

Key Economic Indicators

October 2010

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

The latest unemployment figures show a fall in JSA unemployment across all local areas in Scotland. This is a not unexpected seasonal change as employers in retail and other sectors recruit at this time of year. However, rate of decrease in Scotland over the last month is much higher than other parts of the UK.

- The number of JSA jobless in West Lothian for September is 4,409. This is a decrease of 432 on the previous month.
- West Lothian's unemployment rate of 3.9% is higher than both the Scottish (3.8%) and Great Britain (3.5%) rates. West Lothian's unemployment rate ranks 13th highest out of all Scottish local authority areas - down from 10th in August.
- Youth unemployment (18-24 year olds) in West Lothian for September is 1,390 - a reduction of 190 on the August figure.
- Jobcentre vacancy figures have not been released yet for September due to technical issues at ONS.

The recent Comprehensive Spending Review highlights UK expected public sector job losses of 490,000 with Scotland sharing 50,000 of that total. Analysts expect UK private sector job losses to be about 500,000. For Scotland, the prospect is that it will take a proportionately higher cut in capital expenditure with the likely outcome of more than 50,000 private sector job losses. Evidently, West Lothian along with all other Scottish local authority areas will share in the effect from these losses. Our service intends to examine the consequences for our area and present its findings on the issue.

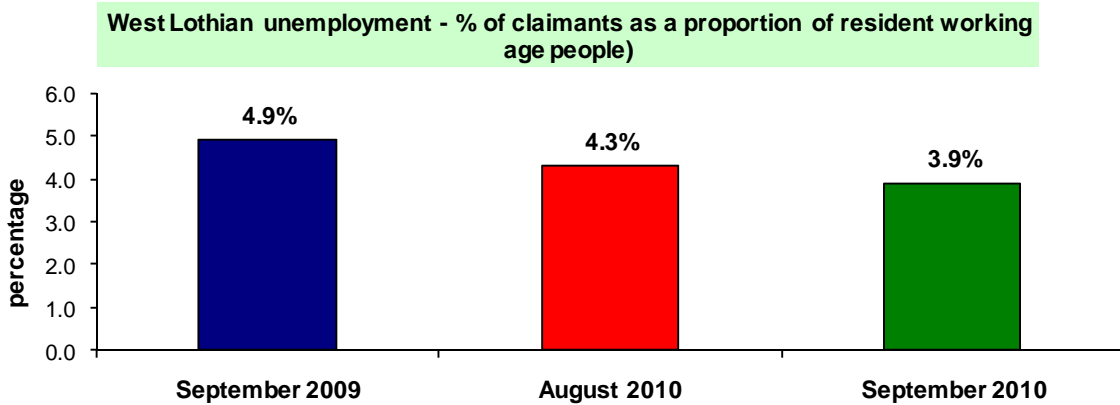
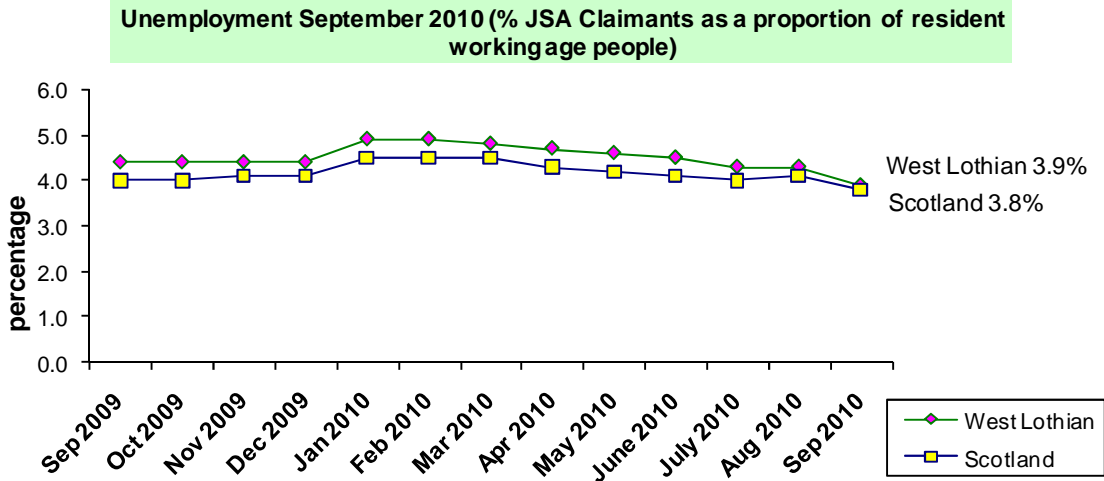
Jobs and Investment

