

# Key Economic Indicators

April 2011

An update from West Lothian Economic Partnership to help you understand the local economy.

Scotland's economy slowed down in the last quarter of 2010 mirroring the trend in the rest of the UK and raising fears that the country could fall into a second recession. GDP fell by 0.4% in the period; this was mainly due to a drop in construction activity and the severe winter weather. Similarly, a recent fall in Scottish retail sales has raised fears of further recession. More positively, unemployment has fallen slightly in West Lothian.

- The number of JSA jobless in West Lothian for March is 4,698. This is a decrease of 84 on the previous month.
- West Lothian's unemployment rate of 4.1% is below the Scottish (4.3%) rate, but above the Great Britain (3.8%) rate. West Lothian's unemployment rate ranks joint 12th highest out of all Scottish local authority areas.
- Youth unemployment (18-24 year olds) in West Lothian for March is 1,430. This a drop of 25 on last month.
- There were 1,026 notified jobcentre vacancies in March - a net decrease of 169 from February 2011.
- The ratio of jobseekers to jobcentre vacancies stands at 5 jobseekers for every vacancy advertised in West Lothian Jobcentres. In comparison, Scotland's ratio is 6.6:1, Great Britain is 5.0:1 with West Dunbartonshire having the highest ratio of 25.2:1 (25 jobseekers for every vacancy) of claimants to vacancies of Scottish local authorities.

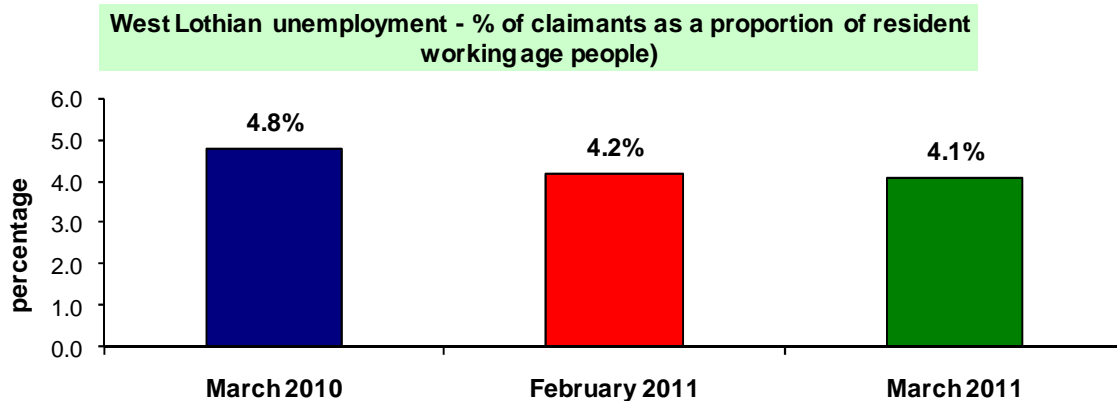
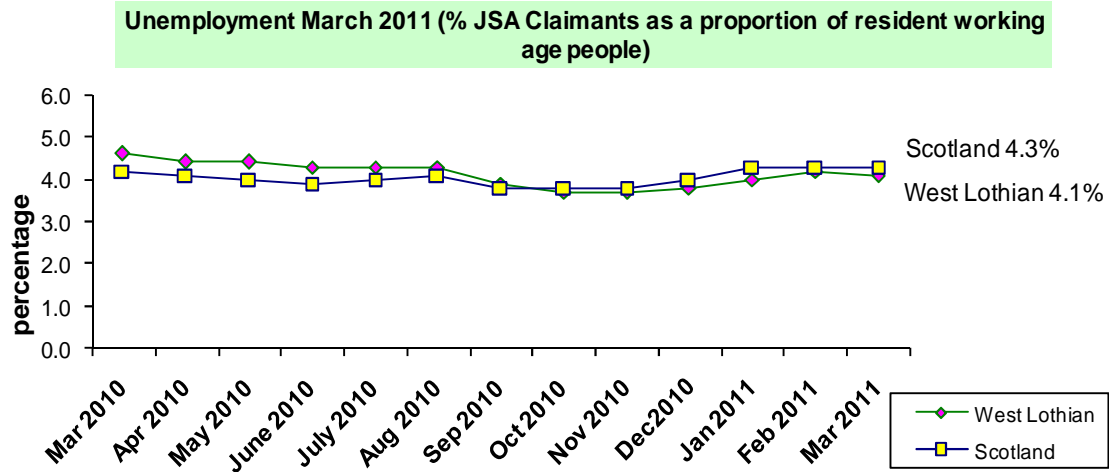
## Jobs and Investment

