West Lothian Economic Update

June 2011

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

KEY UPDATES

West Lothian experiences large fall in unemployment over the 2010/2011 period

Over the period April 2010 — April 2011 the total number unemployed in Scotland rose by +1.5%. There was marked geographical variation, with unemployment rising in 21 local authority areas and falling in 11 others. The largest falls were in the Western Isles (-12.5%) and West Lothian (-11.0%). In the above same period, it is reported that Scotland has shown a modest recovery in economic growth; by +1.3% according to one reputable independent source while the Scottish Government estimates by +0.8%.

- The number of JSA jobless in West Lothian for May is 4,562. This is an increase of 73 on the previous month.
- West Lothian's unemployment rate of 4.0% is below the Scottish (4.1%) rate, but above the Great Britain (3.7%) 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 May is 1,380. This a slight increase of 5 on last month.
- There were 946 notified jobcentre vacancies in May - a net decrease of 480 from April 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 7.3:1, Great Britain is 5.9:1 with Inverclyde having the highest ratio of 21.5:1 (22 jobseekers for every vacancy) of claimants to vacancies of Scottish local authorities.

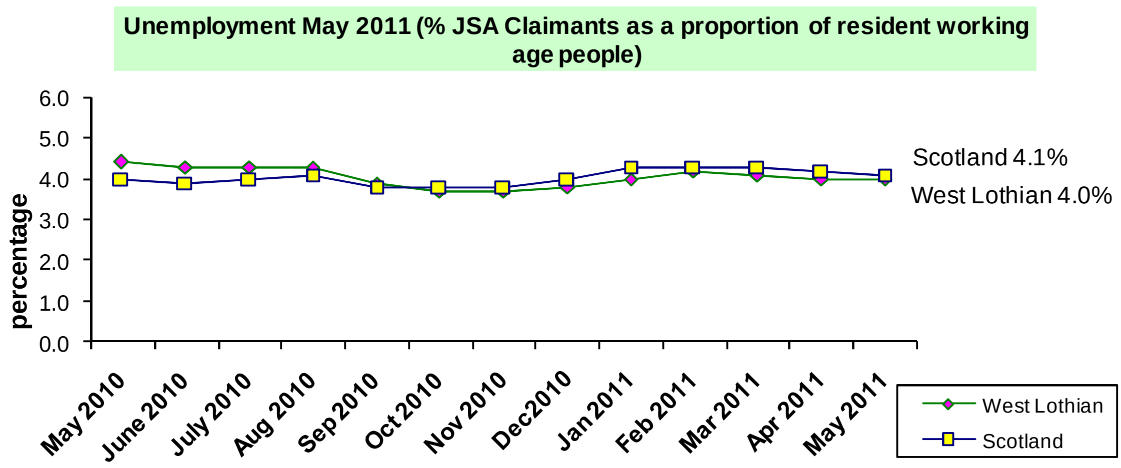
Jobs and Investment

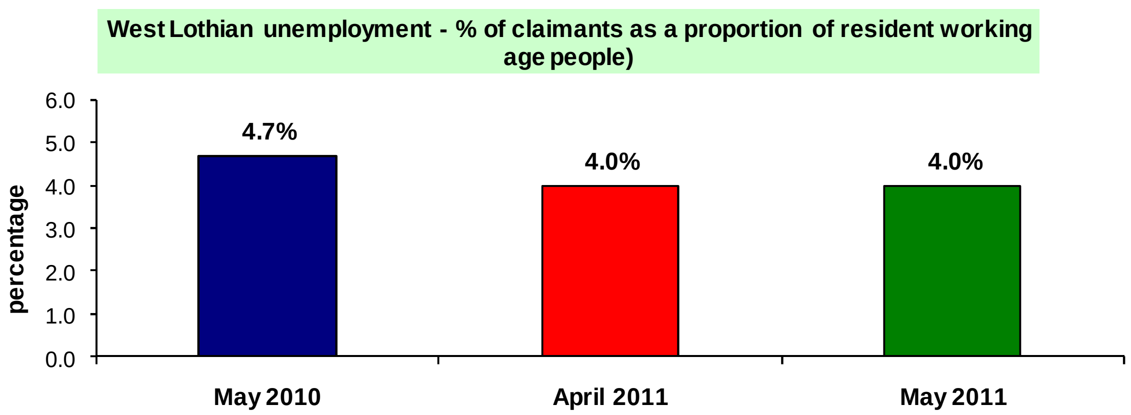
Here are some positive jobs, investment and business news items for the West Lothian area:

