

West Lothian Economic Update

October 2011

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

KEY UPDATES

UK unemployment rose by 114,000 between June and August to 2.57 million - a 17-year high, according to the ONS. Unemployment in Scotland rose by 7,000 over the same quarter, however, this rise was not as bad as the rest of the UK. In contrast, West Lothian's unemployment fell by 273 taking its unemployment rate down to 3.9% and level with the Great Britain average for the first time in almost three years.

Business activity is stalling in Scotland, according to a survey by the Scottish Chambers of Commerce (SCC). A survey of 200 firms found they were "increasingly pessimistic" in all sectors, reflecting growing uncertainty about an economic recovery. This follows the Scottish Government reporting economic growth in the second quarter slowing to 0.1%.

- The number of JSA jobless in West Lothian for September is 4,440. This is a decrease of 273 on the previous month.
- West Lothian's unemployment rate of 3.9% is below the Scottish (4.1%) rate, but similar to the Great Britain (3.9%) rate. West Lothian's unemployment rate ranks 11th highest out of all Scottish local authority areas.
- Youth unemployment (18-24 year olds) in West Lothian for September is 1,445. This is a decrease of 105 on last month.
- There were 1,351 notified jobcentre vacancies in September - a net increase of 384 from August 2011.
- The ratio of jobseekers to jobcentre vacancies stands at 3 jobseekers for every vacancy advertised in West Lothian Jobcentres. In comparison, Scotland's ratio is 5.4:1, Great Britain is 4.4:1 with Clackmannanshire having the highest ratio of 13.8:1 (14 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:

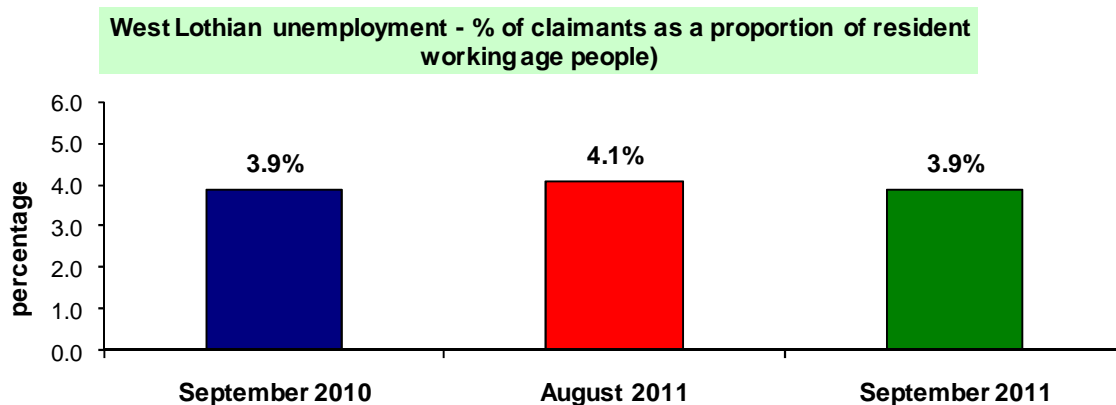
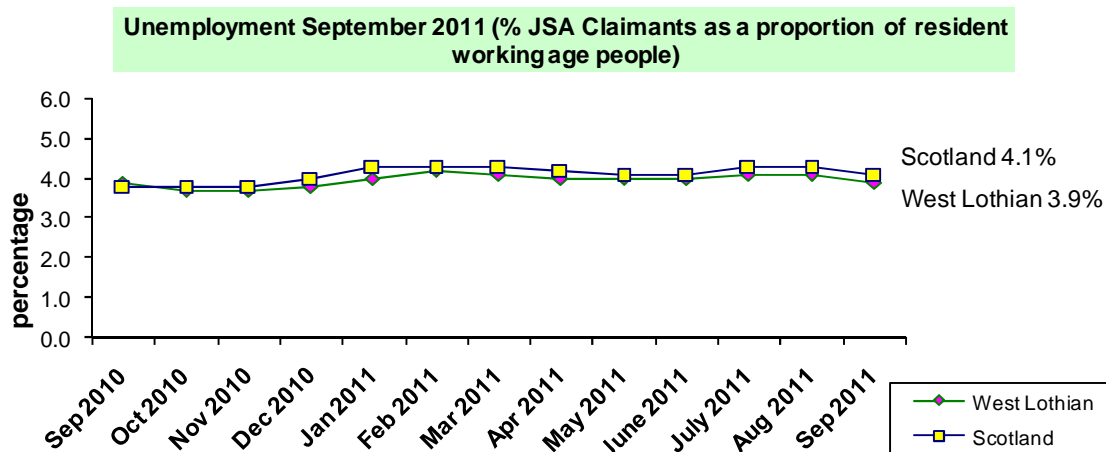
- **Advance Works** have started on the £1.6bn Forth Replacement Crossing project. Local firms are being urged to register for potential contract opportunities at www.publiccontractsscotland.gov.uk.
- The Duke of York has officially opened **The Glenmorangie's Company's** new £13m bottling facility in West Lothian. The new Livingston plant is part of a wider £45m investment programme launched by the company in 2008.
- **Network Rail** have published their initial industry plan (IIP) setting out the future of the Scottish Rail Network. Amongst the schemes proposed is to electrify and upgrade the line from Edinburgh - Glasgow Central via Livingston South, West Calder and Fauldhouse.
- Food manufacturer **VION** is to create 250 jobs at its pork processing facility at Broxburn. The firm will also create a Centre of Excellence for fresh manufacturing at VION Hall's.
- **Touch Bionics**, the Livingston-based artificial limb maker, has unveiled an upgraded version of its flagship product at a major medical conference in Las Vegas.
- More than 70% of temporary workers who completed six months of work experience and training at **Oatridge College** in West Lothian under an initiative set up by the previous Westminster government administration, managed to break out of unemployment.