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

- **Tesco** and **Sainsbury's** have both announced plans for new stores in Broxburn. Tesco plans to build on the old Candleworks site to the north of the town centre while Sainsbury's have submitted a pre-planning application for a store on the town's outskirts between the Glenmorangie site and the Almond viaduct.
- The £300M **Airdrie - Bathgate rail link** is set to boost the local labour market by providing 130 permanent new jobs and boosting the economy. 74 of the jobs will be based in Bathgate - including seven station staff at the relocated Bathgate station. The jobs also include 11 train drivers at the new maintenance depot at Bathgate and 31 on board ticket examiners who will also be based in Bathgate.
- **Nisa-Today's**, the convenience food giant, are to open a new Scottish distribution depot in Livingston, which will create 100 jobs at the former Tesco distribution depot in Deans Industrial Estate.
- Scotch whisky giant **Glenmorangie** has moved into a new production centre in Livingston, West Lothian. The bottling facility replaces one at Broxburn; Livingston was chosen because of its transport links and its proximity to the old site, meaning that skilled members of the existing workforce have been retained.
- **West Lothian's five traditional town centres** are bucking the national "Clone Town" trend with their high number of thriving independent shops. A recent report from New Economic Foundation on Clone Town Britain assessed Whitburn, Linlithgow, Broxburn, Armadale and Bathgate as "Home Towns", with scores of between 70 and 80 out of 100, placing them firmly among the top towns for independent retailers in the country.
- West Lothian healthcare software firm **Craneware** has won a new contract worth about £1 million with an American customer. Earlier this month Craneware revealed a 24% rise in pre-tax profits to more than £4.5 million with sales increasing 34 per cent to £37.5 million.

Unemployment

Unemployment in West Lothian stands at 3.9% (% is a proportion of resident working age people) in September 2010. The latest JSA claimant count figure shows a decrease of 432 on the previous month and now stands at 4,409. West Lothian's unemployment rate of 3.9% is higher than both the Scottish and Great Britain rates of respectively 3.8% and 3.5%.



Source: ONS claimant count rates

Unemployment - total JSA claimants (September 2010)			
	Males	Females	Total
West Lothian (numbers)	3,141	1,268	4,409
West Lothian (%)	5.6%	2.2%	3.9%
Scotland (%)	5.5%	2.1%	3.8%
Great Britain (%)	4.9%	2.2%	3.5%

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 Armadale Central (7.2%), Craigshill (7.1%), and Polkemmet (7.0%). Those with the lowest are Kingsfield (1.3%), Murieston (1.6%) and Preston (2.0%). In general, unemployment is higher in the southwest of West Lothian and lower in Linlithgow and the southeast of the area.