- A **£200m regeneration project** in Armadale has been boosted by news that ASDA and two large housing contractors have signed up to the development. Run by SDA Ltd, the masterplan for the Armadale Station Development includes building 1000 houses, including 250 affordable properties, a 40,000 sq ft supermarket, a hotel, care home, leisure facilities and offices.
- **Fountains**, the environmental management company, is in the final stages of a successful half million pound project to upgrade Bathgate's town centre with new, high quality, slab surfacing as well as decorative uplighters, raised planter beds and bespoke street furniture.
- **SKY** is adding another 50 new finance jobs in Livingston. Sky is preparing to relocate a number of staff into the Watermark building at Alba Campus as well as creating new posts at the new Livingston operation. The Alba Campus location is close to Sky's current Kirkton Campus site that employs 4,000 people.
- West Lothian based specialist pâté producer, **Findlater's**, has signed a nationwide deal with the supermarket chain, Waitrose to supply three lines of pâté to 60 stores south of the border.
- **Capita Symonds Industrial**, formally Multi Tech, have recently moved to new premises within West Lothian. They have moved from Whitehill Industrial Estate, Bathgate to Centrex House in Kirkton Campus, Livingston.
- **American Golf** is seeking to open stores in Livingston and Dundee as it continues its expansion in the wake of strong sales figures.
- **Business Gateway**, Scotland's national business advice service, has recorded an increase of 6.3% in the number of new businesses started, with its assistance, across Scotland in the last year. West Lothian has also had a record number of business start ups, with 389 firms helped locally.
- Over 7,000 Jobs are to be created or safeguarded in Scotland thanks to £52 million of **Regional Selective**
- **Assistance (RSA)** funding from Scottish Enterprise accepted in 2010/11. West Lothian firms to benefit from RSA funding in 2010/11 included Express Microbiology and Star Net Geomatics.

Unemployment

Unemployment in West Lothian stands at 4.0% (% is a proportion of resident working age people) in May 2011. The latest JSA claimant count figure shows an increase of 73 on the previous month and now stands at 4,562 . West Lothian's unemployment rate of 4.0% is lower than the Scottish rate of 4.1% although higher than the Great Britain rate of 3.7%.





Source: ONS claimant count rates

Unemployment - total JSA claimants (May 2011)			
	Males	Females	Total
West Lothian (numbers)	3,170	1,392	4,562
West Lothian (%)	5.7%	2.4%	4.0%
Scotland (%)	5.8%	2.4%	4.1%
Great Britain (%)	5.0%	2.4%	3.7%