West Lothian Economic Update
is produced by West Lothian Council
on behalf of West Lothian Economic Partnership.

West Lothian
Economic Partnership

Unemployment

Unemployment in West Lothian stands at 3.9% (% is a proportion of resident working age people) in September 2011. The latest JSA claimant count figure shows a decrease of 273 on the previous month and now stands at 4,440. West Lothian's unemployment rate of 3.9% is lower than the Scottish rate of 4.1% although similar to the Great Britain rate of 3.9%.



Source: ONS claimant count rates

Unemployment - total JSA claimants (September 2011)			
	Males	Females	Total
West Lothian (numbers)	2,989	1,451	4,440
West Lothian (%)	5.3%	2.5%	3.9%
Scotland (%)	5.7%	2.5%	4.1%
Great Britain (%)	5.1%	2.6%	3.9%

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

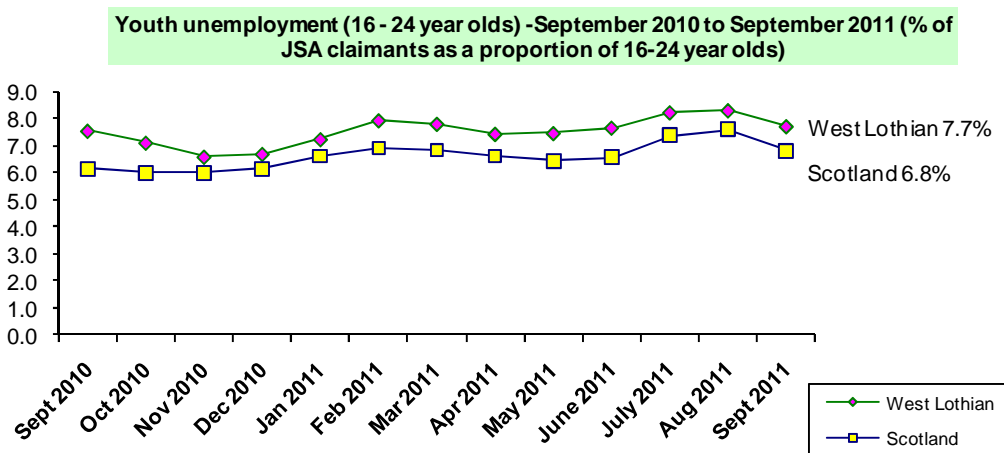
Included on page 8 is a breakdown of unemployment by local area within West Lothian based on the former 32 Scottish local authority wards. This shows that those wards with the highest rate of unemployment are Craigshill (8.6%), Polkemmet (7.6%) and Armadale Central (7.5%). Those with the lowest are Kingsfield (1.2%), Murieston (1.7%) and Kirkton (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 August. The number of people unemployed rose by 114,000 to 2.57million (a rate of 8.1%), a 17-year high, according to the ONS.

