulting from the transmission and redistribution of risk to and between members of local communities, families, informal groups and individuals.

Approach

This research comprised an in-depth critical literature review, which covered a range of risk transfer mechanisms, as well as primary data collection across three case study groups: older people, lone parents and people experiencing in-work poverty. Each of these groups experiences risk transfer through many channels, although some channels may be impacting particularly acutely on specific groups: for example, changes to welfare are predominantly affecting lone parents, whereas service cuts are having the biggest impact on older people. The case study research focused on Craigneuk in North Lanarkshire, a local authority area in west central Scotland.

Evidence

Although the literature identified both welfare reform and service cuts as key conduits for social risk transfer, notably, welfare reform causes more concern for the populations we researched. There was a general lack of awareness of service changes as a direct result of austerity across all our respondents from the three case study groups. This may be due to the fact that many public service cuts are yet to be fully implemented in Scotland. It may also be that potential service users are only aware of cuts at the point of use, and until that time will not know how strongly the effects will be felt.

Notwithstanding the importance of personal biography, some group experiences emerged from our fieldwork. Some older people may have a greater potential to absorb social risks. For example, older people who live in social housing can benefit from a security of tenure as well as assistance with ongoing maintenance and running costs; these older people may have more secure, albeit low, income. They may also absorb some of the financial difficulties faced by their children and grandchildren, as well as providing very important support with childcare, which enables their children to work. In contrast, it now seems harder for lone parents living in poverty to access quality work and training, thus making the move out of poverty more challenging.

Unstable incomes and unpredictable hours mean that people experiencing in-work poverty may be less able to absorb the social risks of living on a low income, while at the same time they are less able to participate in networks that may help to mitigate these risks. Here, in-work poverty refers to households with an income of less than 60 per cent of the median income, where at least one member is in employment (Kenway, 2008; Marx and Nolan, 2012).

While our case study groups have their specific characteristics in terms of risk exposure, impact and ability for risk mitigation, there are some overarching themes. Across all groups we found an increased level of insecurity and instability, both concerning their income and about the changes yet to come. Our research suggests that the combined consequences of austerity, including service cutbacks, welfare changes and an increasingly unequal labour market, have added pressure and insecurity to vulnerable individuals, which has also spread to their personal networks. The resilience of some poorer networks may be eroded by multiple levels of risk transfer.

Attempts have been made to mitigate the impact of new risk exposure at local and Scottish national government levels, although most of the measures are temporary and have limited scope; overall, the Scottish

government has emphasised the importance of prevention policies and has invested in more of these than other devolved administrations in the UK. Despite some evidence for innovative approaches, the scale of the fiscal retrenchment remains a key challenge.

At the community level, organisations established by residents in our case study area, such as the Community Council, set up in response to the closure of a local school, are becoming more vocal and active in campaigning for increased local authority service provision. While they may not yet be fully achieving their aims, they have been influential in improving the lives of people directly affected by lack of services.

Conclusion

Accelerated transmission of risk has been taking place as a direct consequence of austerity measures introduced post-2010. The rapid pace of change has led to a heightened sense of insecurity for vulnerable individuals and communities. Recent and forthcoming austerity measures compound existing vulnerabilities that, in turn, may result in longer-term societal 'risk shift'. For those living on low and/or unstable incomes, existing vulnerabilities are made more acute by measures such as changing entitlements and timetables for welfare reform, uncertainty about service cuts and unequal economic recovery. This level of uncertainty further limits their and their individual networks' ability and capacity to absorb and/or mitigate increased social risk transfer.

Although the relative cumulative impact of the austerity measures varies according to the particular circumstances of individuals and communities, there are potential long-term implications which can undermine the resilience of some communities. In conditions of further devolution, it is even more important for Scotland to develop a better understanding of the knock-on effect on individuals and communities and to identify effective policy measures within Scottish polity which could be modified so as to mitigate the risks faced by some citizens. More generally, at all levels – that is, UK government, Scottish government, local government and communities – there is a need to adopt or strengthen analysis of the cumulative risk impact of policy changes, in the context of wider societal and socio-economic trends, to ascertain, and if necessary thereafter to ameliorate, any deleterious impact of shifting risk onto the most vulnerable groups in society.

1 INTRODUCTION

Previous research has demonstrated how UK public sector spending cuts and welfare reform have led to increased inequality, poverty and hardship being experienced by some individuals and communities (Asenova, *et al.*, 2013; Haddad, 2012; Atkinson, *et al.*, 2012). Collectively, this report refers to these as austerity measures.

Studies considering the impact of these measures on particular social groups have demonstrated how they have impacted acutely on women in general (Ginn, 2013; Rubery and Rafferty, 2013; MacLeavy, 2011; Beatty and Fothergill, 2013; Scottish Government, 2013a) and on some groups of older women (Ginn, 2013; Reed and Harton, 2010; Stephenson, *et al.*, 2012; Lymbery, 2014), on lone parents (Millar, 2010; McHardy and Fife Gingerbread, 2013), people with disabilities (Just Fair, 2014; Duffy, 2013), and children and young people (Adamson, 2012; Padley and Hirsch, 2014). The complex ongoing reform to the welfare system – including widespread reforms to the benefit and tax credit systems (removal of the Spare Room Subsidy, Universal Credit, reduction in Working Tax Credits, 1 per cent working-age-benefits uprating cap) – are making it increasingly challenging for those requiring financial support from the state.

As a consequence, post-2010, significant macro-level (societal) risks (Navicke, 2014; Asenova, *et al.*, 2014; Navicke, *et al.*, 2013; Holzmann and Jorgensen, 1999) have been unevenly distributed across regions and population groups and now present major challenges for vulnerable individuals, their networks and local communities (O'Hara, 2014). The UK government's commitment to cutting the deficit and controlling spending changes the responsibilities of the state, altering the relationship with its citizens (Cameron, 2013; BBC News, 2014). Increased responsibilities for dealing with social risks are being placed with individuals and local communities with limited resources.

At the same time, utilising risk discourse, emerging literature has linked austerity measures in the EU and beyond to recent socio-economic trends in order to explain new patterns of social and societal changes and the resulting shifts in the redistribution of risk (Navicke, 2014; Asenova, *et al.*, 2014; Beck and Kewell, 2014; Navicke, *et al.*, 2013; Taylor-Gooby, 2011).

This study focuses specifically on the redistribution of social and societal risks to individuals and communities in Scotland, brought about by the cumulative impact of recent policy changes. It offers unique insight into the lived reality of social and societal risk transfer as a consequence of welfare reform and cuts to services experienced by individuals and members of their social networks and communities.

This study focuses specifically on the redistribution of social and societal risks to individuals and communities in Scotland, brought about by the cumulative impact of recent policy changes.

Aims and objectives

The overall aim of this project is to illuminate recent changes in the UK in terms of redistribution of societal and social risks on vulnerable groups and individuals. Starting from a wider UK perspective, we then focus on the Scottish context in order to address the distinct lack of evidence concerning the impact of macro policy initiatives and their sometimes concealed, but nonetheless profound and far-reaching, risk implications for individuals and local communities. This is achieved through six specific objectives.

- 1 Investigate the transmission mechanisms through which social risk is being redistributed on the basis of reports and other documents published by governmental, third sector and other organisations.
- 2 Determine which service changes have profound impacts on vulnerable and disadvantaged user groups within one case study Scottish local authority.
- 3 Document evidence for specific impacts on vulnerable groups/individuals most affected by service changes and other austerity measures.
- 4 Assess the totality of the risk implications for these key vulnerable groups/individuals within their personal context, considering also their social and family networks and local communities.
- 5 Identify the challenges resulting from the transmission and redistribution of risk between members of local communities, families, informal groups and individuals.
- 6 Assess evidence for successful models of negotiated risk distribution and improved resilience, and draw relevant recommendations for decision-making, policy and practice.

Methodology

This research is based on an in-depth critical literature review which covers the main risk transfer mechanisms, as well as primary data collection across three case study groups: older people, lone parents and people experiencing in-work poverty all living within Craigneuk, North Lanarkshire, in west central Scotland.

Case study group selection was primarily derived from the literature review, which identified that austerity measures have impacted more acutely on women, lone parents, people with disabilities, some groups of older women, those experiencing in-work poverty, children and young people.

Subsequent discussions with the council and community stakeholder organisations (including the local credit union, Basics food bank, Voluntary Action North Lanarkshire, Glencassels Community Development Centre, The Craigneuk Lifelong Learning Centre, Craigneuk Library and One Parent Families Scotland) identified the area of Craigneuk for more detailed analysis where these three groups were considered particularly vulnerable.

Critical literature review

Secondary sources were systematically examined to identify the key factors leading to the redistribution of societal and social risks, including recent policy initiatives in the UK, and by the Scottish government and local authorities. Key words identified from the research aims and objectives were used to search publications dated from 2010 onwards as austerity was taking hold.

Literature searches used relevant academic databases, internet search engines and direct searching of relevant government websites such as those of the Department for Work and Pensions (DWP), the House of Commons Library and the Scottish government.

A systematic content analysis synthesised existing documentary evidence for:

- social and societal risk redistribution from recent policy measures;
- existing risk transmission mechanisms allocating risk away from central government to the devolved government in Scotland and then to local councils and individuals in communities;
- attempts at social risk mitigation at various levels; and
- the cumulative impact of social and societal risk transfer on the most vulnerable groups in society.

We used the literature review to inform our subsequent primary data collection.

Primary data collection: focus groups and in-depth interviews

Facilitated snowball sampling was used to access community networks and recruit research respondents. In addition, we carried out participant observation with local community organisations, attended community meetings and held informal discussions with community members who did not fit the profile of our groups. Three focus groups were conducted, one for each of the chosen groups, followed by in-depth interviews with individuals from these groups and members of their extended networks. In total, interviews or focus groups were carried out with 26 individuals – nine lone parents, eight people experiencing in-work poverty and nine older people – to explore the issues identified from the literature review stage.

Preliminary discussions with third sector organisations and council members highlighted a perception that welfare cuts were much more significant than service cuts for the transfer of risk to individuals, their networks and communities. We focused on exploring this discord in order to understand the discrepancies between public perception and the actualities of public spending cuts.

To illustrate the key issues from both a theoretical and a practical perspective, this report is structured in such a way that it combines the findings emerging from the literature with the findings from our case study research throughout.

The case study area and the case study groups

This section introduces the key features of North Lanarkshire and Cragneuk. It defines the case study groups included in the primary data collection. Discussion in this section relates specifically to document analysis as part of the literature review stage.