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

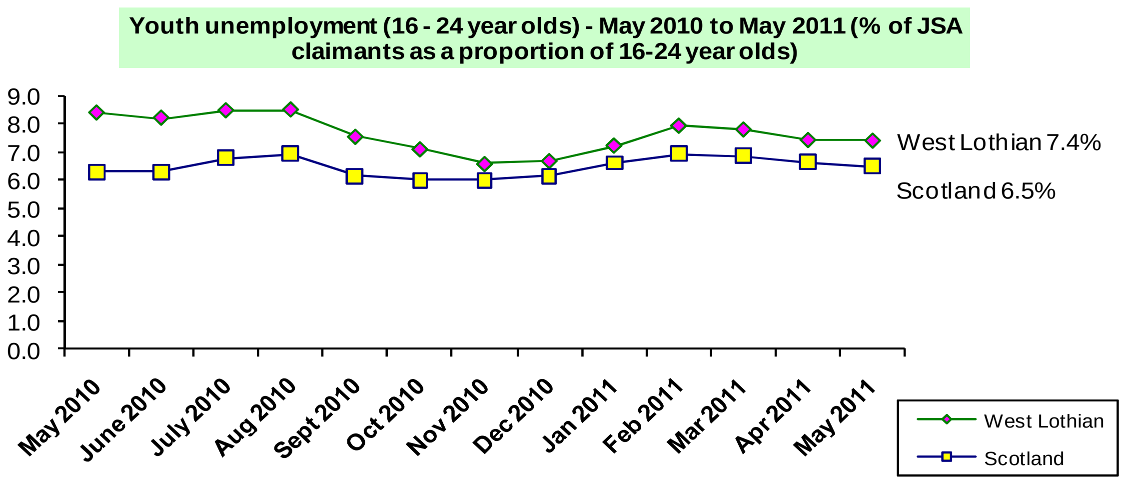
Included on page 8 is a breakdown of unemployment by local area within West Lothian based on the former 32 Scottish local authority wards. This shows that those wards with the highest rate of unemployment are Craigshill (8.5%), Polkemmet (8.0%) and Armadale Central (7.5%). Those with the lowest are Kingsfield (1.3%), Murieston (1.7%), Kirkton (1.8%) and Preston (1.8%). 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 April. The number of people unemployed decreased by 88,000 to 2.43million (a rate of 7.7%). The total number of people claiming JSA rose by 19,600 in April to 1.49 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 (7.4%) for May than Scotland (6.5%) of youth unemployment. Although both have followed a parallel trend in the last two 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.

Business Support

The volume of local business start-ups gives an instant insight into the state of West Lothian's economy.

Business Gateway services in West Lothian are delivered by West Lothian Council's Economic Development service as part of the Lothian consortium, a public private partnership that works with businesses across Edinburgh and the Lothians. The team promotes entrepreneurship, supports the start up of new businesses and help businesses to grow whilst responding to the additional pressures placed on businesses by the economic downturn. The team has continued to pro-actively target companies in sectors judged to be most at risk to understand their needs.

Business Gateway Activity	Annual Target	Cumulative Target	Cumulative Actual	Monthly Target	May 2011 Actual
Number of Starts	280	46	47	23	25
Starts by Women	123	20	20	10	11
Starts by Young People	71	12	11	6	8
Number of SMEs supported	500	84	117	42	77

Source: West Lothian Council, June 2011

Business Gateway Support

After a quiet April, business start-ups in May returned to typical numbers and are now slightly above target for the year. In total 117 businesses have been supported so far this financial year, of which 35 have received in-depth consultancy support in the areas including expansion, funding, market diversification, and e-commerce.