Here are some positive jobs, investment and business news items for the West Lothian area:

- **Armadale** has now opened its new train station after a three month delay due to the prolonged severe weather. Part of the new Airdrie-Bathgate Rail Link, the station provides a direct rail link to Edinburgh and Glasgow for the first time in over fifty years.
- **Dobbies Garden World** at Houston Mains has welcomed its first customers to its £8m new garden centre. The Garden World will employ 120 people in West Lothian, who have been recruited locally, bringing a boost to the local economy.
- **SKY** are to create 100 new jobs at its customer contact centre in Livingston. The permanent posts will be for a range of applicants, including junior staff, graduates or experienced IT professionals.
- **Fibre Photonics Ltd**, the Livingston based optic technology manufacturer are set to expand and relocate to new purpose-built premises in Elburn from April 2011. They will be looking to recruit analytical chemists, product managers and production technicians.
- Photography students at **West Lothian College** and eight local businesses are benefiting from a new initiative brokered by the Prince's Scottish Youth Business Trust (PSYBT) and Business Gateway as part of the college's Enterprise into Education project. The photography initiative is one element of a vision for a Youth Enterprise Centre, which will work to place college students under the age of 25 into existing SMEs to gain experience.
- **Palletways**, whose Scottish headquarters is in Livingston, is to invest over 5m Euros in developing and rolling out a new network in Germany. As well as exploiting business opportunities in Europe's largest economy, Palletways also plan to open up new business opportunities in Eastern Europe.

# Unemployment

Unemployment in West Lothian stands at 4.1% (% is a proportion of resident working age people) in March 2011. The latest JSA claimant count figure shows a decrease of 84 on the previous month and now stands at 4,698. West Lothian's unemployment rate of 4.1% is lower than the Scottish rate of 4.3% although higher than the Great Britain rate of 3.8%.



Source: ONS claimant count rates

Unemployment - total JSA claimants (March 2011)			
	Males	Females	Total
<b>West Lothian (numbers)</b>	3,391	1,307	4,698
<b>West Lothian (%)</b>	6.1%	2.3%	4.1%
<b>Scotland (%)</b>	6.2%	2.4%	4.3%
<b>Great Britain (%)</b>	5.2%	2.4%	3.8%

Source: ONS claimant count with rates and proportions  
 Note: % is a proportion of resident working age people

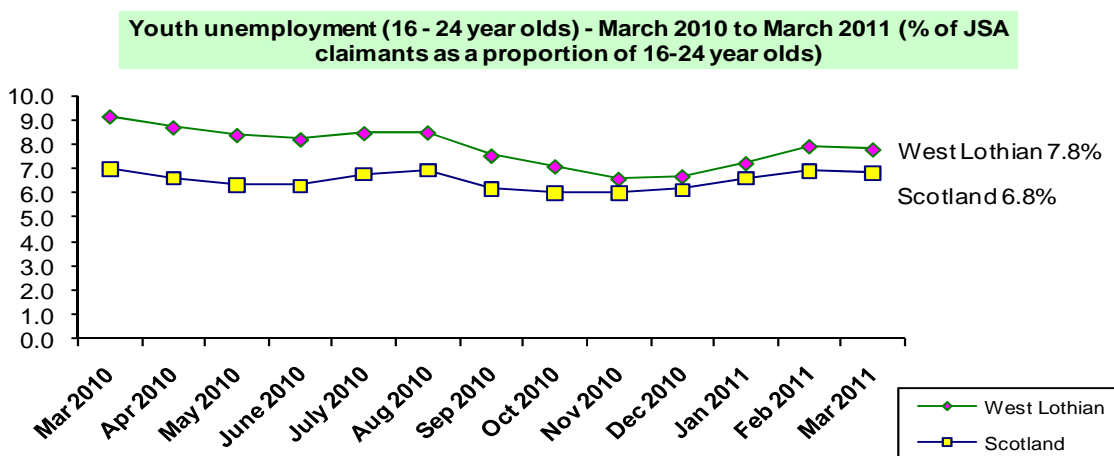
Included on page 10 is a breakdown of unemployment by local area within West Lothian based on the former 32 Scottish local authority wards. This shows that those wards with the highest rate of unemployment are Craigshill (8.3%), Polkemmet (7.9%) and Armadale Central (7.6%). Those with the lowest are Kingsfield (1.1%), Kirkton (1.5%) and Murieston (1.7%). In general, unemployment is higher in the southwest of West Lothian and lower in Linlithgow and the southeast of the area.