North Lanarkshire

Significant levels of deprivation in North Lanarkshire are illustrated by a high proportion of benefit receipts; for example, Pension Credit 21%, Housing Benefit 33%, Council Tax Benefit 42%, Child or Working Tax Credit 41%, and Disability Living Allowance 27% (House of Commons, 2014). Life expectancy in North Lanarkshire is lower than the Scottish average at 79.1 years for women and 74.9 years for men, compared with the Scottish average of 80.8 years for women and 76.6 years for men (National Records of Scotland, 2014). There is also a high proportion of age-related benefit receipts, including State Pension 58% and Child Benefit 44%.

Official projections (National Records of Scotland, 2012-based Household Projections) show that between 2012 and 2037 North Lanarkshire, like other areas in Scotland, will experience significant growth in the proportion of older people aged 65+, the number of households headed by over 65s increasing by approximately 32,000 or 64% and those headed by the 75+ age group increasing by 18,000 or 86% (North Lanarkshire Council, 2013). Lone adult households are expected to increase by 34%, many of which will be lone parents.

The Craigneuk area

Based on the 2012 Scottish Index of Multiple Deprivation, all five datazones¹ in Craigneuk fall within the most severely deprived in Scotland (worst 5%) with one of these ranked as the ninth most deprived nationally (Scottish Government, 2012a). Relevant statistics indicate that:

- 36% of the population are income deprived; and
- 34% of the population are classed as employment deprived.

Worryingly, about 35% of the population in the area experience both income and employment deprivation.

Craigneuk is also characterised by a relatively high level of mainly council-rented properties and high levels of benefit take-up among the local population. It is likely to be directly and adversely impacted by the current welfare reform, in particular Universal Credit and Removal of the Spare Room Subsidy.²

Given the changing demographics for lone parents and older people within the North Lanarkshire area, these groups form part of the empirical research. The high levels of unemployment and income deprivation underpin the focus on in-work poverty. We next discuss in more detail the main factors leading to the increased vulnerability of these groups.

Lone parents

There is considerable diversity among lone parents in terms of gender, age, route into lone parenthood and employment status (Rowlingson and McKay, 2014). This is significant in the context of risk transfer via changes to welfare entitlements and use of services. Lone parents and their children are at particular risk of poverty (Millar, 2010; McHardy and Fife Gingerbread, 2013; McKendrick, *et al.*, 2011; Bazalgette, *et al.*, 2010), primarily because they are less likely to be in work (Dickerson and Lindley, 2008). Areas with a higher concentration of lone parents are also comparatively more deprived, with 29.4% of lone parent families in Scotland living in the 15% most deprived areas (Scottish Government, 2012a).

A relative lack of skills and educational qualifications puts lone parents at greater risk of insecure and low-paid work, which does not guarantee a route out of poverty. This can become more problematic as specialist

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support and training services for lone parents are reduced or withdrawn (House of Commons, 2014).

In 2012/13 the poverty rate for children in lone parent families in the UK where the parent worked part-time was 30%, and 22% where the parent worked full-time (Department for Work and Pensions, 2014), so for many unemployed people (including many lone parents), work is not always a route out of poverty (Goulden, 2010; McCabe, *et al.*, 2013). Of those in work, lone mothers are more likely to be employed in low-skilled, poorly paid jobs and to live in poverty than lone fathers and couple mothers (Graham and McQuaid, 2014).

In-work poverty

As noted earlier, 'in-work poverty' refers to households where at least one member is working full- or part-time, yet their income is less than 60% of the median income. In Scotland, approximately half of working-age adults in poverty were working (estimates range between 46% and 52%), which was an increase of 50,000 between 2011/12 and 2012/13. There are approximately 13% of adults in paid work in poverty, while in England the figure is even higher at 17% (Aldridge, *et al.*, 2013).

In Scotland, although the risk of in-work poverty is lower than for the UK as a whole, employment since the recession has become increasingly divided between low- and high-paying sectors (Tinson and Kenway, 2014; Tinson, *et al.*, 2014). Of this group, those aged under 25 (Hudson, *et al.*, 2012) without dependent children are at particular risk (Aldridge, *et al.*, 2013), as are women without dependent children (Hurrell, 2013), mainly due to the additional benefits and tax credits received by families with children under the age of 16. In-work poverty affects adults across the age range, but older people are less likely to be able to improve their earnings (Hurrell, 2013) due to limited employment opportunities.

Higher levels of insecurity of employment (zero-hours contracts, self-employment and flexitime) have led to greater risks in terms of managing both incomes and time (Goulden, 2010), while reductions in training and education opportunities often limit possibilities for progressing out of low-paid work (Keohane and Hupkau, 2014).

Having evolved into a significant societal issue over recent years, in-work poverty is relatively under-researched, despite growing evidence suggesting that those living with in-work poverty are on the margins of deprivation (Gordon, *et al.*, 2013).

Older people

The category of older people in this research refers to people aged 65 and over. In general, older people's incomes have been relatively protected compared with those in receipt of working-age benefits, with the proportion of pensioners living on a low income after housing costs in Scotland lower than other regions of the UK (12% compared with 15% in England and Wales, and 18% in Northern Ireland) (Department for Work and Pensions, 2012). This is attributed to low housing costs. Their incomes have continued to grow and overtook those of working-age households in 2009/10 for the first time since records began in 1961. By 2012/13, pensioner incomes were 5% higher, after being 5% lower when the recession began (Belfield, *et al.*, 2014).

Despite this positive outlook, in Scotland relative poverty before housing costs among pensioners in 2012/13 was 15%, an increase from 14% in 2011/12. Variations between pensioner poverty rates across Scotland are also apparent. For example, there are twice as many people in receipt

of guaranteed Pension Credit in North Lanarkshire (25%) compared with Scotland as a whole (Department for Work and Pensions, 2011).

While benefit levels have altered for the working-age population, pensioner couples' incomes have remained relatively steady, with those who claim all their allowances receiving 95% of the minimum income standard (Davis, *et al.*, 2014).

Overall improvements in pensioner poverty should not, however, mask the variation within this group, which impacts on the experience of poverty. The diversity of needs within this group means that this income may be insufficient for older pensioners who need more help; for example, with managing in the home, with transport or with health-related costs (Hartfree, *et al.*, 2013). Older people experiencing poverty are unable to heat their homes adequately, eat nutritiously or engage in social activities, all of which negatively impacts their health and well-being. However, this is not exclusive to some groups of older people as it applies to people of all ages who experience poverty.

In addition to measures of material deprivation, psycho-social factors also contribute to older peoples' experiences of poverty in ways perhaps more specific to age. They tend to report feeling alone, due to the lack of potentially important personal support networks. Between 6% and 13% of people aged over 65 report being lonely (Yang and Victor, 2011); this may be exacerbated later in life, with 81% of all people aged 85 and over living alone, while 55.3% of the 65–84 age group live alone (National Records of Scotland, 2011).

Pensioner households, unlike other types of household, have more limited opportunities for improving their incomes through work, and are therefore more dependent on state benefits, as well as on private savings and pensions. They are also more dependent on health and social care services and may be affected significantly by cuts to public services. For example, single female pensioners and pensioners over 75 are particularly vulnerable to such cuts, with the latter losing approximately £2,200 per annum in the value of public services (Reed and Horton, 2010).

Within the diverse group of older people, the individuals most at risk of poverty in older age are those who have experienced poverty over the life course (Glaser, *et al.*, 2009), and cannot rely on support from their networks. These older people are less able to top up their income through private pensions or savings, and are less likely to successfully seek assistance with care or welfare provision, so some may struggle in silence.

With this background in mind, the following sections will outline our key findings from the literature review and case study research. The specific focus is on social and societal risk redistribution and transfer which follow from recent changes, often compounding longer-term issues. We highlight the impacts on existing vulnerable groups, leading to the creation of further vulnerabilities and insecurities. We also outline some of the key risk mitigation measures.

2 UNDERSTANDING SOCIAL AND SOCIETAL RISKS

Departing from the predominantly technocratic approach to risk rooted in the crises literature (Toft and Reynolds, 2005, Walls, *et al.*, 2004), over recent years understanding of risk and uncertainty has expanded to include a broader interpretation of human value (Aven and Renn, 2009). According to Jaeger, *et al.* (2013) risk can be described as a ‘situation or event in which something of human value (including humans themselves) has been put at stake and where the outcome is uncertain’. As part of this approach, non-quantifiable risks have been increasingly recognised as significant factors; for example, risks linked to social issues, reputational and/or political concerns (HM Treasury, 2004).

While both social and societal risk can affect human value, there is also a subtle difference concerning their focus, with the former emphasising the need for social protection while the latter emphasises the public nature of those risks (Mckinnon, 2004). For example, the environmental literature engages predominantly with societal risk (the collective threat posed by an environmental hazard), rather than social risk. On the other hand, the social security policy literature is primarily concerned with social risks brought about by socio-economic disadvantage, poverty and/or marginalisation of groups and individuals rather than societal risk. Recognising the intrinsic link between social and societal risk, we adopt those risk definitions provided by Jaeger, *et al.* (2013) and Aven and Renn (2009).

Social risks are generally linked with experience of unemployment, increased health inequalities, an exacerbation of financial instability, reduced educational attainment, loneliness and a breakdown of support networks, both formal and informal (Navicke, 2014; Taylor-Robinson and Gosling, 2011). They have more significant differentiated impact on poor and/or marginalised individuals and groups who need further protection. Reduced provision of services such as educational support, youth services, leisure and social care, coupled with the welfare reform agenda, is particularly likely to induce and deepen poverty for many vulnerable groups and exacerbate both social and societal risks, which these groups are insufficiently equipped to handle (Haddad, 2012; Taylor-Robinson and Gosling, 2011; Lowndes and Squire, 2012; Wind-Cowie, 2013; Taylor-Gooby and Stoker, 2011).

