



West Lothian Economic Investment Plan 2025- 2035

Supporting Document

Contents

1	Introduction	1
2	About West Lothian	2
3	Policy and Strategic Review	58
4	External Context	86
5	Funding	97
6	Business Survey	104



1 Introduction

This supporting document to the West Lothian Economic Investment Plan (EIP) contains some of the information and data that was used to help inform and shape the EIP.

This supporting document contains:

- a socio-economic review of West Lothian to better understand what the West Lothian economy looks like today and future projections where available – **Chapter 2**.
- a policy review to identify key strategic pointers – **Chapter 3**.
- information on the wider external context in which the EIP will be delivered – **Chapter 4**.
- potential funding sources for the EIP – **Chapter 5**.
- survey findings and data tables from an online survey aimed at local businesses and organisations – **Chapter 6**.

2 About West Lothian

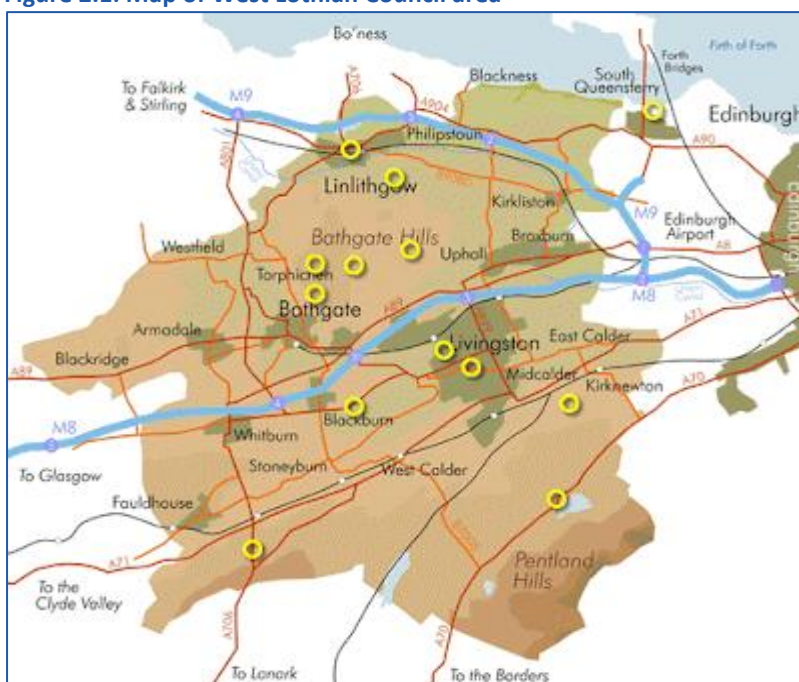
2.1 Introduction

This section considers economic data – it provides an analysis of West Lothian’s past and current economic performance and, where possible, considers forecast future projections related to the economic and demographic trajectory of the region. It sets a baseline position for the West Lothian EIP – that is, the point at which the local economy currently finds itself at, which then allows for comparative/trend analysis and projections to be made where available (the West Lothian of tomorrow).

The analysis looks at a wide range of social, demographic, and economic indicators from existing published datasets - this helps to ensure the West Lothian EIP considers the multitude of factors that may influence the West Lothian economy over the coming years. The latest available data is presented, examining the period over the last ten years where possible. It considers where West Lothian performs well, where it may be lagging behind, as well as wider opportunities, issues, and challenges. Data is presented at a West Lothian local authority level and compares this to the Scottish average and, where possible, it is also broken down by council ward.

2.2 Map of West Lothian

Figure 2.1: Map of West Lothian Council area



Source:

<https://maps-of-scotland.blogspot.com/>

2.3 Demographics

Key points:

- West Lothian has one of the youngest age profiles of any local authority in Scotland.
- West Lothian's population is around 181,000 (2022) – the region has experienced a gradual increase in population over the last decade, and at a higher rate than Scotland.
- West Lothian's working age population has, however, remained static over the last decade to 2022 and there was also a decrease in its child population.
- There has been an increase in West Lothian's older age population (65+) over this period – an increase of 24% since 2011 which is also higher than the national average.
- Some communities in West Lothian have grown faster than others in population terms, in particular Broxburn, Uphall and Winchburgh, East Livingston and East Calder and Bathgate – this is largely in line with those wards which have benefitted from considerable housebuilding over the last decade.
- West Lothian is expected to continue seeing growth in its local population to circa 196,000 over the decade to 2032 – forecast population growth is at a higher rate than Scotland.
- West Lothian's older population is forecast to increase at a much faster rate (+44%) than its working age population (+8%) – there are some caveats around the reliability of local authority population forecast data which may be over-estimated.