The latest unemployment data for the UK based on the preferred government measure, is for the three months to end of February. The number of people unemployed decreased by 17,000 to 2.48 million (a rate of 7.8%). This is the first drop in UK unemployment since last autumn. The total number of people claiming JSA rose by 700 in March to 1.45 million.

**N.B.** JSA based unemployment figures do not provide the full picture. The headline JSA figure, however, does help to indicate the latest trend or change at a national or local level and whether the economic down turn is beginning to bite. The Government's favoured method of measuring unemployment - the ILO method - does not readily translate into up to date local area estimates.

## YOUTH UNEMPLOYMENT

Youth unemployment - 16 to 24 year olds includes the MC,MC group and it is therefore important that it is tracked. The following graph shows youth unemployment as a percentage of all 16 to 24 year olds, comparing West Lothian with Scotland. West Lothian has a higher proportion (7.8%) for March than Scotland (6.8%) of youth unemployment. Although both have followed a parallel trend in the last three years.

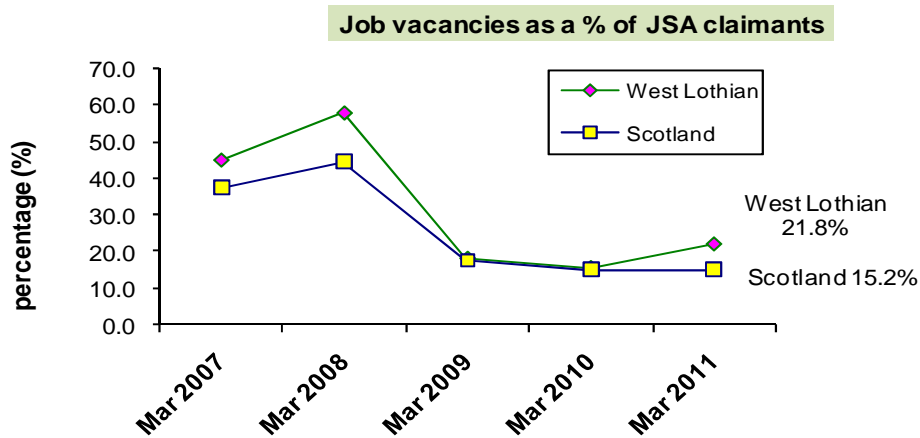


Source: ONS claimant count

**N.B.** Between 400 and 500, 16 to 17 year olds were registered unemployed with Skills Development Scotland most of whom will not be claiming JSA. Therefore, it is estimated that the total level of unemployment for 16 to 24 year olds is about 2,000.

# Job Vacancies

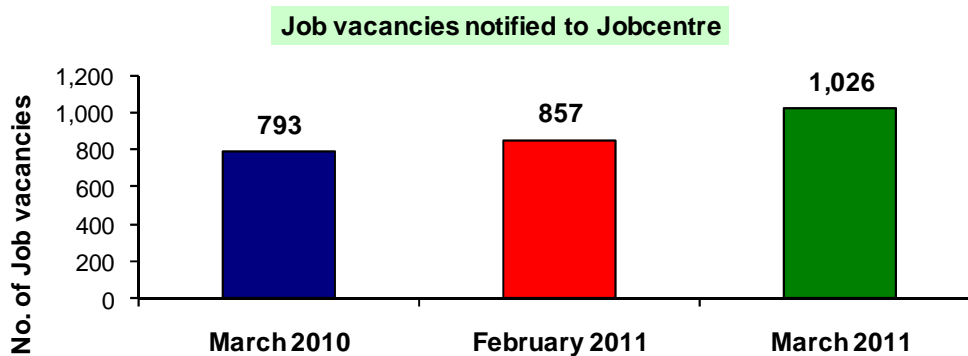
The number and type of Jobcentre Plus vacancies also provide a snapshot of the local labour market. It is estimated that Jobcentre Plus vacancies account for about a third of all available employment opportunities. In West Lothian the most common type of vacancies tend to reflect the main employment sectors e.g. business services, retail and manufacturing.