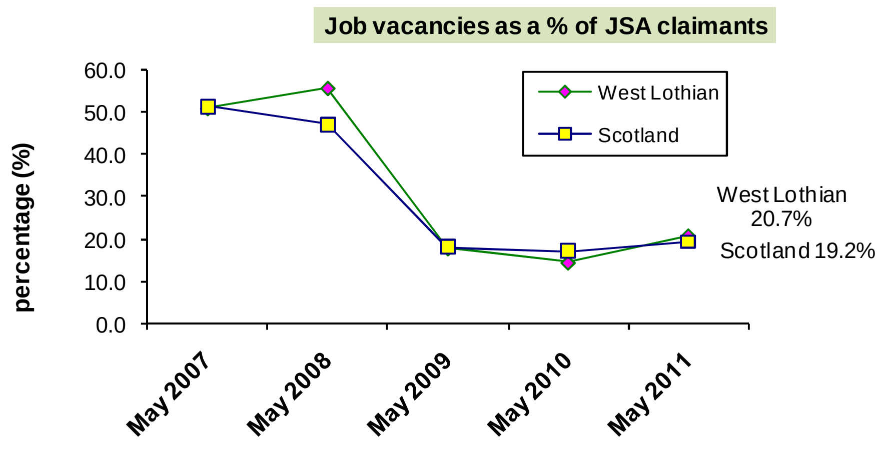
Source: West Lothian Council, June 2011

Local firms have responded enthusiastically to the Supplier Development Programme which the council joined earlier this year. Over 100 businesses have now signed up for the Programme, which aims to open up new opportunities and increase local companies' chances of winning new business. More details can be found at www.sdpscotland.co.uk.

Public Contracts Scotland allows companies access to over 250 contracting authorities across Scotland ranging from local authorities and housing agencies to the NHS, universities and government departments. The recently announced £1.5BN Forth Replacement Crossing will also be using Public Contracts Scotland to tender all sub contracting opportunities. Last year over 8000 opportunities were advertised across the Scottish Public Sector. For more information visit www.publiccontractsscotland.gov.uk.

Job Vacancies

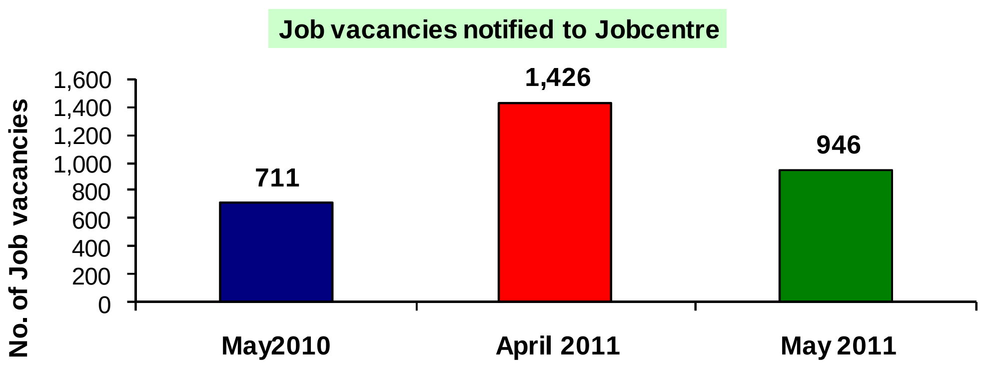
The number and type of Jobcentre Plus vacancies also provide a snapshot of the local labour market. It is estimated that Jobcentre Plus vacancies account for about a third of all available employment opportunities. In West Lothian the most common type of vacancies tend to reflect the main employment 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 May 2011 stands at 20.7% and Scotland's at 19.2%. This means there are currently 5 jobseekers for every vacancy advertised in West Lothian jobcentres.

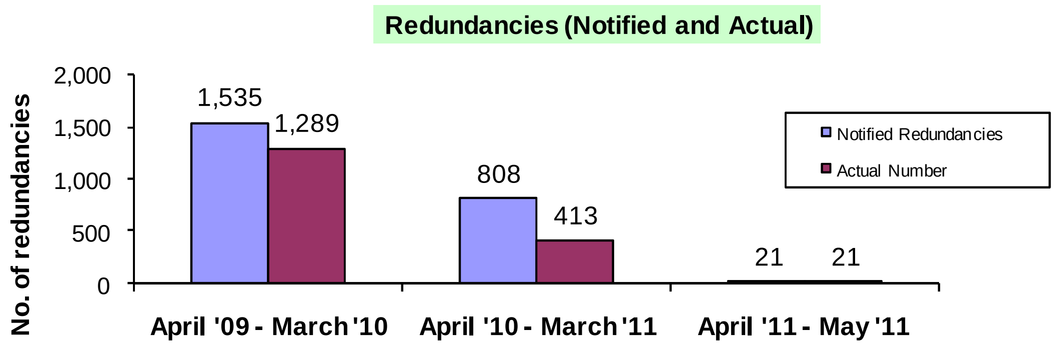
The actual number of West Lothian job vacancies for this May is 946. This is a net decrease of 480 vacancies on the month of April — there were 1,426 vacancies in April 2011.