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 the effects of economic down turn on unemployment. 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 (7.7%) for September than Scotland (6.8%) of youth unemployment. Although both have followed a parallel trend in the last four 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	September 2011 Actual
Number of Starts	280	138	174	23	41
Starts by Women	123	60	84	10	20
Starts by Young People	71	36	29	6	8
Number of SMEs supported	500	252	381	42	131*

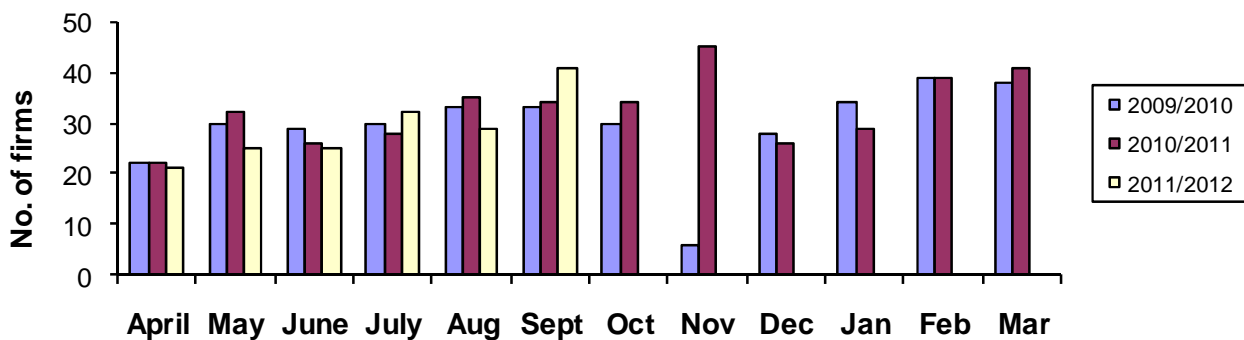
Source: West Lothian Council, September 2011

* The large number of SMEs supported in September 2011 was due to joint e-business West Lothian/ Women in Business event.

Business Gateway Support

Business start-ups over the summer have been strong and are now well above target for the year. In total 381 growth businesses have been supported so far this financial year, of which 93 have received in-depth consultancy support in the areas including expansion, funding, market diversification, and e-commerce.