On a broader societal level, changes to employment patterns, quality of employment and increased likelihood of low pay can have a direct or indirect impact on personal well-being and more broadly on 'human value'. Changes to employment and increased propensity of low-paid work mean that for a typical worker paid a median wage, real wages have fallen since 2008 by 8–10 per cent, leading to a noticeable fall of living standards (Blanchflower and Machin, 2014). Given that real incomes are not expected to return to their 2009/10 levels until 2018 at the earliest (Office for Budget Responsibility, 2013), an increasing number of low-income groups are exposed to significant social risks and, with increasing energy and food prices (Tinson and Kenway, 2014; Tinson, *et al.*, 2014; Taylor-Robinson, *et al.*, 2013), experience what has been termed a 'cost of living crisis' (Miliband, 2013). Low wages and insecure incomes impact on both physical and mental health. Evidence suggests that low psycho-social quality of work can lead to depression (Butterworth, *et al.*, 2011), while irregular shift work may contribute to problems with physical health (Wang, *et al.*, 2011). Low-paid and unstable work also tend to carry more occupational health and safety risks (Landsbergis, *et al.*, 2012; Underhill and Quinlan, 2011) and, taken together, contribute to increased social risk.

The governance of social and societal risks – a redistribution effect

Implicitly, the management of both social and societal risk has traditionally been at the centre of government policies and action plans: for example, through the administration of welfare and social insurance systems (Mckinnon, 2004). While concern with risk is not entirely new, heightened risk perception (Beck, 1992; Luhmann, 1993; Giddens, 1999) has been linked to unequal distribution of potential and actual risk events (in terms of both scale and consequences) (Hutter, 2011; Rothstein, *et al.*, 2006), as well as a greater public awareness of their existence.

While modern states have only recently begun to think explicitly in risk management terms, there are increased societal demands for risks to be subjected to control and management (Power, 2004; Power, 2009; Standing, 2011), leading to significant change in the accountability and transparency of the decision-making of societal actors and institutions (Bora, 2007). Risk discourse and risk strategies are increasingly used for regulatory purposes as governments are gradually devolving responsibility for risk protection (Lupton, 1999) as a part of the New Public Management (NPM) agenda.

Combining unique regulatory and executive power with significant arbitrational function, the government is arguably responsible for ensuring acceptable levels of societal and social risk to all citizens (Beamish, 2002).

This governmental agenda may have become less clear over recent years due to unprecedented global challenges, political imperatives and competing demands, a case in point being the aftermath of the financial crisis and the significant public sector deficit. If government officials at all levels adhere to their conventional response patterns, they can fail to account for and mitigate risks that are poorly understood or can potentially exacerbate their impact over a longer timescale.

Moreover, decision-making informed by 'assumed reality' and lack of understanding of social and societal risks can lead to inadequate policy responses (Smith, 2002). On a societal scale, this can result in prolonged periods of increased exposure to risks, alongside a range of negative implications for vulnerable communities, groups and individuals that are denied adequate protection.

As the UK public sector budget cuts and the welfare reform transfer responsibility for dealing with risk away from central government (Asenova, *et al.*, 2013), institutions such as regional and local governments, albeit not explicitly in charge of dealing with risk, can play an important role not only in managing risk but also in creating it and redistributing it among stakeholder groups who are able to handle those risks (Lim, 2011). A case in point in Scotland are the Community Planning Partnerships, which are tasked with the delivery of tailored local service solutions.

We next outline some key changes to the welfare state, which have affected the redistribution of social and societal risk.

Risk pooling and the changing role of the welfare state

By its original design the welfare state was based on a presumption of mutual solidarity with those requiring support in situations of adversity. It operated as a risk-pooling mechanism, similar to the one used in insurance, which transferred social risks (in cases of unemployment, ill health or financial hardship) away from the individuals and communities to larger societal groups, i.e. pools. Public bodies (including central and local government, and the NHS) play a key role in this model of risk redistribution through the provision of free or low-charge/heavily subsidised public services and/or by providing targeted financial support. This welfare model is underpinned by universal human values such as solidarity and compassion.

Widespread fiscal consolidation measures and welfare reform have caused a 'great risk shift' (Hacker, 2008) while simultaneously reducing the scope for risk-pooling (Cantillon and Van Mechelen, 2013). The ensuing inversion of previously existing solidarity-based risk transmission mechanisms (Asenova, *et al.*, 2013; Hamilton, 2014) has largely undermined some significant benefits achieved by the traditional risk-pooling system. While this process was first observed in the US, significant reversal of the risk transmission has taken place over recent years in the UK³ and other countries.

O'Hara (2014) suggests that ideology-driven austerity measures have amounted to a permanent disassembling of the welfare state while also expanding the role of the non-state for-profit sector (Taylor-Gooby, 2013). The cumulative effect of such changes affects the distribution and the intensity of social risks experienced by particular groups and individuals, potentially leading to further inequality, hardship and polarisation (Standing, 2011).

In other words, there is a shift away from the welfare state absorbing social risk through risk-pooling and shared responsibility (Ellison and Fenger, 2013) towards an increasingly personalised responsibility for managing

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life's adversities (Hamilton, 2014; Esping-Andersen, 1999) and greater individualisation of risk. The new policy discourse shifts the perception of extant poverty from a phenomenon embedded in social inequalities to a matter of personal responsibility. For example, lone parents are expected to be available to look for work, irrespective of their caring responsibilities. This will be discussed in more detail later in this chapter, in the UK welfare reform section.

Ideologically, this is not a completely new development as certain government programmes, such as increased sanctions and activation (discussed below) of benefits, continue a trend that runs through the welfare agendas of previous governments (Lister and Bennett, 2010; Prideaux, 2010). Later in the report we explore specific evidence for such risk redistribution taking place between the state, the family and individuals.

Macro- and micro-societal risk transfers

In addition to the changes to the risk-pooling welfare systems (or the macro-societal scale risk transfers), other policies and measures can also contribute to further and subtle micro-societal changes to risk distribution. These include, for example, changes to risk recategorisation and activation policies; using a more flexible structure of employment as part of general labour market restructuring; and changes to social housing policy. While not all of these policies are a direct consequence of austerity measures, they may contribute to the cumulative transfer of risk to individuals. The scope of this research does not allow for a detailed coverage of all policies that impact upon individuals and communities but we highlight some key issues.

Under New Labour (1997–2010), 'risk recategorisation' processes (Clasen and Clegg, 2011) resulted in lone parents and incapacity-related benefit claimants being recategorised as jobseekers, with a concomitant increase in conditionality (Goerne and Clegg, 2013). If they are unable to find employment or exhibit few attempts to do so, those considered as able to work may be further recategorised entirely out of the welfare system via sanctions that can extend to three years (Goerne and Clegg, 2013).

'Activation' refers to policies combining incentive reinforcement with employment assistance (Bonoli, 2011). In the UK, this refers to the integration of benefit receipt and work conditionality, including participation in Work Programmes (Clasen, 2011). In considering the welfare reform agenda, it appears that policies include tougher sanctions for claimants who fail to attend interviews or are unaccepting of employment deemed suitable by JobCentrePlus advisors.

For example, it may be argued that increased requirements to engage with the labour market through activation policies have contributed to an increase of lone parents' employment rates by 14.5% since 1997 (Office of National Statistics, 2012), leading to a reduction in the risks associated with unemployment. However, employment rates for lone mothers in the UK remain lower than for couple mothers: 59.2% of lone mothers were employed compared with 71.2% of mothers with partners in 2012 (Office of National Statistics, 2012). Employment rates also compare poorly with other OECD (Organisation for Economic Co-operation and Development) countries, with the UK having the third lowest employment rate for lone mothers (Alakeson and Cory, 2014), so the overall impact of the risk recategorisation and activation policies on employment remains unclear at this stage.

Further issues arise due to the lack of sustained living-wage employment, which often hinders possibilities for progression to better-paid work (Hurrell, 2013). Harkins and Egan (2013) identified such trends in Scotland. The

care sector is a case in point, as it offers mainly low-paid jobs with limited opportunities for progression. This was illustrated by our respondent Julie, who started working on a temporary contract in a council care home in North Lanarkshire after leaving school with no qualifications. At the time of conducting the research, her professional experience, training and qualifications had not led to an improvement in her wages or employment conditions.

There are a number of challenges facing individuals with respect to changes in housing policy unconnected to the welfare reform but connected to poverty. Social housing is a significant means through which the transfer of social risk can be mitigated (Gibb and Leishman, 2011), which contributes to achieving lower rates of after-housing-cost poverty in Scotland, compared with before-housing-cost poverty rates. This is due to the lower cost of social housing, and the certainty of tenure when compared with the private rented sector or with home ownership (when repayments prove unaffordable). It may well be due also to the comparatively greater proportion of households living in the social rented sector in Scotland (24%) when compared with England (18%) (Aldridge and Kenway, 2014). Across Scotland, 48.9% of lone parent families live in social housing (Scottish Government, 2011b) and are therefore much more likely to be impacted by changes to housing legislation and housing-related benefits.

Notwithstanding the overall expansion of home ownership since 1979 (Maclennan and O'Sullivan, 2008), in Scotland the implementation of new legislation abolished right to buy schemes, reducing access to affordable housing. Increasing pressure on housing supply in Scotland further compounds the problem. Estimates show that over the next 25 years Scotland will need substantial investment to meet growing demand and to adapt existing stock to meet future requirements (Shelter Scotland, 2014).

Despite significant expansion of various protection measures under New Labour (e.g. through the tax credit system), since 2010 some members of vulnerable groups previously supported as being 'at risk' may now either receive more limited support or they may no longer qualify for any support. Overall, the package of measures and policy changes discussed in this section combined with the uncertainties for individuals moving to the new benefits system have greatly increased people's vulnerability to social risks associated with low-paid, unstable employment (Goerne and Clegg, 2013).

Cuts to public spending at a Scottish government level

Post-2010, the UK government introduced a programme of spending cuts that reduces the funding available to the Scottish government. Having minimal taxation powers, which have not been utilised, the Scottish government is almost completely dependent upon fiscal transfers via the block grant for financing public services, many of them provided by local government (Scottish Government, 2013b). Reductions of the block grant have resulted in cutbacks of 11% in real terms (the same as across the UK as a whole) between 2011/12 and 2014/15, together with a 36% cut in capital budget and public sector pension provision (Scottish Government, 2011a). For councils (excluding schools, police and fire) real spending will fall by 29% on average (Audit Scotland, June 2014). By 2015 the scale of these cuts will be even greater in deprived authorities, which are proportionately more grant-dependent (Hastings, *et al.*, 2013).

Scottish budget reductions occur simultaneously with demographic and social changes that increase demand for public services (Callan, *et*

al., 2011; Christie, 2011; Scottish Government, 2012b; House of Lords, 2013). Growing demand for health and social care while budgets per head across the UK are cut, combined with the relative protection of the NHS, mean even bigger cuts to other budgets, especially for local government (Johnstone, 2013).