Source: Jobcentre Plus vacancies

Redundancies

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 the first month of the financial year 2011/12, no redundancies were reported. However, there were 21 in the second month.



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 to include in this part of the monitoring 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 2 — 2011 and Quarter 2 — 2010 - expressed as percentage of total town centre shop units

Town Centre	Quarter 2 — 2011 (%)		Quarter 2 — 2010 (%)	
	Overall occupancy	Charity shops	Overall occupancy	Charity shops
Armadale	92.7	0.0	94.1	0.0
Bathgate	91.7	3.2	91.5	3.3
Broxburn	88.8	0.6	93.0	0.6
Linlithgow	96.0	1.4	96.7	2.0
Whitburn	85.5	1.7	87.0	1.7
Almondvale	90.3	0.7	90.3	0.6

Source: West Lothian Council, June 2011

There was a slight fall in shop occupancies this quarter in four of the towncentres — with Broxburn experiencing the largest decrease (4.2%) — in overall shop occupancy in relation to this time last year. Overall occupancy remained the same in both Almondvale and Bathgate over the same period.

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	5.6%	9.6%	15.4:1
Edinburgh, City of	3.3%	4.2%	4.4:1
Falkirk	4.6%	8.3%	10.3:1
Fife	4.5%	7.0%	7.6:1
Midlothian	3.8%	7.2%	6.6:1
North Lanarkshire	5.4%	9.3%	9.3:1
South Lanarkshire	4.3%	7.6%	9.0:1
West Lothian	4.0%	7.4%	4.8:1
Scotland	4.1%	6.5%	7.1:1
Great Britain	3.7%	5.7%	5.9:1

Sources:
(1) ONS claimant count
(2) ONS claimant count/ONS mid-year (2010) population estimates
(3) ONS claimant count/Jobcentre Plus vacancies

***** for example**,** there are about five (3.1:1) 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 (2010) population estimates

WARD UNEMPLOYMENT (May 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		Male JSA claimants	Female JSA claimants	Total JSA claimants	
	Area covered by ward	number	number	number	rate
Craigshill	Livingston	188	83	271	8.5
Polkemmet	Whitburn	165	75	240	8.0
Armadale Central	Armadale	153	59	212	7.5
Boghall	Bathgate	123	58	181	6.8
Durhamtoun	Bathgate	118	46	164	6.5
Blackburn	Blackburn	144	68	212	6.2
Croftmalloch	Whitburn	143	46	189	5.9
Newland	Bathgate	109	55	164	5.8
Fauldhouse	Fauldhouse, Breich	125	62	187	5.5
Ladywell	Livingston	130	55	185	5.5
Dedridge	Livingston	132	54	186	5.2
Breich Valley	Stoneyburn, Addiewell and Longridge	129	39	168	4.8
Deans	Livingston	113	58	171	4.7
Armadale West	Armadale and Blackridge	108	43	151	4.5
Almond	Whitburn, East Whitburn	84	47	131	4.3
Howden	Livingston	118	41	159	4.2
Limefield	West Calder	84	45	129	4.2
Middleton	Broxburn	89	35	124	4.0
Knightsridge	Livingston	94	59	153	3.9
Oatridge	Winchburgh and surrounding area	92	30	122	3.9
Strathbrock	Broxburn	86	31	117	3.8
Easton	Bathgate/Armadale	79	33	112	3.7
Houstoun	Uphall, Pumpherston	82	35	117	3.7
Carmondean	Livingston	81	38	119	3.1
Linhouse	Kirknewton, Wilkieston	60	42	102	3.0
East Calder	East Calder	66	26	92	2.8
St Michael's	Linlithgow	61	23	84	2.8
Calderwood	Mid Calder	56	21	77	2.2
Kirkton	Livingston	40	23	63	1.8
Preston	Linlithgow	50	21	71	1.8
Murieston	Livingston	35	26	61	1.7
Kingsfield	Linlithgow, Philpstoun	33	16	49	1.3
West Lothian			**1,393**	**4,563**	**4.3**