Business Gateway service new firm starts 2009/10, 2010/11 and 2011/2012



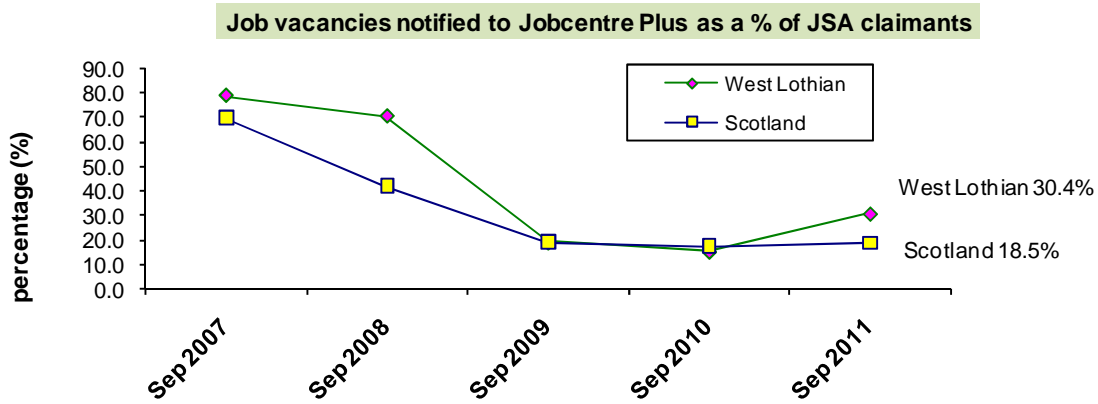
Source: West Lothian Council, August 2011

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

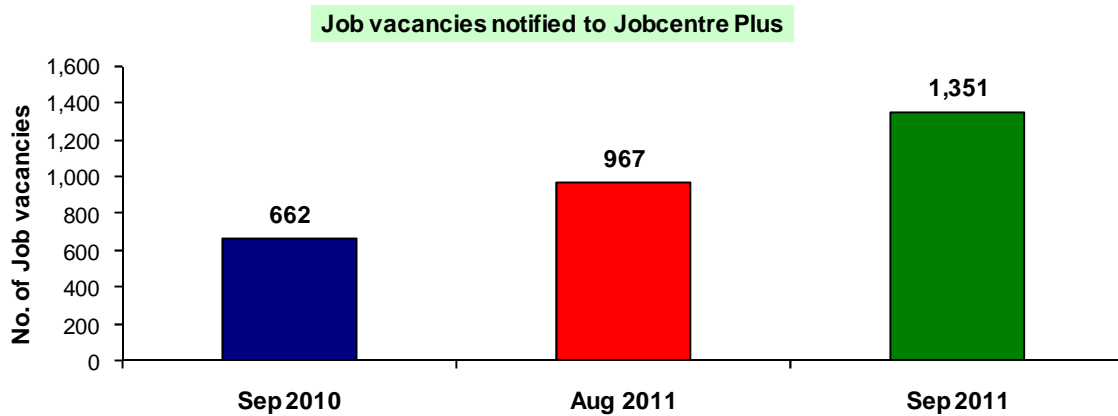
The number and type of Jobcentre Plus vacancies also provide a snapshot of the local labour market. It is estimated that Jobcentre Plus vacancies account for about a third of all available employment opportunities. In West Lothian the most common type of vacancies tend to reflect the main employment 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 September 2011 stands at 30.4% and Scotland's at 18.5%. This means there are currently 3 jobseekers for every vacancy advertised in West Lothian jobcentres.

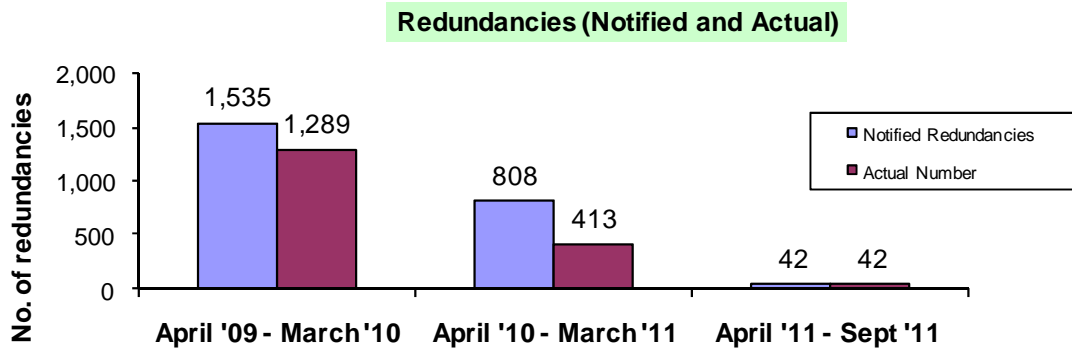
The actual number of West Lothian job vacancies notified to Jobcentre Plus for this September is 1,351. This is a net increase of 384 vacancies on the month of August — there were 967 vacancies in August 2011.