What this means for the EIP:

West Lothian currently has one of the youngest age profiles of any local authority in Scotland, indicating that it is popular with working age people with young families. If West Lothian can remain an attractive location for young families to live, learn and work, then this could have a positive impact on the future demographic make-up of the region.

Continued forecast population growth in West Lothian is also positive – the main challenge is that the older population is forecast to increase at a much faster rate than its working age population (and its child population is forecast to decline). A continued growing ageing population will generate increased demand for essential services, for example, health and social care. With total employment in West Lothian also projected to increase (see **Section 2.4**) – there is a continued need to ensure there are enough people of working age in West Lothian with the right skills mix to fill the jobs required in future years.

Population

West Lothian's population was 181,278 in 2022. Whilst West Lothian has the same proportion of the population who are working age as Scotland, it has a slightly higher proportion of the population who are children, and a lower proportion of those at pensionable age, **Table 2.1**.

West Lothian has one of the youngest age profiles of any local authority in Scotland, with only East Renfrewshire and Midlothian having a higher proportion of children, and only Glasgow, Edinburgh and Aberdeen having a lower proportion of those at pensionable age.

Table 2.1: West Lothian population (2022)

Age band	West Lothian		Scotland	
	Number	Percentage	Number	Percentage
0-15	33,688	19%	891,248	16%
16-64	116,039	64%	3,458,000	64%
65+	31,566	17%	1,090,602	20%
Total	181,278	100%	5,439,842	100%

Source: Census

West Lothian experienced a slight increase in its population of 3.4% over the last decade to 2022 from 175,000 to circa 181,000 - this is slightly higher than the 2.7% increase experienced across Scotland, see **Table 2.2**.

Table 2.2: West Lothian population change (2011 and 2022)

Age band	2011	2022	Change	% Change West Lothian	% Change Scotland
0-15	35,453	33,688	-1,765	-5.2%	-2.8%
16-64	115,778	116,039	+261	+0.2%	-0.9%
65+	23,887	31,566	+7,679	+24.3%	+18.4%
Total	175,118	181,278	6,160	+3.4%	+2.7%

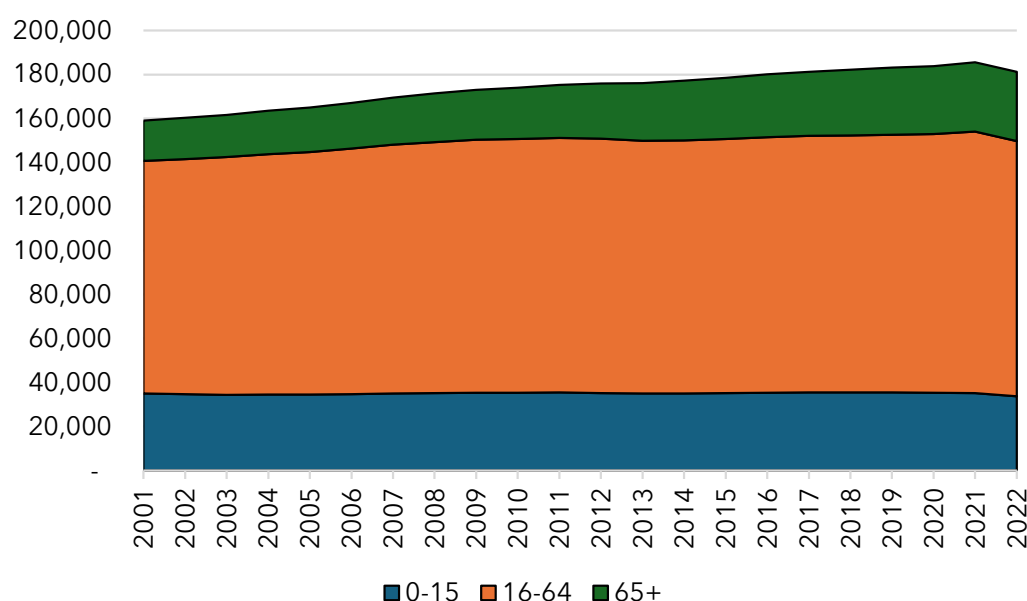
Source: Census

There has been a shift in the demographic make-up of the population in West Lothian over this period. Points to note include that:

- West Lothian's retired age population has increased by circa 24% in the decade to 2022 - this is consistent with national demographic trends, albeit the proportionate increase in West Lothian is higher than the Scotland average.
- West Lothian's working age population has remained static while there was a decrease in the region's child population over the same time period.