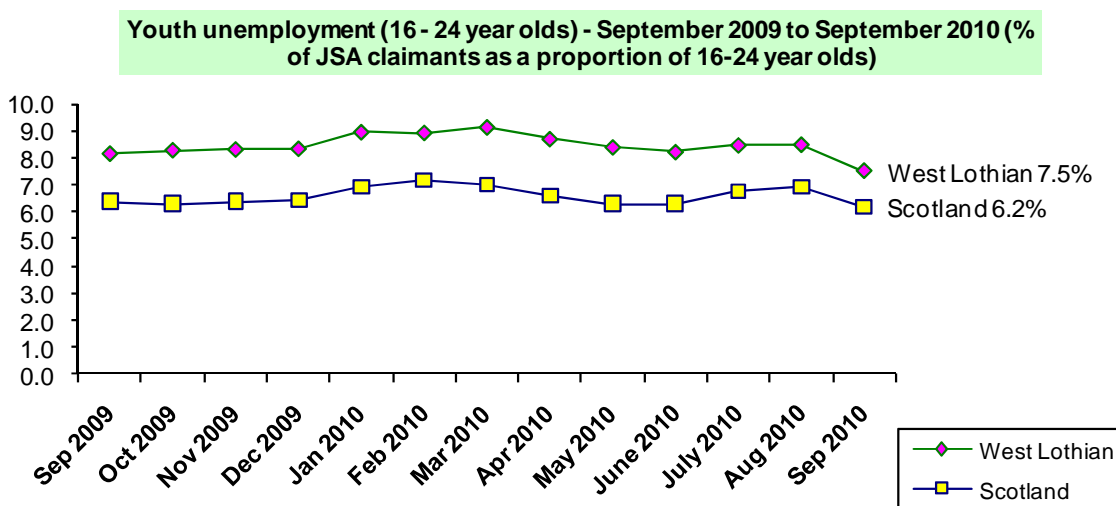
The latest unemployment data for the UK based on the preferred government measure, is for the three months to August. The number of people unemployed fell by 20,000 to 2.45 million (a rate of 7.7%).

According to the BBC website, many economists fear unemployment will rise later in the year when UK government cuts begin to kick in. A report by accountants PWC predicts that cuts in public sector spending will have the knock-on effect of about 500,000 job losses in the private sector.

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 (7.5%) for September than Scotland (6.2%) of youth unemployment. Although both have followed a parallel trend in the last two years.

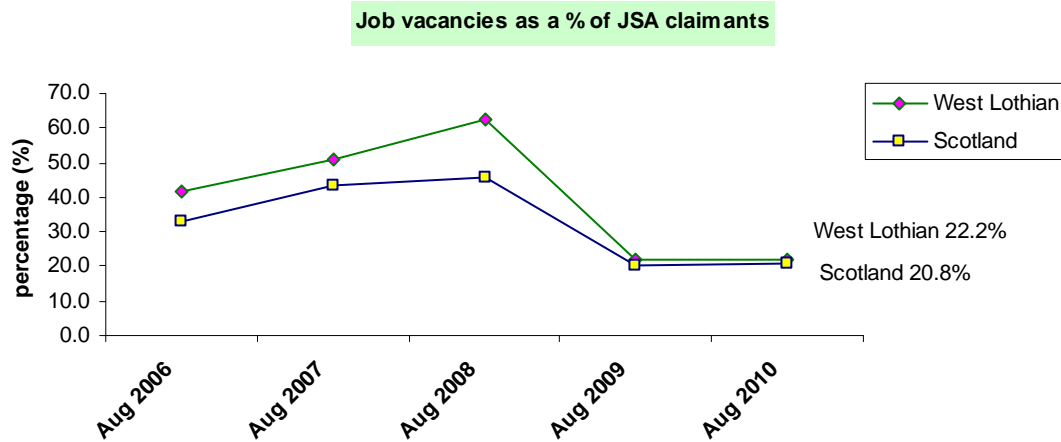


Source: ONS claimant count

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.

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.