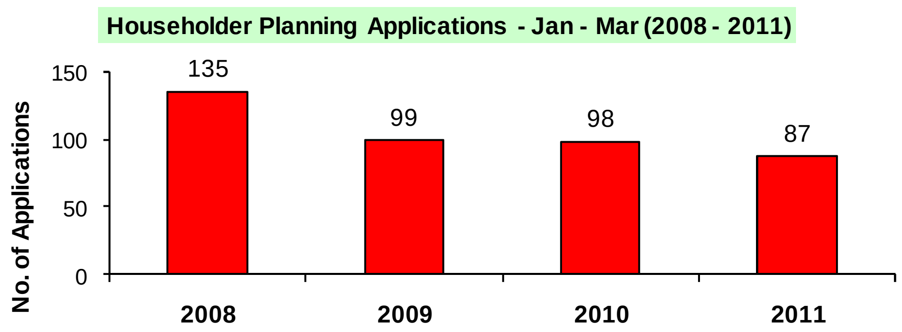
Source: ONS claimant count - June 2011

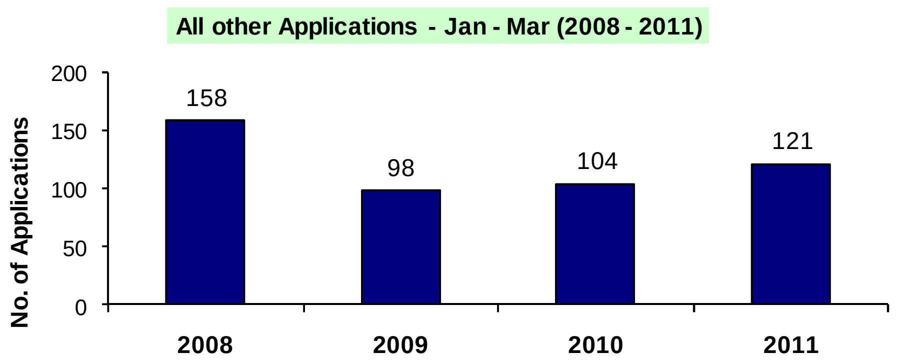
Planning Applications

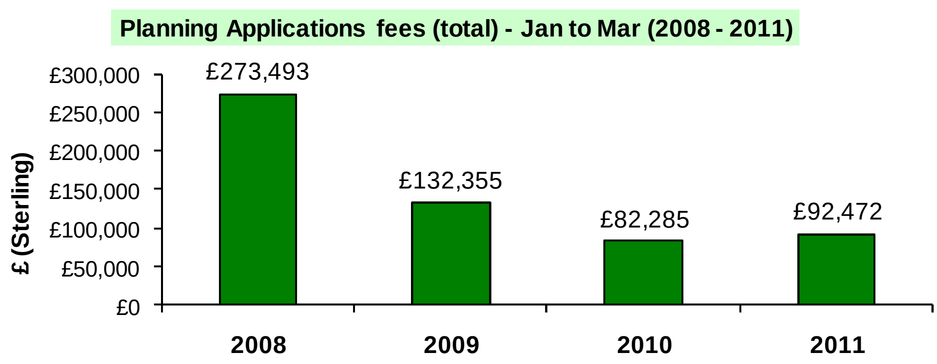
Planning applications provide another measure of the health of the local economy. The numbers of planning applications received indicate levels of business and consumer confidence, economic growth, development investment and development change.

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.