This trend is further reflected in **Figure 2.2**.

Figure 2.2: West Lothian population trend (2011 to 2022)



Source National Records of Scotland (NRS) and Census

Note: It should be noted that the drop from 2021 and 2022 is due to combining NRS estimates and recently published Census data, with population being overestimated by around 4,300, or 2%.

Population growth (or otherwise) varies at a council ward level in West Lothian. Population growth in West Lothian over the last decade has mainly been in the following council wards:

- Broxburn, Uphall, and Winchburgh.
- East Livingston and East Calder.
- Bathgate, see **Table 2.3**.

Table 2.3: West Lothian population by council ward (2011 to 2022)

West Lothian council ward	2011	2022	Change	% Change
Broxburn, Uphall and Winchburgh	19,034	21,137	+2,103	+11%
East Livingston and East Calder	20,348	22,298	+1,950	+10%
Bathgate	20,732	22,523	+1,791	+9%
Armada and Blackridge	15,528	16,394	+866	+6%
Whitburn and Blackburn	19,937	20,869	+932	+5%
Livingston South	23,888	24,207	+319	+1%
Fauldhouse and the Breich Valley	16,250	16,214	-36	0%
Livingston North	23,405	22,926	-479	-2%
Linlithgow	16,178	14,692	-1,486	-9%

Source: NRS and Census

Population projections

West Lothian's population is forecast to continue to grow between 2022 and 2032 - by 4.8% to circa 196,000, see **Table 2.4**. This is in contrast to population projections at a Scotland level where the population is forecast to remain static over the same period.

Table 2.4: Population projections (2022 to 2032)

	2022	2032	Change	% Change
West Lothian	186,919	195,984	+9,065	4.8%
Scotland	5,470,824	5,470,824	0	0.0%

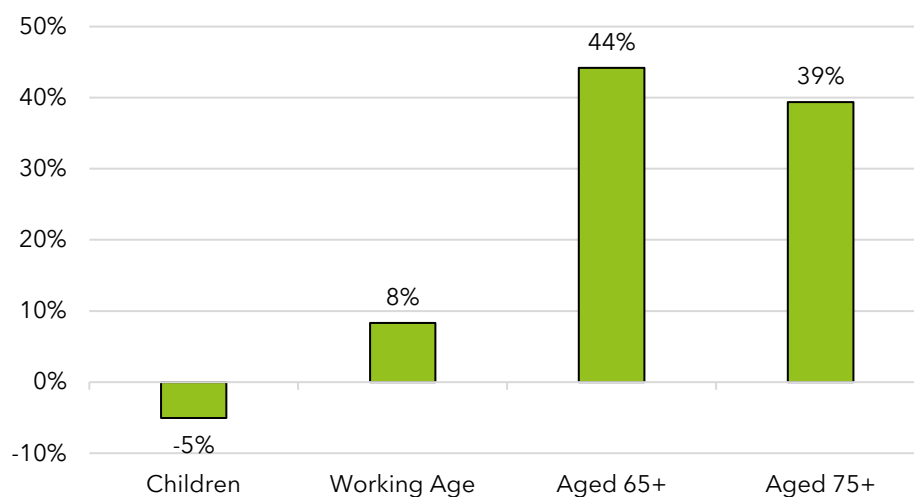
Source: NRS

West Lothian's forecast population growth to 2032 is expected to be due to both a higher birth rate and net migration. West Lothian is one of only five local authorities in Scotland that has a projected increased population if immigration is not included.

Note: population projections to 2032 were published prior to the latest census - 2022 population figures in West Lothian were over-estimated by approximately 6,000, and future projections could also be overestimated as a result.

While West Lothian's working age population is projected to grow by 8% between 2018 and 2028, its 65+ population is forecast to grow by 44%, and those aged 75 or over by 39% see **Figure 2.3**. West Lothian's child population is forecast to decline over the same period.

Figure 2.3: Population projections by age group (2018 to 2028)



Source:

NRS. Note: Age breakdown of population projections is only available using 2018 to 2028 figures

Dependency ratio

The dependency ratio compares the number of those of non-working age – that is, those aged 0-15 and 65+, in comparison to those of working age (16-64 years). Points to note include that:

- the dependency ratio in West Lothian (2018) is in line with that of Scotland, see **Table 2.5**.
- by 2043, the West Lothian dependency ratio is expected to be slightly above the Scottish level – this confirms a slightly faster ageing of the population in West Lothian.