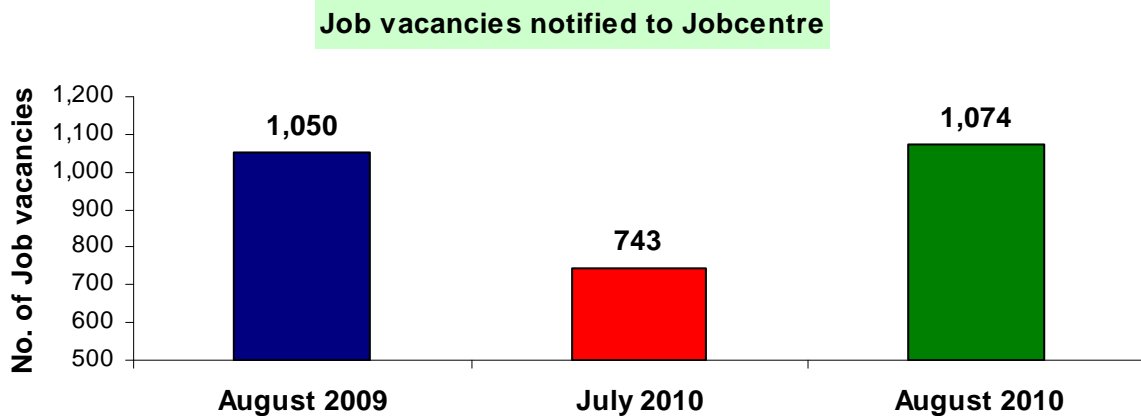


Source: ONS annual business inquiry employee analysis

N.B. Jobcentre vacancy figures have not been released yet for September due to technical issues at ONS.

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 August 2010 stands at 22.2% and Scotland's at 20.8%. 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 August is 1,074. This is a net increase of 331 vacancies on the previous month.



Source: Jobcentre Plus vacancies

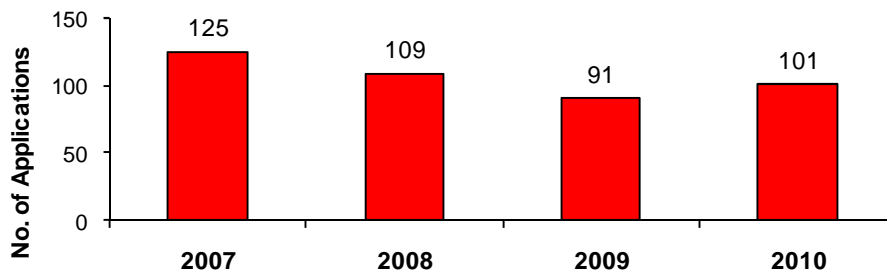
Planning Applications

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.

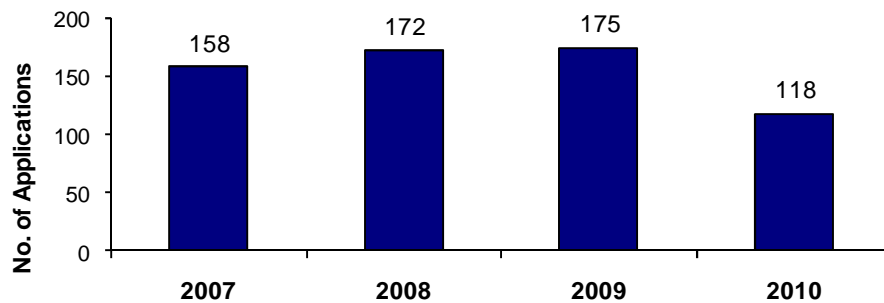
The following charts split planning applications into two categories: householder and all other planning applications. Householder applications include house extensions, conservatories and garages. All other application types include listed building applications, advertisement consent, small-scale individual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

Because there is seasonal variance in development applications, the charts below focus on change over the period July to September for the last three years. Household applications have fallen since 2008, although these appear to be levelling off in the last year. The drop in planning application fees received is largely due to the fall in all other applications - especially non-householder.