Source: West Lothian Council, April 2011

House Completions

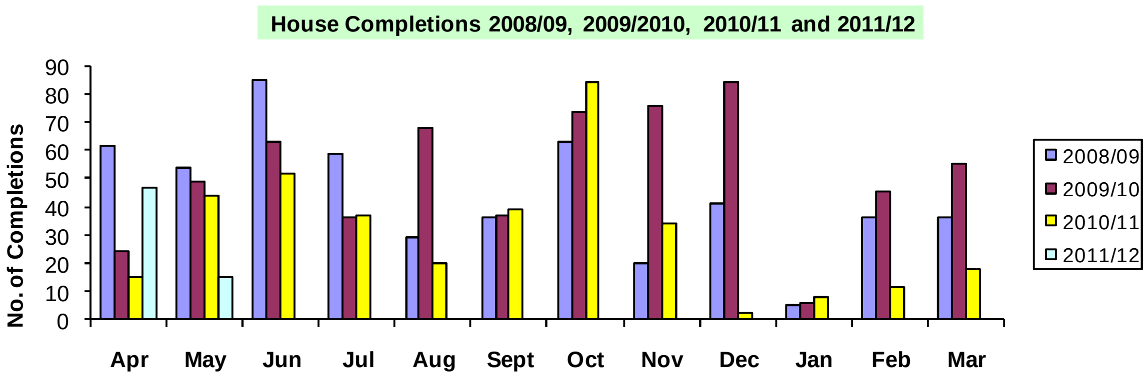
The number of house completions in the local economy is a useful barometer for measuring the house building industry's sensitivity to changing economic conditions.

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

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

The number of house completions in May was 15.

In the first 5 months of this year, 93 houses have been built. This compares with 165 for the same period last year.



Source: West Lothian Council, May 2011

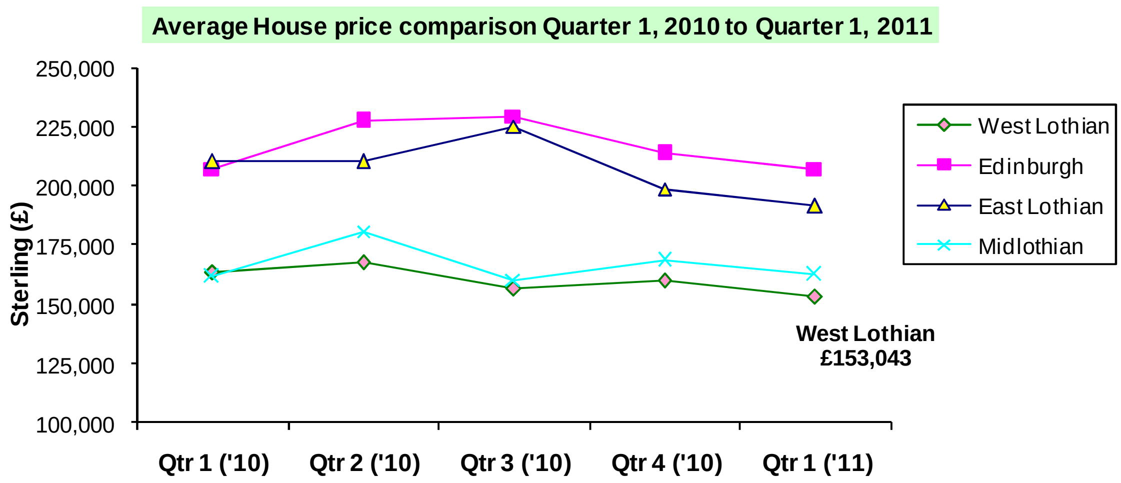
House Prices

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

You can find economic information about West Lothian at any time on West Lothian Council's business website at www.westlothian.com/Home/wl_economy/facts_figures/. If you need help with interpreting this data, or require additional statistics or economic information, please contact Kenny Wheeler, Economic Development Officer with West Lothian Council, on 01506-777945 or at kenny.wheeler@westlothian.gov.uk

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