Table 2.5: Dependency ratio (2018 versus 2043)

Geography	Dependency ratio		Percentage point (ppt) change
	2018	2043	
Scotland	56%	60%	+4 ppt
West Lothian	56%	61%	+5 ppt

Source: Skills Development Scotland (SDS) Regional Skills Assessment (RSA) for West Lothian Data Matrix

2.4 Jobs and Employment

Key points:

- West Lothian has actively managed and facilitated change over many decades. It has moved on from its industrial past and built on its post-industrial legacy to re-emerge as a progressive and diverse place for people to live and work.
- Total employment in West Lothian was on a broadly upward trend from 2013 to 2019, peaking at around 80,000. The impact of the COVID-19 pandemic on employment in West Lothian is clear - the area lost 3,000 jobs in 2020 and has not yet recovered to the 2019 peak in employment.
- West Lothian had 77,500 jobs in 2022 - the largest employment sectors are health and social care (11%), retail (10%), and manufacturing (10%).
- There are a total of 87,800 employed people resident in West Lothian - approximately 12% of West Lothian workers work out with the area, most likely in Edinburgh.
- Sectors which West Lothian has key strengths in compared to Scotland as a whole are Information and Communication, Transport and Storage, Manufacturing and Wholesale.
- There has been a rebalancing of the West Lothian economy over the last decade away from foundation sectors (the traditional major employers) towards growth sectors (high value, innovative sectors).
- Employment forecast indicate that future jobs will be concentrated in the transport and storage, wholesale and retail sectors.

What this means for the EIP:

West Lothian has had strong and sustained demand for its workforce over the last decade and this is set to continue (albeit forecast growth is below the national average). There is a need to ensure there are enough people of working age in West Lothian with the right skills mix to take up available jobs opportunities across various sectors of the economy, and in particular those sectors where future employment demand is forecast. Employment within the foundation economy will continue to be important to regional economies like West Lothian. It will, however, be important to provide opportunities for people to progress from lower value, lower paid jobs. West Lothian has done well to grow its share of employment in growth sectors, most notably Life Sciences, Financial and Business Services, and Food and Drink. This can be further built upon, and there are opportunities to support the creation of more high valued jobs.

Significant employment growth is also forecast across the wider Edinburgh and South East Scotland City Region - there may be some opportunities for West Lothian to capitalise on this by looking at the sectors and occupations that are forecast to grow, and consider how West Lothian can facilitate or attract investment in these areas.

Total employment

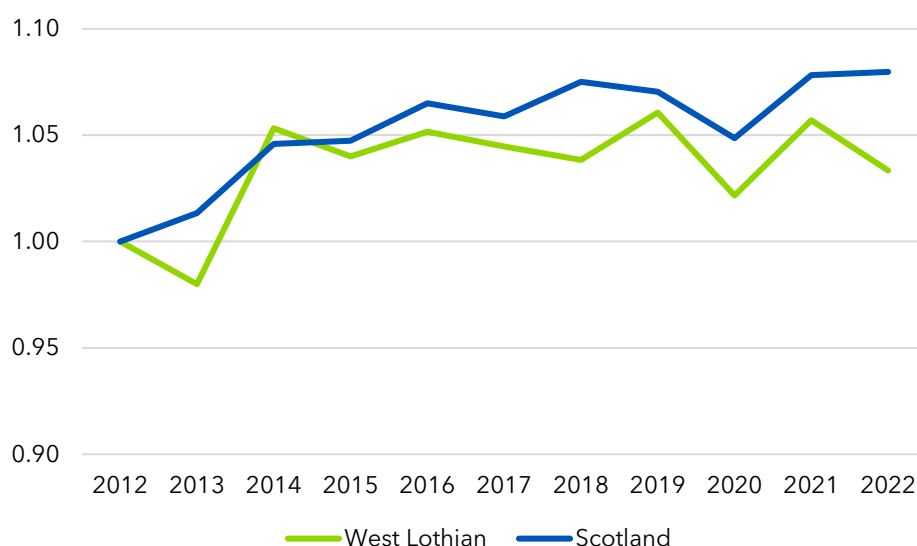
Overall, total employment (jobs) in West Lothian increased by 35% from 75,000 in 2012 to 77,500 in 2022 - below than the picture at a Scotland level (+7%), see **Figure 2.4**.

Figure 2.4 equalises both West Lothian and Scotland employment at one in 2012 and shows changes relative to 2012 - this allows changes between West Lothian and Scotland to be compared despite the large difference in total number of jobs.

Other points to note from the data include that:

- there was then a decrease in the number of jobs in West Lothian in 2020 - likely due to the global COVID-19 pandemic which impacted on all sectors of the economy, and which started to take hold in Scotland in March 2020.
- while total employment in West Lothian recovered slightly in 2021 it has since declined - and has not yet recovered to the peak level experienced in 2018.