In the area of higher and further education, the Scottish government has opted for keeping university tuition fee free, while reducing higher education maintenance grants and the number of college places available. To meet living costs, more students have taken out loans with higher-interest rates. Student debt in Scotland has subsequently risen by 58% to £436m for 2013/14 (Student Loans Company, 2014), more sharply than in other parts of the UK.

Depending on how the cuts will be administered, this can potentially jeopardise the principle of universality in Scottish public services (Christie, 2011), which may be problematic for those unable to make alternative provisions.

Thus, the transfer of risk from the UK to the Scottish government via unprecedented spending cuts may limit the capacity of the Scottish government to manage economic, social and political macro risks that are often mitigated by specific policy measures and financial support at a national level.

Cuts to public spending at a local authority level

The reductions to Scottish government funding has had a knock-on effect on local authority budgeting. While pressure on resources in local government(s) and balancing competing priorities are not new (Audit Scotland, June 2014), such decisions are becoming increasingly difficult against a backdrop of further savings and staff reductions.

In addition to government grants, the most significant source of income for local authorities is the Council Tax. However, the ability of local authorities to generate revenue through this stream has been severely curtailed since Council Tax levels were frozen in 2007 by the Scottish government (Christie, 2011). This makes it very difficult for Scottish councils to manage austerity other than by means of immediate reductions in their expenditures on employee and operating costs and/or increased charges commensurate with the speed and scale of cuts in their grants.

Cuts to budgets that go beyond the drive for efficiency savings are leading to significant service reconfiguration including service reduction, closure and transfer to other providers (Asenova, *et al.*, 2013). In most cases, Scottish local authorities tend to be cutting discretionary (preventative) rather than statutory (core) services (Asenova, *et al.*, 2013; Asenova and Stein, 2014) while trying to protect essential services and front-line staff.

The largest cuts anticipated to start from 2016 onwards (Whittaker, 2013; Scottish Government, 2014d) will have multiple implications for both service providers and service users. At a community level, this will affect large numbers of people – mainly those in poverty and in receipt of benefits (Haddad, 2012; Taylor-Robinson and Gosling, 2011; Lowndes and Squire, 2012; Taylor-Gooby and Stoker, 2011).

From a longer-term perspective, immediate cost savings (cuts to discretionary services) may ultimately lead to higher costs if these cuts inadvertently exacerbate social inequality and increase negative outcomes for individuals, affecting future employment opportunities and the demand for public services such as policing, health and education.

Impact on case study groups

Our case study groups – lone parent families and families with children in general – are disproportionately higher users of services which are being cut, such as school care, further education and social care services (TUC, 2012). Changes to health and social care may require older people to be more actively engaged in commissioning their own care, while reduced funding for care services may impact negatively upon their physical and mental well-being (Robertson, 2011; Moffat, *et al.*, 2012). Although people spoke about the effects of cuts to services, perhaps it was a lesser concern at the time than the effects of welfare cuts. In addition, our respondents were not always able to pinpoint the time when they noticed the effect of service changes.

For our respondents across all case study groups, recent (and some longer-term) changes to childcare, transport and housing have had a tangible impact. Apart from that, our respondents were concerned about long-term changes to health services limiting access to such services. They also reported being unable to arrange appointments to fit in around changing work patterns. There is a continuing issue with the provision of flexible and affordable childcare. For families experiencing in-work poverty, childcare provision remains an important barrier to improving incomes, whether through increasing hours, engaging in training or taking up different employment (McHardy and Fife Gingerbread, 2013).

Lone parents on low incomes often rely on public transport (McQuaid, 2009) for maintaining gainful employment. For example, our respondent Mary regularly arrived at work late after dropping off her son at school, while another respondent Siobhan had to turn down work because she could not access childcare that would enable her to travel some distance for employment in a call centre. This lack of suitable public transport is often not taken into consideration by benefits advisors when requiring lone parent claimants to accept work, leaving Siobhan with the only option of not telling her advisors she had been offered the post. Even where transport is available, the costs can make it prohibitive for those on low wages, as one respondent noted: 'Some days I had to walk home because I had no money for bus fare.'

There was also a sense that the way the local bus service operated was not conducive to the service needs of some older people and their changing circumstances: '... a lot of people wouldn't be able to walk that distance, and it's isolating, a lot of the elderly people can't get out'.

Other respondents described public transport services as infrequent and inaccessible, which has a particular impact on older people's engagement with the wider community. The key issues were access to and availability of public services rather than service changes.

According to our respondents, some health and well-being services that run in the local area were not particularly suited to the older population of the local community. By contrast, they noted that the churches in the area are an important source of support for local people and a way of engaging with the community. Looking beyond their particular needs, older people were also concerned that leisure services for young people had been in long-term decline, and that recent initiatives may not last. While there were local services and initiatives for both older and young people, respondents found them generally unsatisfactory, or were sceptical of their short-term nature.

Furthermore, a concern was raised regarding the funding of the local community centre, which was used frequently by our respondent groups. In 2015 there will be a change to the way that funding is allocated (to a points-

based system) and this had created uncertainty around whether this centre would receive the same level of funding as in previous years.

To summarise, local authorities in Scotland are at the interface where risk is transferred directly to individuals and communities. They have the dual role of implementing austerity measures while also being in charge of risk mitigation programmes and initiatives. We have also discussed the views of representatives from our case study groups on transport, community facilities and older people's housing. We will return to the issue of childcare in Chapter 3. The following section focuses on the UK welfare reform, which is the second significant channel for transfer of risk.

The UK welfare reform

The Welfare Reform Act 2012 (UK Government, 2012) introduced a number of changes to the tax and benefits system, mainly reducing entitlements and/or benefits. While welfare legislation is not currently devolved, the Scottish government is responsible for the implementation of this welfare reform. According to its estimates, in 2015/16 the cuts from welfare spending in Scotland will be just under £2.5 billion, while their cumulative impact over the six years from 2010/11 to 2015/16 could amount to £6 billion (Scottish Government, 2014d).

Table 1 summarises some of the key measures of the UK welfare reforms that will take place predominantly from 2014 onwards.

We will consider now our case study groups. Lone parents are particularly affected by the intersection of risk recategorisation and activation policies with childcare provisions. The combined impact of these factors creates increased risks of unemployment and sanctions for lone parents whose youngest child is over 5, as those claiming Income Support must now transfer to Jobseeker's Allowance and actively seek work, without coordinated support for childcare. At the same time, the new system arguably provides less support and encouragement for training and improving skills (Goerne and Clegg, 2013).

For lone parents in Scotland whose children are aged five and are born between March and July, the switch to Jobseeker's Allowance can be particularly challenging and complex as they are required to undertake jobseeking activities when their child is not yet in school. Despite some increase in employment rates for lone parents (Office of National Statistics, 2012) it is hardly surprising that there is not a substantial movement into work once a lone parent's youngest child has reached the age of 5 years (Brewer, *et al.*, 2010; Haux, 2010), which may be due to a lack of flexible jobs to fit around caring responsibilities or a lack of affordable and flexible childcare (Gingerbread, 2012).

Currently, lone parents with children aged under 13 years can limit their availability for work to fit with school hours, including travel time. They are officially protected from being sanctioned if they are unable to find childcare to enable them to take up a certain job. However, there are multiple examples of lone parents being sanctioned in direct contravention of these rules (One Parent Families Scotland, 2013), and a number of our respondents told us of situations where lone parents had been required by Job Centre staff to take on such employment, including night shifts. Worryingly, there are no comparable provisions to protect lone parents under the proposed Universal Credit Regulations (One Parent Families Scotland, 2013).

Table 1: Summary of welfare reform measures

Welfare reform measure	Main changes
Universal Credit	<ul style="list-style-type: none"> • This replaces a range of existing benefits and tax credits, including Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit and Working Tax Credit. • It is a basic allowance for adults with additions for children, disability, housing costs and caring. • It is assessed and paid on a household basis. • It aims to streamline claiming and be more responsive to people's changing income and employment circumstances. • It aims to ensure people receive all benefits for which they are eligible. • The benefit system should have switched to Universal Credit in October 2013; however, its roll-out has been significantly delayed. Recent announcements indicate that it will be fully rolled out by 2017.
Child Benefit	<ul style="list-style-type: none"> • From 2013 it is no longer a universal benefit. • Rates were frozen from 2011/12. • Under the new approach, families where one parent earns between £50,000 and £60,000 (including fringe benefits) will have their benefit reduced on a sliding scale, and will lose the benefit entirely when earning over £60,000. • The tax will be collected via self-assessment, indicating a level of trust in higher-paid recipients not extended to benefit claimants at the poorer end of the income scale.
Working Tax Credits	<ul style="list-style-type: none"> • From April 2012, changes to the way tax credits were assessed came into effect, so that the withdrawal of credits becomes faster as income rises. • The Working Tax Credit is no longer available for people aged 50+, or working under 30 hours, unless they qualify under a different 16-hour route because they are a single parent, claim the disability element or are over 60. • Eligible working hours for couples with children have been increased, and most couples must now work at least 24 hours a week between them (with one working at least 16 hours) to qualify. • The rates were frozen for couples and lone parents.
Pensions	<ul style="list-style-type: none"> • Because Housing Benefit is being abolished, Pension Credit will change to include a new housing credit providing help towards rent. It is expected that this will come in for new claimants from 2017 onwards. Those already receiving Housing Benefit will be transferred to the new Pension Credit system. • Pension Credit will include additional amounts for those with dependent children. This change will happen between October 2015 and 2017. • There may be a new savings limit for Pension Credit. There is currently no savings limit, but if one is introduced it will be over £16,000. • The savings credit element will be abolished from 2016 for new claimants. • The administration of Pension Credit was modified, with the pension service taking over the assessment of Housing Benefit for people of Pension Credit age. • At present, where one member of a couple is under and the other is over the qualifying age for Pension Credit, the older partner can claim for both. In future, the younger partner will have to claim Universal Credit for both, which may be paid at a lower rate than Pension Credit, until they also reach the qualifying age. • Pensions are protected by the 'triple lock': the state pension goes up by whichever is highest – inflation, wages or 2.5%. • Auto-enrolment into workplace pension schemes was phased in from October 2012.
Disability Living Allowance	<ul style="list-style-type: none"> • From April 2013 Disability Living Allowance was replaced for claimants between the ages of 16 and pension age with a new benefit called Personal Independence Payment. • This involved the introduction of revised assessment criteria to decide who is eligible.
Council Tax Benefit	<ul style="list-style-type: none"> • From April 2013 Council Tax Benefit was abolished. Councils are now responsible for local Council Tax Support schemes. • In Scotland and Wales, national Council Tax Reduction Schemes have been maintained, but the funding by central government for this was devolved with a 10% reduction. Funding in England has also been reduced by 10%.