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 six months of the financial year 2011/12, there have been 42 redundancies reported.



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 3 — 2011 and Quarter 3 — 2010 - expressed as percentage of total town centre shop units				
Town Centre	Quarter 3 — 2010 (%)		Quarter 3 — 2011 (%)	
	Overall occupancy	Charity shops	Overall occupancy	Charity shops
Armadale	94.6	0.0	94.1	0.0
Bathgate	91.6	3.3	93.2	3.2
Broxburn	92.0	0.6	88.2	0.6
Linlithgow	97.8	2.0	95.3	1.4
Whitburn	84.9	1.7	82.0	1.7
Almondvale	90.3	0.6	90.3	0.7

Source: West Lothian Council, July 2011

There was a slight fall in shop occupancies this quarter in four of the towncentres — with Broxburn experiencing the largest decrease (3.8%) — in overall shop occupancy in relation to this time last year. Overall occupancy remained the same in Almondvale over the same period with Bathgate increasing its occupancy by 1.6%.

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%	11.0%	13.8:1
Edinburgh, City of	3.2%	4.4%	3.7:1
Falkirk	4.5%	8.0%	5.6:1
Fife	4.6%	7.7%	6.4:1
Midlothian	3.8%	7.5%	5.5:1
North Lanarkshire	5.5%	9.7%	8.1:1
South Lanarkshire	4.3%	8.3%	7.1:1
West Lothian	3.9%	7.7%	3.3:1
Scotland	4.1%	6.8%	5.4:1
Great Britain	3.9%	6.6%	4.4:1

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 three (3.3:1) 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 (September 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	198	76	274	8.6
Polkemmet	Whitburn	149	78	227	7.6
Armada Central	Armada	148	63	211	7.5
Durhamtoun	Bathgate	111	72	183	7.2
Blackburn	Blackburn	136	72	208	6.1
Croftmalloch	Whitburn	133	59	192	6.0
Boghall	Bathgate	106	49	155	5.8
Newland	Bathgate	107	55	162	5.7
Ladywell	Livingston	130	57	187	5.6
Fauldhouse	Fauldhouse, Breich	115	59	174	5.2
Almond	Whitburn, East Whitburn	95	52	147	4.8
Armada West	Armada and Blackridge	111	51	162	4.8
Dedridge	Livingston	110	62	172	4.8
Breich Valley	Stoneyburn, Addiewell and Longridge	121	38	159	4.5
Howden	Livingston	114	46	160	4.3
Deans	Livingston	95	56	151	4.1
Limefield	West Calder	74	42	116	3.8
Middleton	Broxburn	76	43	119	3.8
Strathbrock	Broxburn	80	35	115	3.8
Houstoun	Uphall, Pumpherston	82	35	117	3.7
Knightsridge	Livingston	86	58	144	3.6
Easton	Bathgate/Armada	72	34	106	3.5
Oatridge	Winchburgh and surrounding area	79	29	108	3.5
Carmondean	Livingston	75	35	110	2.9
St Michael's	Linlithgow	63	20	83	2.8
Linhouse	Kirknewton, Wilkieston	52	36	88	2.6
East Calder	East Calder	52	30	82	2.5
Preston	Linlithgow	60	29	89	2.3
Calderwood	Mid Calder	47	24	71	2.1
Kirkton	Livingston	40	24	64	1.8
Murieston	Livingston	43	16	59	1.7
Kingsfield	Linlithgow, Philpstoun	29	16	45	1.2
West Lothian		2,989	1,451	4,440	4.2