Figure 2.4: Employment trend (2013=1.0)

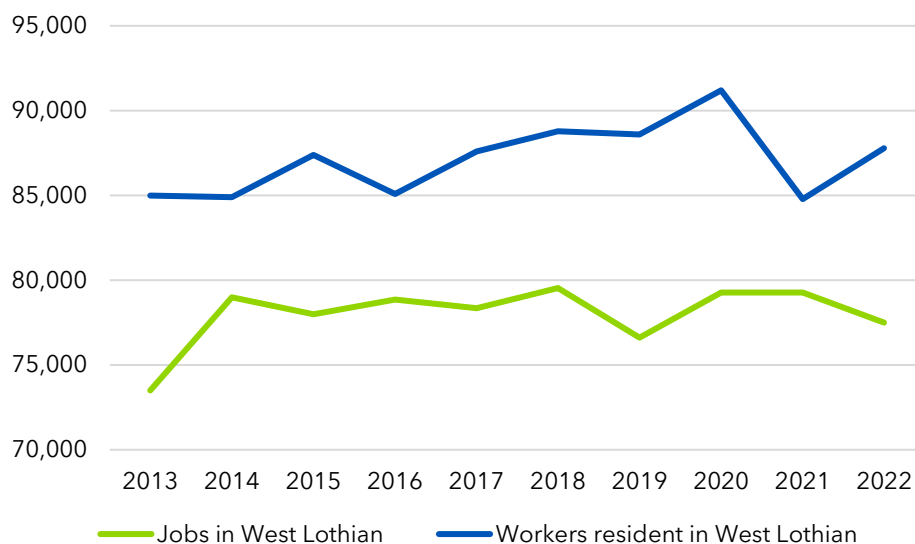


Source: Business Register and Employment Survey (BRES)

West Lothian residents who work out with the local area

The data captured in **Figure 2.4** show jobs that are within West Lothian – it does not account for West Lothian residents who work out with the local area. In 2022 around 12% of West Lothian workers were employed outwith the local area. This has been broadly consistent over the last decade, see **Figure 2.5**.

Figure 2.5: Workers Resident in West Lothian and Job in West Lothian



Source: BRES and Annual Population Survey (APS)

Employment by sector

The largest employment sectors in West Lothian in 2022 are:

- Health (11%).
- Retail (10%).
- Manufacturing (10%).
- Business administration and support services (9%).
- Transport and Storage (8%).

While employment in the Retail and health sectors has experienced a decline since 2012, the Business Admin (+8%) and Transport and Storage sectors (+50%) have experienced substantial increases in employment since 2013, see **Table 2.6**.

Overall change in employment by sector in West Lothian shows a mixed picture:

- sectors that experienced a particularly high level of employment (job) growth over this period (and higher than national average) include Transport and Storage (+50%), Professional, Scientific, and Technical (+72%) and Education (+41%).

- sectors that experienced particularly high decreases in employment include:
 - Finance & Insurance (-69%) - this is largely due to the loss of 600 jobs between 2014 and 2015 resulting from the closure of the Lloyds Banking Group (Kirkton Campus).
 - Wholesale (-37%) - the fall in employment has been gradual over time, and was primarily located at two areas, East Mains Industrial Estate, Broxburn, and Houston Industrial Estate, Uphall Station.
 - Motor Trades (-16%) - there was a large fall in Motor Trades employment of 32% in 2015 largely due to a steep decline in motor vehicle repair around the Whiteside and Whitehill Industrial Estates near Bathgate. Sector employment has then been stable.
 - Construction (-8%) - employment in this sector has fluctuated over the period with a large contraction in employment in 2016 (-35%). Employment then recovered by 2020 before experiencing another contraction of 31% in 2022.

Table 2.6: Changes in employment by sector between 2012 and 2022

	2012	2022	Change	% Change West Lothian	% Change Scotland
Agriculture, forestry and fishing	900	850	-50	-6%	+9%
Mining, quarrying and utilities	325	550	225	+69%	-3%
Manufacturing	8,000	8,000	0	0%	-6%
Construction	6,000	5,500	-500	-8%	+18%
Motor trades	2,375	2,000	-375	-16%	+11%
Wholesale	4,750	3,000	-1,750	-37%	-14%
Retail	9,000	8,000	-1,000	-11%	-6%
Transport & storage (inc postal)	4,000	6,000	2,000	+50%	+8%
Accommodation and food services	3,250	3,500	250	+8%	+29%
Information and communication	5,000	5,500	500	+10%	+38%
Financial and insurance	1,750	550	-1,200	-69%	-9%
Property	600	550	-50	-8%	+6%
Professional, scientific and technical	3,500	6,000	2,500	+71%	+27%
Business admin. and support services	6,500	7,000	500	+8%	0%
Public admin. and defence	3,500	3,500	0	0%	+12%
Education	4,250	6,000	1,750	+41%	+22%
Health	9,000	8,500	-500	-6%	+5%
Arts, entertainment, recreation and other	2,750	2,500	-250	-9%	+7%
Total	75,000	77,500	2,500	+3%	+7%