Welfare reform measure	Main changes
Local Housing Allowance	<ul style="list-style-type: none"> From 1 January 2012 most claimants under the age of 35 and living in private accommodation can only receive Local Housing Allowance at the lower shared accommodation rate.
Removal of the Spare Room Subsidy	<ul style="list-style-type: none"> In April 2013 the removal of the Spare Room Subsidy (or bedroom tax) was introduced in the social rented sector. Restrictions apply to the amount of Housing Benefit council and housing association tenants can claim while living in houses larger than they need.
Benefits cap	<ul style="list-style-type: none"> From April 2013 an individual benefits cap was introduced, which means that the total amount of income from benefits a working-age household can receive is limited. A single person can receive up to £350 per week and a couple or a lone parent can receive up to £500. Uprating for the majority of working-age benefits has been capped at 1%, rather than keeping pace with inflation.

A number of general changes to the welfare system related to unemployment and poverty, while not targeted at lone parents, may prove difficult for this group. The increased activation and conditionality, the removal of the Spare Room Subsidy, the switch to monthly benefit payments, the requirement to apply online and the cuts to childcare provision (in particular pre-school and after-school care), as well as the freezing of Child Benefit levels in April 2011 (Farthing, 2013), are all more likely to impact negatively on many lone parents.

Increased risk transfer to those experiencing in-work poverty may result from the further conditionality of the welfare system and requirements to seek more hours or higher-paying work, regardless of individual circumstances. Similar to lone parents, inflexible local authority childcare provision (faced by our respondents) will mean that those working unsocial hours (or hours outside of the school day) will have to find alternatives, such as more costly private nursery provision.

Tax credits are used to support low-income working families with insufficient incomes (Gregg, *et al.*, 2012), with the current level of tax credits for Great Britain amounting to £28.8 billion (Browne and Hood, 2012). Notwithstanding the higher level of benefit spending in Scotland (Phillips, 2013), literature suggests that such support is insufficient and that the reformed welfare system will not protect individuals from the risks associated with long-term changes to the labour market and an increased cost of living (Harkins and Egan, 2013; Ray, *et al.*, 2014).

Older people have been relatively protected from welfare reform (Browne, *et al.*, 2013; Bushe, *et al.*, 2013). Current pensioners have been protected via the 'triple lock',⁴ while the state pension age has been increased with the Pensions Act 2011, and further increases are planned (Age UK, n.d.).

The overall cap to the welfare budget, approved by parliament in March 2014, will limit the total amount that future governments can spend on welfare (to £119.5 billion in 2015/16 with a forecast margin of error £2.4 billion, rising to £126.7 billion by 2018/19 with a forecast margin of error £2.5bn) (UK Government, 2012). Benefit uprating for individuals and families has been limited to 1 per cent a year, which currently means a 4 per cent cut in real terms (UK Government, 2013). Despite some exceptions (such as pensions and the Disability Living Allowance), the inclusion of in-work benefits means that working and workless families will be worse off.

While different groups across the UK will be affected in a different ways, welfare reform will impact most acutely directly on women, those with disabilities, children and young people, lone parents and those experiencing in-work poverty (Asenova, *et al.*, 2013).

In addition to financial instability, the combination of uncertainty about timescales for moving on to Universal Credit and changes brought about through its implementation, including requirements to claim online and the move to monthly single household payments, have added to the challenges, creating anxiety among some welfare claimants (McHardy and Fife Gingerbread, 2013). Considerably reduced service budgets and staff cuts at the DWP also present indirect risk for the provision of benefits and support (Bennett and Clegg, 2013).

The shifting of tax credits from HM Treasury to the DWP will restrict tax credits through two new measures, the already mentioned total welfare budget cap and the benefit cap for individual households introduced in the last budget (Rhodes and McInnes, 2014). Child Tax Credit will be included in the benefit cap amount, currently set at £500 a week for families with children. The minimum hours worked to be eligible for Working Tax Credit have also been increased from 16 hours to 24 hours for a couple.

Table 1 makes it clear that the trajectory of the changes to be introduced through Universal Credit is mostly towards future restrictions of the scale of benefit entitlements, while increased conditionality may reduce the number of recipients.

Impact on case study groups

North Lanarkshire Council expects that local residents will be adversely affected by measures such as the removal of the Spare Room Subsidy. Tenants with one spare bedroom would have to find on average £32 per month and tenants with two or more spare bedrooms £60 per month from already low and fixed incomes (House of Commons, 2013). Without appropriate support, currently manageable debts could become problem debts and many people could lose control of their budgets. The cumulative financial impact of these changes on tenant income at a time of sharply rising food and domestic fuel prices could lead to an increase in rent arrears and evictions.

Furthermore, respondents in Craigneuk referred to the direct link between reductions in financial support through benefits and reduced financial capabilities to cope with some life-changing events such as moving home. For example, our respondent Siobhan had problems with antisocial neighbours and applied for a housing transfer to another area of Craigneuk. Although pleased to be able to move, she faced some daunting costs, she explained:

I got a Social Fund loan, £900, but I had to pay that back at like £18 once a week but that only paid for the carpets and the removal van ... The week I moved, I actually won money [on the lottery] on the Wednesday and again on Saturday. So I was like, 'Ah, okay. We're all right; we're sorted.'

Despite availability of social housing, the costs of moving and furnishing a rented property could have resulted in an unaffordable debt for Siobhan.

The cumulative effects of the reforms are only partially detectable now. Further changes yet to come will be compounded by falling real incomes, public service cuts, rising cost of living, inflation and relatively weak labour markets, all contributing to significant exacerbation of vulnerabilities (such as in-work poverty).

We next consider the specific impact of societal risk transfer on individuals and community members representing our case study groups.

The cumulative effects of the reforms are only partially detectable now. Further changes yet to come will be compounded by falling real incomes, public service cuts, rising cost of living, inflation and relatively weak labour markets, all contributing to significant exacerbation of vulnerabilities (such as in-work poverty).

3 EVIDENCE FOR CUMULATIVE IMPACT ON PARTICULAR GROUPS AND INDIVIDUALS IN CRAIGNEUK

Our research suggests that the limited support for lone parents experiencing risk recategorisation (from Income Support to Jobseeker's Allowance) and an increase in activation appears random and insufficient. While Work Programme providers are supposed to ensure specialist employment support, this may not be always the case.

Our respondent Siobhan had been moved on to a Work Programme that did not provide such support. When asked how the decision was made, she explained:

Oh, it's a lucky mark ... you go onto the computer and the computer decides. Lone parents should all be sent to Routes to Work but they're not.

Similarly, other respondents commented that having flexible childcare in place was important for being able to take up employment, particularly when moving to Jobseeker's Allowance. Some respondents found nursery provision inflexible and often unaffordable, so relying on family members, particularly those retired (or not working), was a common strategy. This may potentially be a burden for these family members or may limit their take-up of employment.

One respondent, Mary, left school at 16 with no qualifications. She found a secure clerical job in a factory, which she was unable to keep after giving birth to her son. When her son was 2 years old Mary returned to work, but she was unable to manage childcare around the school day and during school holidays. Her parents, who helped her with childcare, were getting older and suffered from ill health. Not being able to rely on their help, Mary had to leave her preferred job and take work in a school, first as an administrator and later as a classroom assistant. With reduced pay and working hours, Mary struggled financially:

I've never been so much a financial cripple my whole entire life. If you are going to get people to go back to work, I think the priority that you're going to have to do is make sure it's financially feasible for these people to go back to work.

A number of other respondents spoke about how they had had to leave work or turn down work because of their child caring responsibilities. They all had experienced financial and psychological difficulties as a result (several of them reported suffering from depression), but felt trapped as they had no other choice. According to one lone mother:

I really enjoyed working in that sector. It was the meeting and greeting people ... sometimes it was not like a job ... it was a social aspect as well as a job. But because of my daughter, the hours were just not suitable, going back to pubs and clubs and stuff like that, just isn't viable.

Some respondents were unable or unwilling to call on their personal networks for help with childcare.

All unemployed lone parent respondents were keen to get back into work; however, they struggled to combine work with their caring responsibilities, or as one respondent put it:

I've wanted to be in work anyway. For me the issue was finding the right job, finding the right hours.

Without adequate support to address the sometimes complex needs (including domestic violence, alcohol and substance abuse and depression), combining decent work with caring responsibilities was very challenging for a large proportion of our lone parent respondents. There are long-term effects of not working, or working part-time, for the individuals concerned; therefore, these risks may have a continuing impact long after the early childhood of their children.

In-work poverty

Welfare reforms impact on people in low-paid work in a variety of ways, but mainly through changes to tax credits, the potential reduction in support for the self-employed and changes to passported benefits⁵ associated with the move on to Universal Credit.⁶ One of our respondents, Julie, was concerned about her tax credit claims. Having fixed working hours, which do not reach the minimum required, she was anxious about a possible significant reduction in her family income:

Without adequate support to address the sometimes complex needs (including domestic violence, alcohol and substance abuse and depression), combining decent work with caring responsibilities was very challenging.

They couldn't guarantee me the 16 hours because they had other staff and I was only on set hours. I was working and studying ... I got Child Tax Credit but I didn't get Working Tax Credit.

Similarly, Mary, who has a low-paid job as a teaching assistant, commented on the importance of tax credits:

If you don't get a tax credit ... I couldn't have lived ... If there were no tax credits, I wouldn't have been working.

Access to passported benefits can be particularly important for families on a low income who are raising school-age children, as they can provide access to free school meals and help with uniforms and transport. Such passported benefits vary from council to council, and our respondents noted the difference between existing provisions in neighbouring areas:

If my wages were that wee bit better, I wouldn't be struggling as much ... Because my son's £5 a day for school. It's £100 for his lunch and his bus fares. I don't get any help at all. I get nothing, never get help with his uniform, his meals, nothing. You get nothing extra, nothing at all.

There was a sense of frustration with the hardship and the lack of adequate support, as some respondents felt trapped in low-paid work.

Access to passported benefits can be particularly important for families on a low income who are raising school-age children, as they can provide access to free school meals and help with uniforms and transport.