Householder Planning Applications - July to Sept (2007 - 2010)



All other Applications - July to Sept (2007 - 2010)



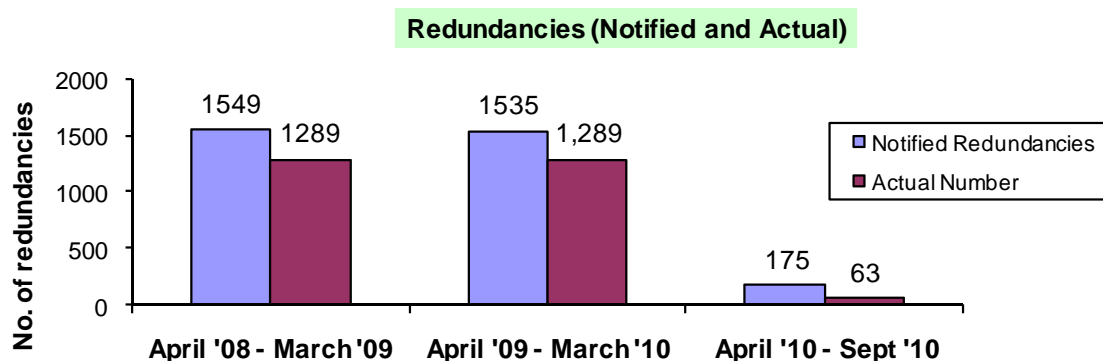
Planning Applications fees (total) - July to Sept (2007 - 2010)



Source: West Lothian Council, October 2010

Redundancies

The level and rate of redundancies are important measures of the business situation. In the first five months of the new financial year (2010/2011) there were 151 notified redundancies of which there were 63 actual or confirmed redundancies.



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

The table 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 October 2010 (latest information available) and October 2009.

Shop unit occupancy comparing October 2010 and October 2009 - expressed as percentage of total town centre shop units				
Town Centre	October 2010 (%)		October 2009 (%)	
	Overall occupancy	Charity shops	Overall occupancy	Charity shops
Armadale	95.5	0.0	89.7	0.0
Bathgate	92.8	3.2	93.4	3.3
Broxburn	90.6	0.6	89.3	0.6
Linlithgow	97.3	2.0	96.4	2.0
Whitburn	86.2	1.7	87.8	1.7
Almondvale	88.4	0.6	86.5	0.6

Source: West Lothian Council, October 2010

Four towncentres have increased their overall shop occupancy in relation to this time last year. Only Bathgate and Whitburn experienced a decrease in shop occupancy in October 2010 when compared to their own benchmark figure for the same month in 2009.

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:

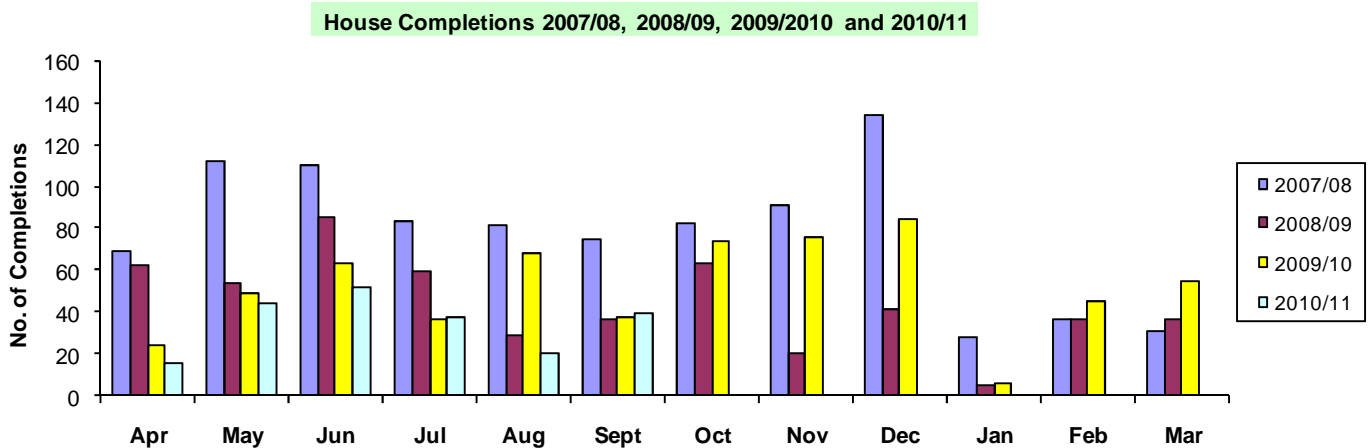
- 2007/08 - 80
- 2008/09 - 43
- 2009/10 - 51