Source: BRES

The four largest employment sectors in each West Lothian council ward are shown in **Table 2.7**.

Table 2.7: Largest sector employers by council ward (2022)

Livingston South (26,500 jobs) 1. Health (17%) 2. Information & communication (15%) 3. Retail (13%) 4. Professional, scientific & technical (9%)	Bathgate (11,000 jobs) 1. Construction (13%) 2. Transport & Storage (13%) 3. Manufacturing (11%) 4. Public administration & defence (9%)
Livingston North (9,000 jobs) 1. Transport & Storage (26%) 2. Business admin. & support services (18%) 3. Manufacturing (10%) 4. Health (7%)	East Livingston and East Calder (9,000 jobs) 1. Manufacturing (34%) 2. Business admin. & support services (10%) 3. Transport & Storage (6%) 4. Wholesale (6%)
Broxburn, Uphall and Winchburgh (7,000 jobs) 1. Health (13%) 2. Retail (13%) 3. Construction (12%) 4. Business admin. & support services (10%)	Linlithgow (5,000 jobs) 1. Professional, scientific & technical (25%) 2. Retail (11%) 3. Accommodation & food service (7%) 4. Information & Communication (7%)
Whitburn and Blackburn (4,000 jobs) 1. Education (23%) 2. Health (12%) 3. Manufacturing (11%) 4. Retail (9%)	Fauldhouse and the Breich Valley (3,000 jobs) 1. Construction (23%) 2. Education (15%) 3. Health (11%) 4. Retail (10%)
Armadaale and Blackridge (2,000 jobs) 1. Education (23%) 2. Transport & Storage (15%) 3. Retail (11%) 4. Manufacturing (10%)	

Source: BRES

Location Quotients

Location Quotients (LQ) present the concentration of industries within a certain area compared to Scotland as a whole. For example:

- an LQ of one indicates that an area has the same concentration as in Scotland.
- an LQ of more than one indicates a greater concentration than Scotland.
- an LQ of less than one indicates a lower concentration than Scotland

LQ for West Lothian show that there are particular concentrations of industries such as Information and Communication, Transport and Storage, Wholesale and Manufacturing sectors, **Table 2.8**. The strength of the Wholesale industry in West Lothian is particularly notable given the large decline in employment (-67%) it has experienced in recent years.

Table 2.8: West Lothian Employment Location Quotients

Sector	Location Quotient
Agriculture, forestry & fishing	0.3
Mining, quarrying & utilities	0.3
Manufacturing	1.6
Construction	1.3
Motor trades	1.5
Wholesale	1.6
Retail	1.2
Transport & storage (inc postal)	1.9
Accommodation & food services	0.5
Information & communication	2.3
Financial & insurance	0.2
Property	0.5
Professional, scientific & technical	1.1
Business admin. & support services	1.2
Public admin. & defence	0.7
Education	0.9
Health	0.7
Arts, entertainment, recreation & other	0.7

Source: BRES

Table 2.9 outlines the largest sub-sectors within the most prominent industries in West Lothian identified in the LQ analysis above.

The strength of the Information and Communication sector is driven entirely by the sub-sector 'Satellite telecommunications activities' – and is largely due to the Sky site in Livingston.

The most prominent sub-sector in Transport and Storage is warehousing for land transport. Whilst there are several large employers in this sub-sector, it is largely driven by the Tesco Distribution Centre on the edge of Livingston.

The Wholesale sector's largest sub-sector is in the wholesale of clothing and footwear, largely driven by the Schuh Distribution Warehouse and corporate office. The decline in wholesale employment since 2015 has generally been driven by declines in the wholesale of pharmaceuticals.

Manufacturing's most prominent sub sectors are manufacture of non-domestic cooling and ventilation equipment- this likely reflects the Mitsubishi plant in Livingston, and the manufacture of electronic components.