Source: ONS claimant count - September 2011

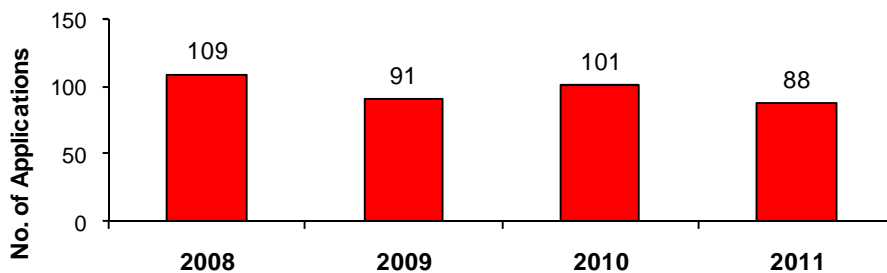
Planning Applications

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.

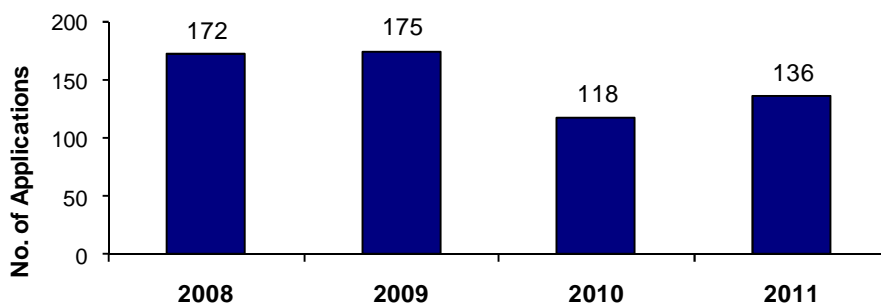
The following charts split planning applications into two categories: householder and all other planning applications. Householder applications include house extensions, conservatories and garages. All other application types include listed building applications, advertisement consent, small-scale individual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

Because there is seasonal variance in development applications, the charts below focus on change over the period July to September for the last three years. Household applications have generally fallen since 2008.

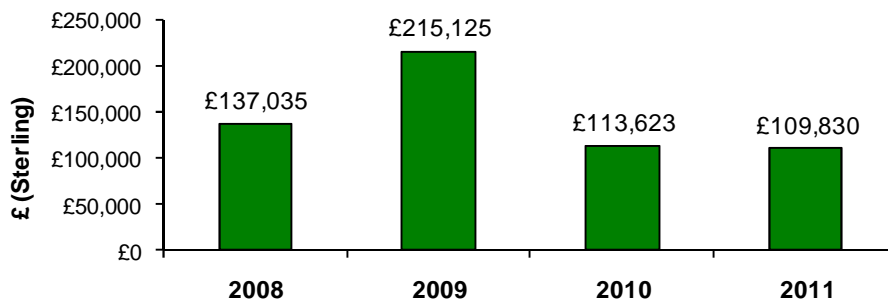
Householder Planning Applications - Jul - Sep (2008 - 2011)



All other Applications - Jul - Sep (2008 - 2011)



Planning Applications fees (total) - Jul to Sep (2008 - 2011)