During 2008/09 there was a significant decline in the number of completions but during 2009/10 there was an improvement, partly as a consequence of the council house building programme and increased activity by Housing Associations.

At the beginning of 2010, monthly completions stabilised at an average of 50 per month. However, in July, August and September, the number of completions has been 37, 20 and 39 and as a result, the average number of completions per month over the last 12 months has fallen to 45.

The programmed number of completions for 2010/11 is 347. In the first five months of this financial year, 205 completions have been achieved. This compares with 186 for the same period last year.

It is anticipated that the rate of completions will slow down over the coming months due to the number of sites which have recently been completed or are nearing completion.



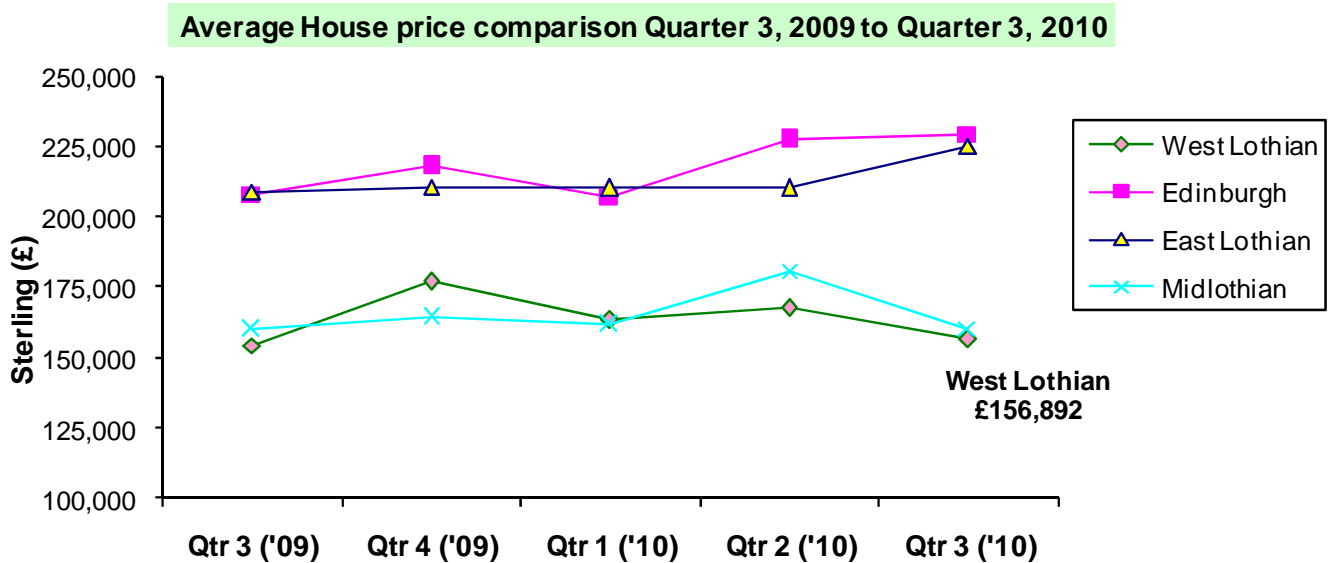
Source: West Lothian Council, September 2010

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.