Table 2.9: Largest sub-sectors in prominent industries

	Sub-sector	Employment	LQ
Information & Communication	Satellite telecommunications activities	3,500	15.7
	Computer consultancy activities	600	0.9
	Other telecommunications activities	375	0.9
	Business and domestic software development	350	1.1
	Other information technology and computer service activities	70	0.5
Transport & Storage	Operation of warehousing and storage facilities for land transport activities	3,500	5.1
	Freight transport by road	1,125	2.5
	Other passenger land transport nec	400	1.9
	Postal activities under universal service obligation	300	0.8
	Urban, suburban or metropolitan area passenger land transport other than railway transportation by underground, metro and similar systems	200	0.9
Wholesale	Wholesale of clothing and footwear	750	11.9
	Wholesale of wood, construction materials and sanitary equipment	375	1.5
	Wholesale of other machinery and equipment	300	2.1
	Wholesale of computers, computer peripheral equipment and software	160	7.7
	Wholesale of meat and meat products	150	2.5
Manufacturing	Manufacture of non-domestic cooling and ventilation equipment	1,250	21.0
	Manufacture of electronic components	850	12.7
	Machining	500	2.0
	Distilling, rectifying and blending of spirits	375	1.3
	Manufacture of medical and dental instruments and supplies	300	3.7

Source: BRES

Occupational Grouping

Looking at employment as occupational groupings, we can see that West Lothian has a lower proportion at senior levels (Managers, directors and senior officials, Professional occupations) than in Scotland as a whole and higher proportion of lower-level occupations (Process, plant and machine operatives, Elementary occupations), **Figure 2.6**.

Figure 2.6: Occupational Groupings 2023



Source: Annual Population Survey

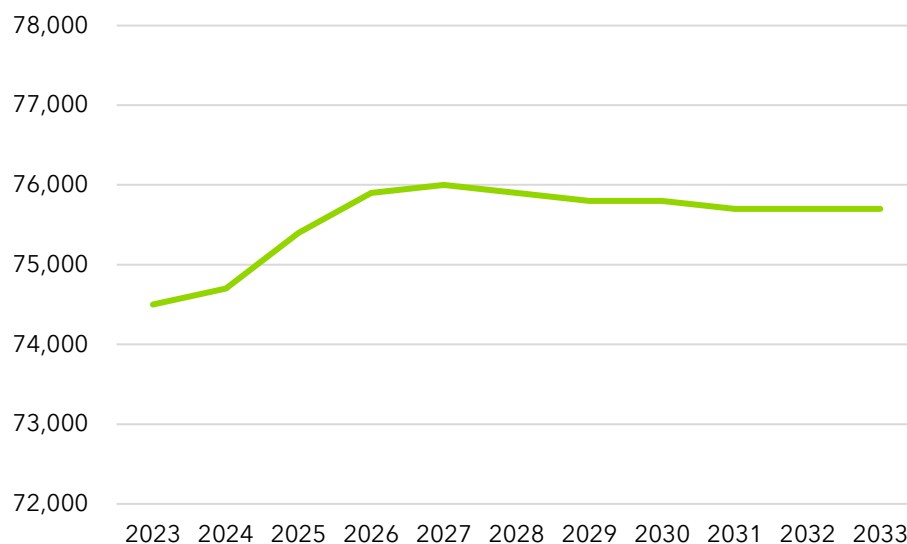
Employment forecasts

It should be noted that these employment forecasts are derived from a different source than those outlined above, and therefore the total number of jobs will not match. The main takeaway from the following sections is the trend of the forecasts rather than the total absolute numbers.

Employment in West Lothian is forecast to continue to increase to 76,000 (or 1.2%) by 2027, before gradually declining over time to 75,700 (or 0.4%) by 2033, **Figure 2.7**.

By 2033, the level of employment is forecast to be 1% higher than 2022. Over the same time period, employment in Scotland is Forecast to grow by 3%.

Table 2.7: Employment forecast in West Lothian



Source: RSA Data Matrix

The SDS data matrix shows the likely total demand for 33,700 jobs between 2023 and 2033, of which 96% will be replacement of existing workers with only 1,200 being new employment. The sectors which will require the highest level of future demand are:

- Wholesale and retail.
- Transport and storage.
- Administrative and support services.
- Health.
- Construction.

In terms of occupations and skills, the main increases are forecast to be in:

- Professional occupations
- Elementary occupations
- Care and leisure services.

- Associate professional and technical.

Foundation and growth sectors

Sectors can be defined into two main groups:

- Foundation sectors (health and social care, construction, hospitality, retail) – the major employers.
- Growth sectors as defined by the Scottish Government (financial, creative, energy, life science, advanced manufacturing).