Source: ONS annual business inquiry employee analysis

The graph above compares the rate of job vacancies expressed as a percentage of the number of JSA claimants for both West Lothian and Scotland. West Lothian's rate for March 2011 stands at 21.8% and Scotland's at 15.2%. This means there are currently 5 jobseekers for every vacancy advertised in West Lothian jobcentres.

The actual number of West Lothian job vacancies for this March is 1,026. This is a net increase of 169 vacancies on the month of February — there were 857 vacancies in February 2011.



Source: Jobcentre Plus vacancies

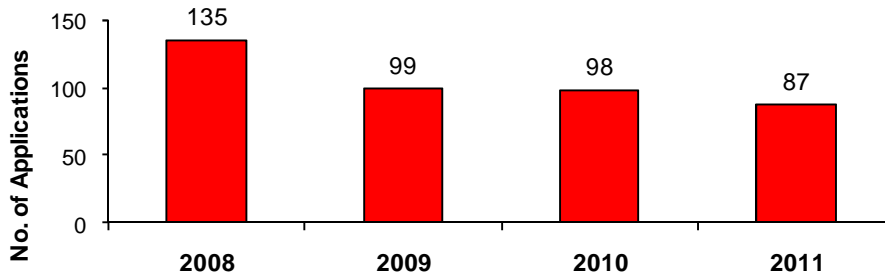
# Planning Applications

Planning applications provide another measure of the health of the local economy. The numbers of planning applications received indicate levels of business and consumer confidence, economic growth, development investment and development change.

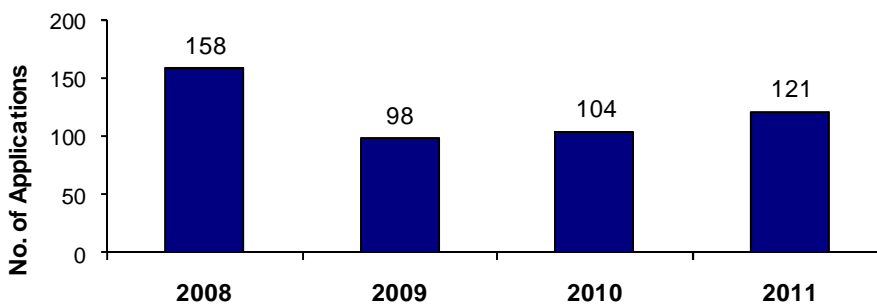
The following charts split planning applications into two categories: householder and all other planning applications. Householder applications include house extensions, conservatories and garages. All other application types include listed building applications, advertisement consent, small-scale individual developments and applications by business and industry.

Because there is seasonal variance in development applications, the charts below focus on change over the period January to March for the last three years. Household applications have fallen since 2008, although these appear to be leveling off in the last year.

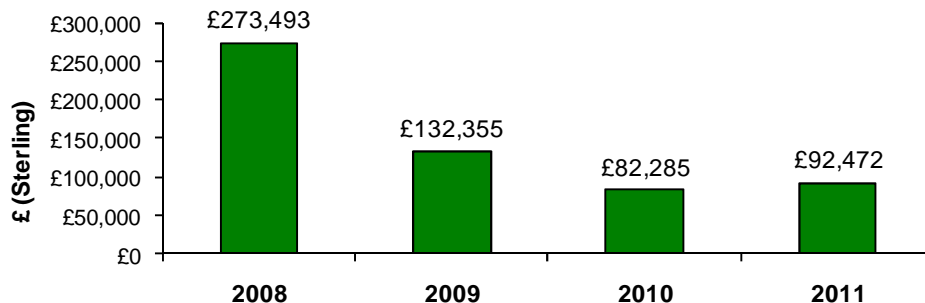
**Householder Planning Applications - Jan - Mar (2008 - 2011)**