Older people

In line with extant literature (Browne, *et al.*, 2013; Bushe, *et al.*, 2013), our findings confirm that older people have been relatively protected from welfare reform. Focus-group respondents found it difficult to identify any adverse impact as a direct consequence of the welfare reform. Yet, issues were raised regarding concessionary support in relation to access to travel and Attendance Allowance.

Personal care remains free in Scotland (unlike in the other devolved UK administrations) for those who meet the requirements of a needs assessment. However, some of our respondents felt that they had unmet needs due to their personal circumstances and health conditions. At the same time, older people not claiming benefits, including Attendance Allowance, is a long-standing issue.

One of our respondents, Theresa, noted that while she was entitled to Attendance Allowance, she had been in receipt of this only for the last couple of months as she did not make claims:

I didn't ask for anything ... the physiotherapist gave me a stick because I did fall a couple times ... I fell onto the bus and I fell up the stairs. In fact I got a stitch in my head.

In contrast, Teresa's husband John applied for Attendance Allowance three times and was refused on three occasions, which he thought was unfair and unjustified:

I told them I wasn't fit with the hip. I've only one kidney, I lost it 20 years ago. I've got sciatica, arthritis through my legs and all that. I worked on building sites for nearly 50 years, where you get wet all the time so eventually, they told me my spine got arthritis, but they seem

to think you're all right ... I was 73 at the time and they turned me down ... this gets you down ... it's wrong. Why do you work all your life and go through all them years of worry and hard times?

With his daughter's involvement, John sought advice from the Citizen's Advice Bureau to successfully challenge the decision. Unfortunately, this was not enough as after one year he was reassessed and his claim was turned down. This illustrates how unpredictable applications for Attendance Allowance can be, particularly given the subsequent withdrawal of support. John's example highlights that assessments are considered stressful by older people, and those carrying out the assessment can be felt to have a lack of understanding of the medical conditions of those applying.

Older people have generally low, albeit stable, incomes and may be unable to use their own funds to improve their housing. Our respondents Theresa and John, both of them with mobility issues, were unhappy about the renovation of their kitchen and bathroom by the council as these renovations did not fit their needs. Other respondents noted that support for renovation is not always available to all older people, despite considerable costs.

Our discussions with older people highlighted real intergenerational support, as they often provided childcare and other support to family members. Thus, they helped absorb social risks faced by members of their networks.

To summarise, our respondents across the case study groups reported financial and psychological difficulties, insufficient childcare provision, unmet needs and concerns about the stability of their family income. This is in line with evidence suggesting that since 2012/13, poverty and inequality have increased in Scotland among groups of pensioners, working-age adults, children and those living in working households (Scottish Government, 2014c).

4 ATTEMPTS AT MITIGATING SOCIAL AND SOCIETAL RISKS

The UK and devolved governments' mitigation attempts have predominantly centred on reworking elements of the benefit reform and providing temporary financial top-ups to cover some immediate costs of certain benefit changes (Wilson, *et al.*, 2013). Compared to the comprehensive and sometimes long-term nature of the risk transfer policies away from government institutions, these mitigation efforts have appeared piecemeal, short-term and largely inadequate in protecting affected groups in a sustainable way.

In our analysis of risk mitigation policies, we recognise that being part of a sensitive policy context, risk transfer, mitigation and governance have political underpinnings, which are beyond the scope of this research.

UK government risk mitigation measures

After the abolition of the discretionary Social Fund, in April 2013, the UK government introduced mitigation schemes. Responsibility for their implementation was devolved to local councils and devolved administrations, which have the option to implement them or not. Perhaps problematically, levels of uptake of specific schemes have been relatively low, which reduces the effectiveness of such mitigation efforts (Butler, *et al.*, 2014).

For example, an advance of benefits facility, administered nationally by JobCentrePlus for the DWP, has been introduced (Kennedy, 2013) to replace Budgeting Loans, Crisis Loans and interim payments. The advance payments are made to claimants with immediate needs while they are

awaiting a benefit award. However, this facility has left many individuals without any financial support for significant periods of time (Scottish Government, 2014f).

Scottish government risk mitigation measures

In Scotland, the focus is mainly on the provision of financial support for communities experiencing the direct impact of welfare reform and also on encouraging existing joint working agreements and community partnership planning (Scottish Government, 2014a) as a means for better service provision.

The Scottish Welfare Fund (£114 million) was specifically designed to replace elements of the UK-wide Social Fund (community grants/crisis loans), which was devolved with a 10 per cent cut and then topped up by the Scottish government. A £69 million Council Tax reduction scheme was also introduced to support those experiencing hardship due to the abolition of the Council Tax Benefit.

Discretionary housing payments were introduced as a 'top-up' for those disadvantaged by the removal of the Spare Room Subsidy. The Scottish Government made available sufficient funds to fully offset the removal of the Spare Room Subsidy if those affected claim support. Local support service pilots were also carried out to financially support digital inclusion and welfare rights advice in four pilot areas in Scotland (Scottish Government, 2014a; Scottish Government, 2014e).

The mitigation effect of some of these measures has been hampered by low uptake. For example, the Scottish Welfare Fund had a low uptake due to a lack of awareness among both service providers and potential applicants, as well as hesitation on the part of service providers when making discretionary decisions (Sosenko, *et al.*, 2014). Uptake eventually improved only after an extensive marketing campaign to inform potential recipients and a broadening of the eligibility criteria (Scottish Government, 2014e), but it remains unclear whether and to what extent these mitigation attempts have been successful in reaching the target groups.

In North Lanarkshire Council, the local welfare rights team has undertaken significant outreach activities to inform residents about discretionary housing payments. Again, take-up of these payments had been lower than expected and council employees expressed frustration that they could not engage people. It seems that local people were still unclear about the implications of the Spare Room Subsidy removal on a personal and household level, which has added to the overall sense of uncertainty and confusion surrounding the changes to the welfare system and what they mean for them and their families. One of our respondents believed that she had made timely changes to her housing arrangements:

Thank God I'm out because I was in a three bedroom house, so I would have been hit with the bedroom tax so when I moved, I moved to a two bedroom house so I missed that altogether.

Another resident noted that she had been particularly worried by the removal of the Spare Room Subsidy but unwilling to move out as she and her husband both suffer from ill health. Using her connections with the local council, she found out that help was available through discretionary housing payments and was very relieved. She then set about telling members of the community about the payments and advising them how to claim.

The Scottish government recognises that the most profound and widespread impact on incomes will come from two measures; firstly, the capping of uprating of working-age benefits and tax credits at 1 per cent from April 2014 (Scottish Government, 2014e); secondly, the proposal by the Chancellor to freeze in-work benefits for two years from 2016 (BBC News, 2014b). Against the backdrop of these measures, the focus on topping up particular schemes is insufficient as it does not address these cuts.

Moreover, policies aiming to reduce the impact on selected vulnerable groups can lead to other groups being inadequately protected. If decisions are not based on a comprehensive impact analysis, they cannot ensure all vulnerable groups are adequately protected from the cumulative impact of reforms.

Many of the mitigation measures managed by the Scottish government depend for their implementation upon the proactive contribution of local authorities and the initiative of recipients who need to understand the changes, then go through the required application process and might still be turned down.

Most local authorities in Scotland have focused on providing income maximisation advice in order to ensure people receive their full benefit entitlements and make them aware of all discretionary funds available (Bennett and Clegg, 2013). For example, North Lanarkshire Council has hosted a number of 'Equality Street' events as part of their outreach work, bringing together advice and information on entitlement in the local area (North Lanarkshire Council, 2014).

Clearly, the massive scale and the cumulative effect of the austerity measures and budget cuts can be only partially offset by the mitigation measures, which are rather fragmented and limited in scale, while also not targeted at the key cuts. There is also apparent misalignment between risk transfer and risk mitigation. Such mitigation measures do not aim to change the direction of travel, which is towards capping and reducing virtually all forms of support expenditure.

Examples of local risk mitigation practices

As a part of our research, we aimed to identify innovative initiatives which have the potential to make a positive change for vulnerable groups by introducing new ways of working and addressing interconnected social risks in a more holistic and joined-up way. They reflect a policy shift towards focusing on the needs of the population at a particular location, while bringing together local actors to approach local problems collectively and eliminate service overlaps. Focusing first on North Lanarkshire Council, we will outline below the Action for Craigneuk initiative and the Action Lone Parents project, as well as Craigneuk Community Council, before considering some third sector initiatives.

Action for Craigneuk initiative

The 2012 Scottish Index of Multiple Deprivation identified one part of Craigneuk as the ninth most deprived area in Scotland. This reflected long-term challenges such as high levels of unemployment, drug and alcohol dependence, health inequalities and crime. Responding to these challenges, in 2013 the North Lanarkshire Partnership introduced the Action for Craigneuk initiative (North Lanarkshire Partnership, 2014; North Lanarkshire Council, n.d.), which aims to place the community at the heart of the process of finding partnership solutions to the challenges faced.

A Total Place approach is adopted (HM Treasury, 2010; Office for Public Management, 2009), which focused on the key principles of inter-agency collaboration and establishing relationships of trust between all participating organisations (Office for Public Management, 2009; Duffy, 2012). In North Lanarkshire as a part of this initiative, a local group of managers from all partners was established, to facilitate partnership working and community involvement and to ensure that all key stakeholders were involved (North Lanarkshire Council, n.d.). This group has taken the lead in bringing together different departments within the council and external agencies such as the NHS, the police and third sector partners. Community consultation and engagement with third sector partners (North Lanarkshire Partnership, 2014) resulted in drafting specific actions for regeneration and improved environmental services, housing, social work, learning, leisure and health care.

Unlike previous investment initiatives in Craigneuk, which have done little to improve long-standing social issues and individual life outcomes for its residents, Action for Craigneuk takes a different approach, which aims to shift the power from local government to communities. The council started the process by putting in place a participatory budget, and local residents were asked to select (vote on) projects they would like to take forward. As a result, £90,000 has been allocated to projects developing a local playground, running a Forest School for local young people, improving street lighting and traffic calming measures. These are highly visible ways that demonstrate openness and awareness of community priorities.

The Partnership seeks to mitigate simultaneously both the long-standing and the new, austerity-driven social risks faced by Craigneuk residents. The key priorities which make up the Action for Craigneuk initiative aim to deal with the main areas of risk transfer, which we identified earlier as service cuts, welfare changes and the wider socio-economic context. The success of these initiatives depends upon the extent to which the relationship between public service providers and communities can be redefined to improve responsiveness to local needs, as well as better coordinating the local services which are provided by North Lanarkshire Council and the third sector.