Source: West Lothian Council, October 2011

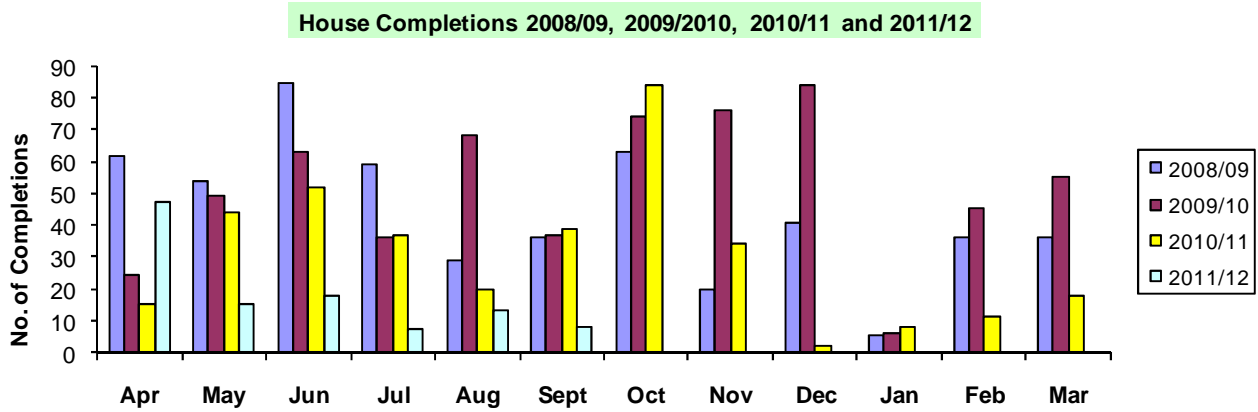
House Completions

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:

- 2008/09 - 43
- 2009/10 - 51
- 2010/11 - 25

The number of house completions in September was eight.



Source: West Lothian Council, October 2011

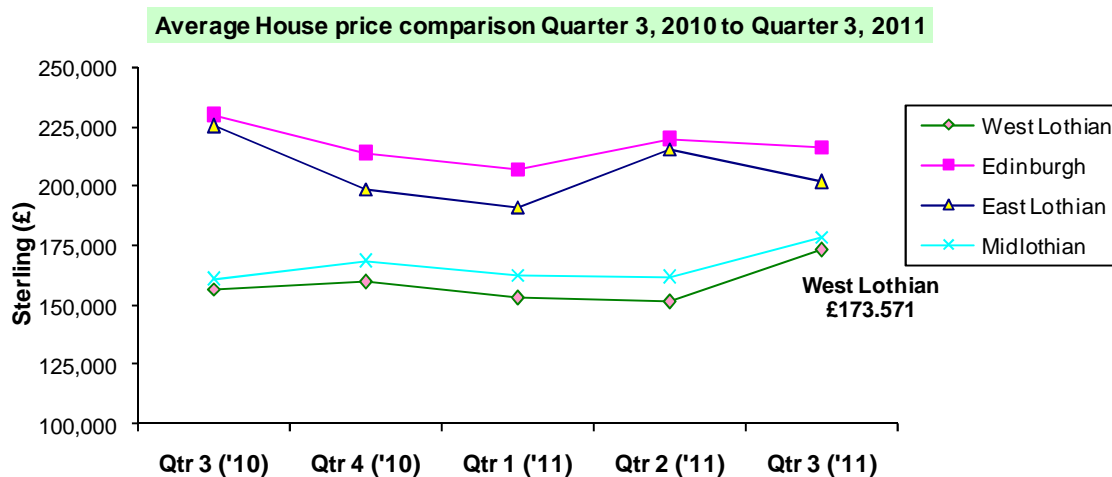
House Prices

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.

There was a mixed picture for house prices in the Lothians during the three months to September 2011 (Quarter 3). House price rises were observed in both West Lothian and Midlothian. In West Lothian a year-on-year increase of 10.6% brought the average to £173,571 whilst a rise of 11.3% in Midlothian brought the average house price in the area to £178,686. A 10.6% annual fall in East Lothian took the average house price down to £201,710 in Quarter 3 of this year. In Edinburgh the average house price in the three months to September was £216,673.

The increases in both West Lothian and Midlothian, however, are expected to be short-lived.

Analysts say the number of people looking to sell continues to outstrip the number of active buyers. Because of the weak economic recovery analysts do not expect to see a significant improvement in consumer confidence or mortgage availability.



Edinburgh Solicitors Property Centre (ESPC), October 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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