**All other Applications - Jan - Mar (2008 - 2011)**



**Planning Applications fees (total) - Jan to Mar (2008 - 2011)**

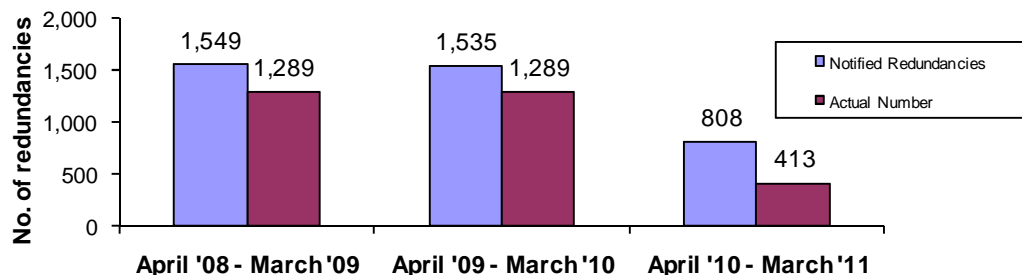


Source: West Lothian Council, April 2011

# Redundancies

The level and rate of redundancies are important measures of the business situation. Redundancies have fallen in the past financial year (2010/2011). Nevertheless, this provides only a partial picture of what is happening in the economy. In total, there were 808 notified redundancies of which there were 413 actual or confirmed redundancies.

**Redundancies (Notified and Actual)**



Source: Skills Development Scotland

**N.B.** Notified redundancy figures are gathered from firms legally obliged to notify BERR (Department for Business, Enterprise and Regulatory Reform) when proposing to dismiss 20 or more employees as redundant and from those firms who voluntarily notify redundancies of less than 20 employees.

# Shop Occupancies

To provide a better perspective of change in the town centres, we intend from next month to include in this part of the Key Economic Indicators report a mix of indicators on high street activity, which will cover business sectors, activities and employment as well as shop occupancy levels. The information will be presented on a quarterly basis.

The quarterly table on shop occupancies below shows the number of shop units occupied (excluding charity shops) as a percentage of total stock for each of West Lothian's six town centres. The percentage of charity shop units in each town is shown separately. A comparison is made between the latest quarter and the same quarter from the previous year.

Shop unit occupancy comparing Quarter 1 — 2011 and Quarter 1 — 2010 - expressed as percentage of total town centre shop units				
Town Centre	Quarter 1 — 2011 (%)		Quarter 1 — 2010 (%)	
	Overall occupancy	Charity shops	Overall occupancy	Charity shops
Armadale	92.7	0.0	90.7	0.0
Bathgate	91.7	3.2	93.0	3.3
Broxburn	88.8	0.6	91.1	0.6
Linlithgow	96.0	1.4	96.0	2.0
Whitburn	85.5	1.7	88.1	1.7
Almondvale	90.3	0.7	91.2	0.6

Source: West Lothian Council, April 2011

Only Armadale increased its overall shop occupancy in relation to this time last year. Linlithgow's overall occupancy remained the same in the first quarter of 2011 when compared to its own benchmark figure for the same quarter in 2010.

# House Completions

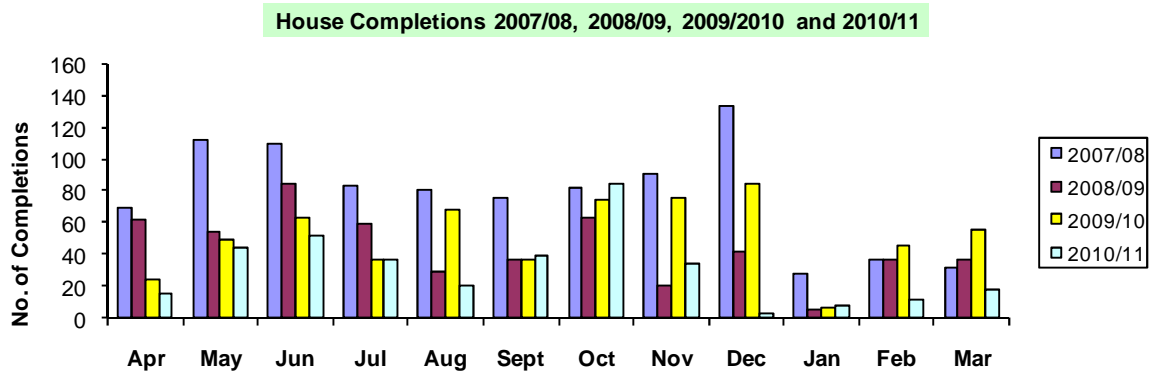
The number of house completions in the local economy is a useful barometer for measuring the house building industry's sensitivity to changing economic conditions.

The average monthly completions during the last three financial years has been as follows:

- 2007/08 - 80
- 2008/09 - 43
- 2009/10 - 51

The Housing Audit 2010 has been finalised. The programme for the next 5 years shows a 11% reduction from last years audit.