The Action Lone Parents project

Some of our respondents were aware of the Action Lone Parents project, a six-month skills-based pre-vocational employment training programme, which aims to improve employability prospects through access to personal development programmes, training and/or access to education. Funded by the Big Lottery Fund, the project brings together a number of third sector partners in North Lanarkshire including North Lanarkshire's Working Circle, Voluntary Action North Lanarkshire, One Parent Families Scotland and Greater Easterhouse Money Advice Project Scotland Ltd.

Routes to Work is a local provider of the Work Programme and is responsible for the coordination of activities. In addition to support provided through the Work Programme, it organises Action Lone Parents. Referrals to this training programme are made through other voluntary organisations working in the area. There is also support in identifying job-seeking resources, assistance in accessing childcare and discretionary funding, as well as personalised money advice. Additional services including emotional and practical support are available for lone parents with more complex needs (such as substance misuse). Those who have completed the training then act as mentors to other local lone parents, thus expanding the scope of the project. Some of our respondents felt that being involved with this project had helped them in psychological terms.

One said:

That's made a big, big difference to me. At Christmas, I just recently split up with my ex, I was going down the way, I was hitting the drink and then Siobhan dragged me onto this and we started courses and that, together.

Another respondent was also very positive:

Last year I had like two bereavements, one in January, one in August and then I lost my job in November, due to childcare, and as I say, I was going down the way. When the folk came here ... I actually felt like a different person now instead of going down the way because it gives you a whole different outlook on life.

While both Action for Craigneuk and the Action Lone Parents project are at early stages of development and it is difficult to gauge their impact, the joint inter-organisational working combined with community empowerment actions create good conditions for understanding and mitigating social risks.

Craigneuk Community Council

Craigneuk Community Council was established by local people in November 2010 in response to the closure of a local primary school. The Community Council has since developed into an effective intermediary between local residents and North Lanarkshire Council, as well as the local police and fire services. It acts as an important source of information for local people concerning council services. Initially, the Community Council focused on resolving housing repairs, dealing with social services and anti-social behaviour. However, members have more recently begun to help local residents with a wider range of issues, including North Lanarkshire Council's response to welfare reform and austerity policies in general. Thus, members of the Community Council have worked together with the Action for Craigneuk initiative (outlined above) to develop capacity to represent the community at meetings with third sector organisations. They have sought to inform local residents about available services, and to encourage third sector organisations to better coordinate their work in the area. This ensures that the voice of local people can be heard in decision-making.

Other initiatives

SURF (Scottish Urban Regeneration Forum) in their project 'Reality, resources, resilience', supported by the Joseph Rowntree Foundation (Milne and Rankine, 2013), found a number of positive and innovative examples of actions taken at a local level in other parts of Scotland. It successfully linked creative ideas, community participation and local assets to minimise damage being inflicted on two already disadvantaged communities – Govan in Glasgow and Kirkcaldy in Fife. The report highlighted the work of the third sector organisation GalGael, which draws on the shipbuilding history of Govan to raise self-esteem and build confidence through engaging the long-term unemployed in a social enterprise. In Kirkcaldy, the Templehall Dads group engages unemployed young fathers in the creation and maintenance of community gardens, to increase their self-belief and support their progression into formal training, further education and employment.

These examples illustrate that mobilising a range of actors in various socially oriented initiatives can make a difference. What they have in

Joint inter-organisational working combined with community empowerment actions create good conditions for understanding and mitigating social risks.

common is the beginnings of cooperative relationships between local authorities and other partners in order to support communities to make the best use of their assets in more creative ways for the mitigation of social issues faced by those communities.

Coping mechanisms and informal support networks for risk mitigation

In order to mitigate their increased exposure to social risk, many individuals and communities have to rely on their own coping mechanisms, including their families and/or close support networks. Inevitably, the ability to cope with risk events will depend to a large degree on individual circumstances.

Uncertainty about shift patterns and income also mean that many in low-paid work are less able to participate in and/or organise other aspects of their lives, such as caring responsibilities, even though they may often be in low-paid work (in part) because of these responsibilities (Khan, *et al.*, 2014).

Our primary data confirms the role of individual support networks and local communities in coping with risk. Lone parents who are often on very tight budgets can find it particularly difficult to cope with changes to their financial circumstances and rely on childcare from their relatives.

All our respondents talked about the difficulties of managing on a low income. For those of working age, juggling various kinds of debt with their income from benefits, and occasional paid work, was very stressful. There are many ways our respondents sought to mitigate these risks, such as taking on additional jobs, obtaining help from members of personal networks, community groups, etc., finding low-cost housing, using credit and sometimes returning to education. They felt that service changes are failing them in difficult circumstances, and expected welfare reform to further increase uncertainty.

In our case study area we found evidence of older people taking a proactive role in risk mitigation in the community. This ranges from providing childcare for their own families to supporting youth work services, and community organisations such as the Community Council and Credit Union. Grandparents, regardless of their age, often provide free childcare. Their help is essential, particularly in cases where the parents work flexible hours. Thus, our respondent Julie often relies on her father, who is 81, to look after her two children when her and her husband's shift patterns overlap:

My dad, I've seen maybe if my husband's been nightshift and I'm working the days, so maybe my dad will come up for me going out to work the morning, just to make sure the kids are up, washed, dressed, had breakfast and see them out to school.

Although some older people describe child caring as a default position (or something that they do), this option is not always available. For example, Patrick and Ann, both in their seventies, are no longer fully mobile. They wanted to help their daughter, a single mother, by looking after their grandson, but found the long school holidays too hard:

Mary used to work in a factory and she decided against it because it was too much for us to watch Lee six weeks of the holiday. So, she changed her job and got a job as a classroom assistant.

In this case, the type of employment and the earnings of Patrick and Ann's daughter were affected by the changing health condition of her parents.

The association of Craigneuk with long-term unemployment and crime may well make it harder for people to find work, but it is larger structural factors that are seriously curtailing the possibilities of finding well-paid, fulfilling work. Despite the stigma attached to the local area, respondents talked particularly warmly about their tight-knit community of Craigneuk, which they characterised as supportive and caring, particularly for those who had been residents for a long time. They referred to relationships formed over generations that provided networks of support:

Aye, Craigneuk is a good place. Pearl and John next door there, they're an older couple in their seventies. So they knew me growing up. Pearl worked beside my mother. And the same with Stuart and Margaret, they're like the kind of older style Craigneuk where everybody did look after each other.

Our respondents benefited from these support networks (for example, in sharing food, loaning money, and generally looking out for each other and for each other's property); importantly, these informal networks often develop and are maintained by community members' informal voluntary work, such as the Craigneuk Community Council mentioned above, as well as a local parents' group and the involvement of individuals in running a community youth centre. However, those respondents who had moved into low-paid shift work found it harder to maintain their involvement in the wider community, which they had previously supported through voluntary work at their children's schools and youth clubs.

Overall, the close community links in Craigneuk and the caring attitudes of its local members play an important role in the sharing of an increasing amount of risk. However, there are signs of pressure on those networks and their ability to bear risk is not unlimited.

Cumulative impact of risk transfer: Fiona's experience

Our findings highlight how policy changes at the UK and Scottish level combine with structural socio-economic factors to impact upon the ability of communities to mitigate risk through sharing resources within families and social networks.

Fiona is a lone parent who has recently become unemployed. Her current circumstances highlight how interactions between the economic downturn, family breakdown, changes to the benefit system and lack of affordable childcare combine to put her family in a precarious position. Until November last year Fiona worked in a local factory, where she had been for 21 and a half years. Her shift patterns complemented those of her then partner, with Fiona working the early shift and her partner working the late shift. In recent years, this shift pattern allowed them to share the childcare of their young child, often taking him to work to hand over to the other parent at shift change.

However, recent changes to shift patterns for all employees at the factory meant that their shifts began to overlap, making childcare more difficult to arrange. Fortunately, Fiona's mother, who was receiving Employment and Support Allowance (ESA), was able to step in and take over the childcare of their young son, who by this stage was old enough to receive 2.5 hours a day in the local nursery. Following her break-up with her partner and without his financial support, Fiona became increasingly reliant on her mother for childcare, as she was unable to afford to pay for it.

Local members play an important role in the sharing of an increasing amount of risk. However, there are signs of pressure on those networks and their ability to bear risk is not unlimited.

Unfortunately, when Fiona's mother was reassessed as not eligible for ESA as a result of a change in eligibility criteria, this had further implications. Fiona was no longer able to find affordable childcare and when her employer offered voluntary redundancies, she took this option. She subsequently started claiming Income Support. With her son now approaching the age of 5 and about to start school, Fiona is aware that she will soon be transferred from Income Support to Jobseeker's Allowance, and is concerned about activation. So far, she has not been able to find work that can fit around her son's school day, or pay for enough pre-school and after-school care. Fiona is worried that having worked for only one company may limit her opportunity to find an alternative kind of employment.

So far, the changes to the welfare system have not directly affected Fiona and her child. She still claims Income Support and is making use of support provided by the Action Lone Parents project. Meanwhile, she has been indirectly affected via her mother's reassessment as not entitled to ESA, leading to a long-term change of her employment status. The recategorisation of Fiona's mother has had an impact beyond the benefit recipient herself and beyond her household (the unit for which benefits will be calculated under Universal Credit).

5 DISCUSSION AND CONCLUSIONS

Focusing on Scotland, this report presents evidence from our study exploring the increased transfer of risk towards vulnerable groups and communities. We found that cuts to public services and complex ongoing changes to welfare provision are making daily existence in some communities increasingly challenging. We considered the cumulative impact of these changes for particularly vulnerable groups living in a deprived area of Scotland, Craigneuk in North Lanarkshire. Following a wider literature review, we focused on three particular groups in Craigneuk: older people, lone parents and people experiencing in-work poverty.

Our literature review identified welfare reform and service cuts as key conduits for social risk transfer. Notably, welfare reform causes more concern for the populations we researched, being perceived as more immediate in their day-to-day experience. Measures embedded in welfare reform, which reduce benefits while engaging in risk recategorisation (such as moving lone parents from Income Support to Jobseeker's Allowance), compound existing vulnerabilities and structural changes, leading to increased transfer of social risk. Our respondents were concerned about the potential impact that the impending UK welfare reform might have on their personal circumstances.