Average house prices rose across the Lothians during the third quarter of 2010 though growth in West Lothian and Midlothian eased following sharp rises during the second quarter. West Lothian saw a rise of 1.6% to £156,892. In the third quarter (July—September) of 2010 the average price of a property in West Lothian increased by just 1.6% compared to the same quarter in the previous year.

Analysts explain that the sharp rises seen in West Lothian and Midlothian this spring proved to be a short term spike with prices for this most recent period back in line with the sort of figures that have been seen over most of the last two years.



Edinburgh Solicitors Property centre (ESPC), October 2010

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	5.0%	9.5%	9.8:1
Edinburgh, City of	3.0%	4.0%	2.7:1
Falkirk	4.0%	7.3%	5.4:1
Fife	4.2%	6.6%	6.7:1
Midlothian	3.4%	6.7%	4.1:1
North Lanarkshire	5.1%	8.4%	6.0:1
South Lanarkshire	4.1%	7.0%	4.9:1
West Lothian	3.9%	7.5%	4.1:1
Scotland	3.8%	6.2%	4.5:1
Great Britain	3.5%	5.7%	3.6:1

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 four (4.1:1) 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 (2009)		Earnings (2009)	
	Number	% change on previous year	Gross weekly pay (£)	% change on previous year
Clackmannanshire	50,540	0.1	427.4	0.5
Edinburgh, City of	477,660	1.3	518.3	2.2
Falkirk	152,480	0.6	462.8	1.0
Fife	363,460	0.4	465.0	-0.2
Midlothian	80,810	0.3	425.9	6.1
North Lanarkshire	326,320	0.2	430.1	-1.2
South Lanarkshire	310,930	0.3	498.3	5.0
West Lothian	171,040	0.9	424.7	0.8
Scotland	5,194,000	0.5	472.2	2.0

Sources:

ONS Claimant Count/ONS mid year (2009) population estimates

ONS annual survey of hours and earnings—resident analysis

	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 (August 2010)

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
Armadale Central	Armadale	146	57	203	7.2
Craigshill	Livingston	175	52	227	7.1
Polkemmet	Whitburn	144	64	208	7.0
Boghall	Bathgate	117	50	167	6.2
Durhamtoun	Bathgate	113	44	157	6.2
Blackburn	Blackburn	160	50	210	6.1
Newland	Bathgate	110	55	165	5.8
Croftmalloch	Whitburn	119	52	171	5.4
Ladywell	Livingston	128	45	173	5.2
Almond	Whitburn, East Whitburn	109	44	153	5.0
Armadale West	Armadale and Blackridge	124	40	164	4.9
Dedridge	Livingston	124	52	176	4.9
Fauldhouse	Fauldhouse, Breich	110	54	164	4.9
Howden	Livingston	123	42	165	4.4
Oatridge	Winchburgh and surrounding area	95	35	130	4.2
Breich Valley	Stoneyburn, Addiewell and Longridge	102	42	144	4.1
Deans	Livingston	98	47	145	4.0
Limefield	West Calder	84	38	122	3.9
Middleton	Broxburn	81	39	120	3.9
Strathbrock	Broxburn	79	40	119	3.9
Easton	Bathgate/Armadale	86	30	116	3.8
Houstoun	Uphall, Pumpherston	88	31	119	3.8
Knightsridge	Livingston	101	51	152	3.8
Carmondean	Livingston	90	38	128	3.4
Linhouse	Kirknewton, Wilkieston	76	31	107	3.1
St Michael's	Linlithgow	59	24	83	2.8
Calderwood	Mid Calder	62	21	83	2.4
East Calder	East Calder	55	23	78	2.4
Kirkton	Livingston	52	24	76	2.1
Preston	Linlithgow	53	26	79	2.0
Murieston	Livingston	44	12	56	1.6
Kingsfield	Linlithgow, Philpstoun	34	16	50	1.3
West Lothian		3,141	1,269	4,410	4.2

Source: ONS claimant count - September 2010

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

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West Lothian
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