During March, only 18 house completions were achieved. In the past 4 months, total completions has been only 36 houses.



Source: West Lothian Council, April 2011

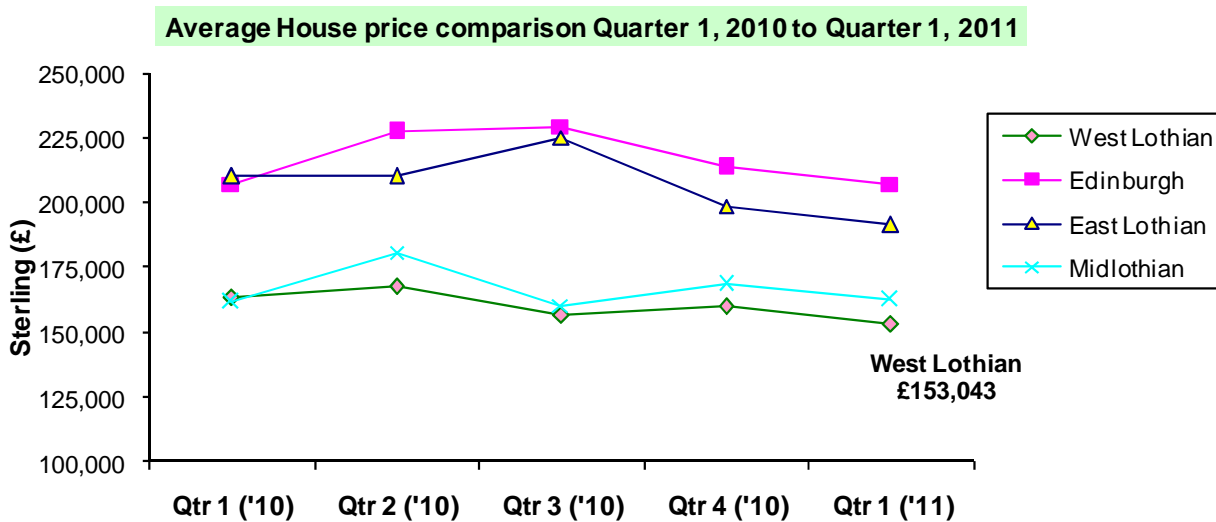
# House Prices

House prices and the housing market are also seen as a barometer to the state of the economy. Housing is the biggest component of most household's wealth. Therefore it has a big impact on the economy. For example, a fall in house prices will reduce consumer confidence. This leads to lower levels of spending; people will be more reluctant to undertake risky investments and borrowing.

The latest figures reveal house prices in most areas across East Central Scotland fell during the last three months of 2010. The average selling price of a home in Edinburgh during Quarter 1 of 2011 is £207,497 just £77 higher than the figure of £207,420 recorded during the same period last year. In West Lothian a 6.3% drop brought the average to £153,043, but this followed a 5.1% rise last year meaning prices were in line with 2009 levels.

Elsewhere, the average house price in East Lothian stood at £191,539 during the first quarter of 2011 after an annual fall of 9% and in Midlothian prices were almost unchanged with a 0.8% increase taking the average to £162,855.

Analysts suggest that in most areas the average house price will ease back in coming months before levelling off during the second half of 2011.



Edinburgh Solicitors Property Centre (ESPC), April 2011

# Comparator Indicators

## MONTHLY COMPARATOR INDICATORS

A number of monthly key indicators have been chosen to compare with a number of benchmark local authorities. Both national areas of Scotland and Great Britain have also been included to set comparisons in context. The following table includes indicators on unemployment, youth unemployment and job vacancies.

	JSA Claimants as a % of working age residents (1)	% of 16 to 24s claiming JSA (2)	Ratio* of jobseekers to job vacancies (3)
Clackmannanshire	5.7%	10.1%	12.1:1
Edinburgh, City of	3.3%	4.3%	5.0:1
Falkirk	4.8%	8.6%	10.6:1
Fife	4.6%	7.4%	7.7:1
Midlothian	4.1%	8.3%	10.3:1
North Lanarkshire	5.5%	9.2%	8.1:1
South Lanarkshire	4.5%	7.9%	8.6:1
West Lothian	4.1%	7.8%	4.6:1
Scotland	4.3%	6.8%	6.6:1
Great Britain	3.8%	5.8%	5.0:1

Sources:

(1) ONS claimant count

(2) ONS claimant count/ONS mid-year (2009) population estimates

(3) ONS claimant count/Jobcentre Plus vacancies

\* for example, there are about five (4.6:1) jobseekers for every vacancy advertised in West Lothian jobcentres.