At the time of the research, these mitigation attempts were being made in a context of heightened political debate between the Scottish government and the UK government before and after the referendum on Scottish independence. While it is not possible to say that policy was being made with a view to influencing the outcome of the referendum, we recognise that politics does influence policy and communication strategies. Proposed

changes to childcare provision seeking to address difficulties in accessing the labour market, for example, were a focus of heated political debate both before and after the referendum. Although the SNP has committed to 'transform' childcare provision (BBC News, 2014c), it remains inflexible and insufficiently comprehensive to support labour market policies. There was a general lack of awareness of the service changes that came about as a direct result of austerity across all our respondents from the three case study groups. This may be due to the fact that many public service cuts are yet to be fully implemented in Scotland. It may be also because potential service users only become aware of cuts at the point of use. Nevertheless, service changes, particularly in education and training, have the potential to significantly impact the lives of a number of our respondents. The lack of pre-school and after-school care has also been identified as a main barrier to employment.

Our respondents were unable to pinpoint the timing of changes to local services, some of which may predate austerity measures. Nevertheless, they signify increased risk transfer and may point to this being a longer-term policy development.

Our case studies document real life experiences of acute vulnerability and increased uncertainty for our research groups, as well as seeking to highlight existing coping strategies and potential for risk absorption and mitigation. Despite increased efforts at mitigation from personal networks and community organisations, many individuals' lives are affected.

Our evidence highlights that despite benefiting from the security of tenure and relatively low rents, some older people in social housing felt their needs were not adequately met; for example, when housing repairs and renovations did not assist them in coping with restricted mobility. Older people were concerned about and willingly absorbed some of the difficulties faced by their children and grandchildren. Where possible, they were also providing very important support with childcare, which was often understood to be enabling their children to work.

It is now harder for lone parents to access quality work and training, thus making the move out of poverty harder for those lone parents who live with it. Changes to some of the services used by lone parents, such as pre-school education, are often unsupportive of training and employment, in the sense that what provision is available (in itself a problem) is often inflexible in terms of what it can offer in relation to what is needed to facilitate work. Changes to the welfare system, with increased levels of activation at an earlier stage (when the youngest child reaches 5 years old) require some lone parents to move into low-quality and low-paid work. Lone parents' experience of the Work Programme and the Action Lone Parent's initiative in Craigneuk highlights the value of skills training, although concern might be raised over the funding base of the latter, which is fixed- and short-term.

Changes to labour markets and macro-level economic policies have contributed to employment inequalities, increasing in-work poverty (Ray, *et al.*, 2014; Bradshaw, *et al.*, 2010). This increase may even be understated, given that when wages are depressed overall, the measure may lead to an under-recording of low pay (Corlett and Whittaker, 2014).

Evidence suggests that moving out of poverty through work is hard, with three out of four people regularly in low-paid work not able to escape it over a ten-year period (D'Arcy and Gardiner, 2014). This is in part due to the frequent move between low-paid work and unemployment (Shildrick, *et al.*, 2010), but also caused by limited wage and responsibility progression and workplace training (Lewis, 2011; D'Arcy and Hurrell, 2014). While the economic and financial conditions of the UK labour market are not isolated

from global economic trends, recent government policies do not seem to be doing much to tackle issues such as the rise in zero-hours contracts, and in some contexts may be increasing labour market inequalities (e.g. through increased support for self-employment for those claiming out of work benefits). Yet, the 'Zero Hours Contract Bill 2014–15', currently under review by the House of Commons, if passed as legislation (second reading due on 23 January 2015), should go some way in addressing the issues noted. Overall, unstable incomes and unpredictable hours mean that people experiencing in-work poverty may be less able to absorb the social risks of living on a low income, while at the same time they are less able to participate in networks that may help to mitigate these risks.

Our research suggests that the combined consequences of austerity, including service cutbacks and welfare changes to an increasingly unequal labour market, have added pressure on vulnerable groups. Common themes across all groups include feelings of instability and increased insecurity concerning incomes, as well as fear associated with the changes yet to come. These overlapping categories highlight how multiple vulnerabilities can combine to put individuals at even greater social risk, but also how vulnerable individuals may have to bear some of the social risks faced by members of their personal networks and communities. For instance, the daughter of two of our older respondents, who is an important member of their support network, was also a lone parent and in low-paid work.

Despite attempts to mitigate some of the risk impacts through innovative approaches, the scale of the fiscal retrenchment remains a key challenge. The Scottish government has been proactive in this respect, giving consideration to the wider societal impact of funding decisions and budget cuts on communities. Thus the sixth Equality Statement (Scottish Government, 2014b), which was published in October 2014 simultaneously with the Draft Budget, shows a clear commitment to the equality agenda. The Statement looks at the likely impact of spending changes on protected characteristics,⁷ covering key areas such as the welfare reform and new devolved taxes. Notably, the Statement remains firmly focused on the traditional equality characteristics and does not identify a number of new groups with deteriorating standards of living who fall outside traditional protection, such as people at risk of in-work poverty, young unemployed (or under-employed) people, lone parents, individuals no longer covered by the safety net or those excluded from social protection for periods of time through various qualifying and penalty mechanisms. Thus, although the Socio-Economic section of Chapter 13 focuses specifically on child poverty, health, housing and fuel poverty, it falls short of presenting a comprehensive strategy for mitigation of many acute issues.

In order to understand community resilience and capacity for risk absorption and risk mitigation, we looked at the local community in Craigneuk and found evidence of negotiated risk distribution. At the community level, organisations established by residents, such as the Community Council, are becoming more vocal and active in campaigning for better services. While not yet achieving all their aims, they have been influential in improving the lives of people directly affected by lack of services. It would be invaluable for the Council to establish ongoing relationships with the groups which have grown out of local community action as a meaningful channel for dialogue with local residents.

The local authority regeneration services that are behind the initiative Action for Craigneuk seek to mitigate social risk transfer on a number of levels. By integrating the work of various service providers, such as the council's welfare rights team, the NHS, education and the police, they

All groups include feelings of instability and increased insecurity concerning incomes, as well as fear associated with the changes yet to come.

introduce innovative working within a reduced budget. However, as the work is in the early stages, it might be expected that further attention will be given to facilitating local stakeholder involvement in decision-making processes.

Third sector risk mitigation activities in the local area are particularly disjointed as they deal predominantly with distinct groups rather than seeking to build capacity in the whole community. While the Action for Craigneuk initiative is seeking to bring local third sector organisations together, residents still find the lack of coordination between third sector organisations frustrating. The proactive work of the Action Lone Parents project has generated a positive impact for some residents, which has been limited to some extent by the short-term nature of this project. The lack of ongoing support for lone parents means their risk absorption and mitigation potential can be somewhat undermined.

Overall, despite some negative feelings attached to the local place as a consequence of deindustrialisation and existing social problems, there is a real sense of identity within the community of Craigneuk which, linked to a common history, underpins local community and network support activities. Thus, there is a potential for the community to act as, or be harnessed as, a resource to tackle collective challenges. However, local government and Scottish government attempts to utilise community capacity building in social risk mitigation must take into account the actual and ongoing impacts of welfare reform and the labour market changes that are personally being experienced by the people whose talents and energies they hope to harness. Current public debates often present societal change as a consequence of growing generational unfairness and discord, yet the community of Craigneuk demonstrated the opposite. In fact, there was evidence of generations coming together to protect and support other individuals and groups within the community.

There is a potential for the community to act as, or be harnessed as, a resource to tackle collective challenges.

Our findings highlight how changes to welfare and cuts to public services combine with structural socio-economic factors to impact adversely upon the ability of individuals and communities to mitigate risk. The cumulative effect of such changes affects the distribution and the intensity of social risks experienced by particular groups and individuals, leading to further inequality, hardship and polarisation. There is also a ripple effect, whereby the negative experiences of someone within an informal social network impact upon those within that wider network. Together, the cumulative and ripple effects make for a challenging and dynamic landscape. Existing vulnerabilities experienced by individuals and communities limit their capacity to absorb or mitigate further social risk.

Within the context of enhanced devolution powers, the Scottish government may be able to explore alternative strategies emphasising economic growth and job creation, which have the potential to deliver financial savings on a similar scale to those delivered through fiscal retrenchment (Beatty and Fothergill, 2014) while at the same time avoiding some of the negative consequences associated with increased transfer of risk.

At all levels – that is, UK government, Scottish government, local government and communities – there is a need to adopt or strengthen analysis of the cumulative impact of policy changes, in the context of wider societal and socio-economic trends, to ascertain, and if necessary thereafter to ameliorate, any deleterious impact of the risk shift on the most vulnerable groups in society. The Scottish government's Equality Statement should be expanded to identify the full range of social risk implications of austerity measures, thus establishing the foundation for a comprehensive risk mitigation strategy. This is not an insignificant challenge for governments as it asks for a commitment to appraise impact beyond the narrow range of

departmental goals and government targets, recognising the reality of how changes initiated by government actually impact on people's lives.

At the level of communities and Community Planning Partnerships, this would imply a sharpening of focus, whereby joint working and partnerships were not an end in themselves or a means to an ill-defined notion of 'efficient service delivery'; rather, the focus of local partnerships would be specifically to ensure that the lives of our most vulnerable people are protected, if not enhanced, through our interventions.

NOTES

- 1 Datzones are small areas of between 500 and 1000 people. There are 6505 datazones in Scotland.
- 2 The 'Spare Room Subsidy' is variously described as the under-occupancy penalty and the bedroom tax. It refers to a change in housing benefit introduced in the Welfare Reform Act (2012). It applies to all working-age tenants renting from a local authority, housing association or other registered social landlord. Those with one spare bedroom will lose 14% of their eligible rent and those with two or more spare bedrooms will lose 25%.
- 3 This model is not suggesting that the welfare state is the only contributory factor for the redistribution of social risk and acknowledges the changes to the wider social, political and economic context and policy environment since the introduction of the welfare state in 1948 (Giddens, 1999; Taylor-Gooby, 2011).
- 4 Pensions will increase by whichever is highest – inflation, wages or 2.5%.
- 5 Many passported benefits are awarded at the discretion of the local council, who must cut back spending that, in turn, will impact on service provision.
- 6 Universal Credit assumes claimants who are self-employed are receiving the minimum income floor, which equates to 35 hours a week on minimum wage.
- 7 'Protected characteristics' refers to groups which The Equality Act 2010 requires not be discriminated against, harassed or victimised on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief (including lack of belief), sex or sexual orientation (Asenova and Stein, 2014).

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