## ANNUAL COMPARATOR INDICATORS

Similarly, a number of annual indicators have been chosen to compare with the same local authorities and Scotland and Great Britain. The following tables include indicators on population, earnings and VAT registered firms.

	Population (2010)		Earnings (2010)	
	Number	% change on previous year	Gross weekly pay (£)	% change on previous year
Clackmannanshire	50,630	0.2	461.0	7.9
Edinburgh, City of	486,120	1.8	524.8	1.3
Falkirk	153,280	0.5	478.0	3.3
Fife	365,020	0.4	479.1	3.0
Midlothian	81,140	0.4	481.9	13.1
North Lanarkshire	326,360	0.0	448.4	4.3
South Lanarkshire	311,880	0.3	492.4	-1.2
West Lothian	172,080	0.6	459.0	8.1
Scotland	5,222,100	0.5	486.9	3.1

Sources:

ONS Claimant Count/ONS mid year (2010) population estimates

ONS annual survey of hours and earnings—resident analysis (2010)

	VAT registered firms		
	Stock at end of year (2007)	% change on previous year	Per 10,000 of population
Clackmannanshire	945	5.6	185
Edinburgh, City of	13,760	4.1	288
Falkirk	2,950	6.7	194
Fife	7,500	3.1	207
Midlothian	1,820	2.8	225
North Lanarkshire	5,710	6.0	175
South Lanarkshire	7,265	4.8	234
West Lothian	3,630	7.1	212
Scotland	141,895	3.6	273
Great Britain	1,964,920	3.0	318

Sources: BERR - VAT registrations/deregistrations by industry/ONS mid year (2009) population estimates

## WARD UNEMPLOYMENT (March 2011)

The following table is a breakdown of unemployment by ward, and the area of West Lothian covered by each ward, and based on the old 32 ward scheme (up to date data for the current Multi-member Wards is not yet published by DWP).

WARD AREA	Area covered by ward	Male JSA claimants	Female JSA claimants	Total JSA claimants	
		number	number	number	rate
Craigshill	Livingston	190	75	265	8.3
Polkemmet	Whitburn	170	65	235	7.9
Armada Central	Armada	153	60	213	7.6
Boghall	Bathgate	123	54	177	6.6
Blackburn	Blackburn	163	61	224	6.5
Durhamtoun	Bathgate	120	45	165	6.5
Newland	Bathgate	124	55	179	6.3
Ladywell	Livingston	145	54	199	6.0
Croftmalloch	Whitburn	138	42	180	5.7
Fauldhouse	Fauldhouse, Breich	132	60	192	5.7
Dedridge	Livingston	126	59	185	5.1
Breich Valley	Stoneyburn, Addiewell and Longridge	140	37	177	5.0
Armada West	Armada and Blackridge	127	38	165	4.9
Deans	Livingston	116	51	167	4.6
Almond	Whitburn, East Whitburn	96	39	135	4.4
Limefield	West Calder	95	40	135	4.4
Howden	Livingston	127	34	161	4.3
Middleton	Broxburn	95	37	132	4.3
Oatridge	Winchburgh and surrounding area	106	27	133	4.3
Houstoun	Uphall, Pumpherston	96	37	133	4.2
Knightsridge	Livingston	110	58	168	4.2
Strathbrock	Broxburn	93	32	125	4.1
Easton	Bathgate/Armada	83	40	123	4.0
Carmondean	Livingston	100	35	135	3.6
Linhouse	Kirknewton, Wilkieston	63	42	105	3.1
St Michael's	Linlithgow	64	22	86	2.9
East Calder	East Calder	61	26	87	2.6
Calderwood	Mid Calder	69	17	86	2.5
Preston	Linlithgow	51	24	75	1.9
Murieston	Livingston	42	19	61	1.7
Kirkton	Livingston	41	14	55	1.5
Kingsfield	Linlithgow, Philpstoun	32	9	41	1.1

Source: ONS claimant count - April 2011

West Lothian Economic Partnership operates as the economic development arm of the Community Planning process.

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