Foundation sectors, as the name suggests, are important foundational sectors in which every economy is based. However, large parts of this sector tend to be low skilled and low value. Growth sectors tend to have higher skill and higher value jobs.

Over the last decade West Lothian has seen a rebalancing of the economy away from foundation sectors towards growth sectors, indicating that there are more opportunities for higher value employment than in the past.

Foundation sectors

There are a total of 25,500 people employed in foundation sectors in West Lothian (32% of total employment) and 1,470 businesses (33% of total businesses).

The total number employed in foundation sector businesses has declined by 6% since 2012, whilst the total number of businesses has increased by 20%. This is indicative of the declining reliance on foundation sectors, and increased fragmentation in the sector as there are a larger number of increasingly smaller businesses.

The share of employment in foundation sectors has declined by three percentage points since 2013 from 36% to 33%, compared to a decline of only one percentage point in Scotland as a whole.

Growth sectors

West Lothian has experienced strong growth in growth sector employment, just behind Scotland over the last decade, see **Table 2.10** – in particular in Life Sciences and energy.

Table 2.10: Growth sector employment in West Lothian (2013 to 2022)

Growth sector	2013	2022	Change	% Change West Lothian	% Change Scotland
Food and Drink	2,300	2,000	-300	-13%	+6%
Financial and Business Services	4,500	5,000	+500	+11%	+9%
Life Sciences	1,200	2,250	+1,050	+88%	+41%
Energy (including Renewables)	200	350	+150	+75%	+7%
Sustainable Tourism (Tourism related Industries)	3,100	3,500	+400	+13%	+26%
Creative Industries (including Digital)	2,100	2,040	-60	-3%	+35%
Total	13,500	15,140	+1,640	+12%	+16%

Source: BRES

2.5 Business base

Key points:

- West Lothian has experienced strong growth in the number of businesses it has - an increase of 20% over the decade to 2023 (currently 4,510 businesses).
- The total number of businesses in West Lothian has, however, reduced since the pandemic and has not yet fully recovered.
- West Lothian has a largely similar business start-up rate and survival rates than Scotland.
- West Lothian has a relatively diverse business base - just over half of businesses are in the Construction, Professional, Scientific, and Technical, Transport and Storage, Business Administration, and Retail sectors.
- West Lothian has a lower business density than Scotland - this could reflect various factors such as the area having a higher proportion of SMEs or a lack of availability commercial sites or premise.
- Gross Value Add (GVA) as a measure of economic output and productivity is estimated at £5.1 billion (2023), 3.4% of total Scottish output - this is as expected for an economy like West Lothian (and it is forecast to grow). The area's most valuable sectors are Manufacturing, Information and Communication, Construction, Wholesale and Retail, and Professional, Scientific, and Technical.
- GVA per capita in West Lothian is £60,400 - this is higher than in Scotland and second only to Edinburgh, East and Midlothian - this reflects the presence of high value businesses and sectors in West Lothian, for example, manufacturing and information & communication
- The third sector continues to play an important role in West Lothian, including in the area of economic development (for example, skills and employability support). The number of third sector organisations is on the decline and the sector faces many and varied pressures around funding and income, staff and volunteer recruitment and retention, and increasing demand for services.

What this means for EIP:

West Lothian's strategic location in the Central Belt of Scotland means that the region is well served by a number of motorways and trunk roads, good rail links to Edinburgh, Stirling, Glasgow and beyond, and is close to Edinburgh airport.

The region can be considered a spillover location (commercial and residential) due to its proximity to Edinburgh, with lower commercial property prices than the city. This makes West Lothian an attractive place to do business.

West Lothian has a diverse business base which includes both SMES and multinationals. There are also key sectors and clusters of expertise, including high value, high tech businesses.

Ensuring a business base mix by size and industry sector is important to help ensure the West Lothian economy remains able to withstand and respond to future economic shocks, and are adaptable to change. High economic diversity is key to ensuring a resilient, stronger local economy. A sustainable and thriving third sector is an important part of the mix.

While the number of businesses in West Lothian has not yet recovered to pre-COVID-19 levels and the business density is also lower than in Scotland, business start-up and survival rates in West Lothian are broadly in line with the national average – albeit there is scope for improvement.

Continued support to increase local business start-up, growth, and resilience will therefore remain an important feature. For example, self-employment as an alternative to unemployment and support to create sustainable and high growth/value starts in West Lothian (around 20% of start-ups in West Lothian are VAT registered).

There may also be opportunities to increase productivity and resilience within the area's diverse business base, including through the expansion of key growth sectors (for example, innovation and internationalisation support).

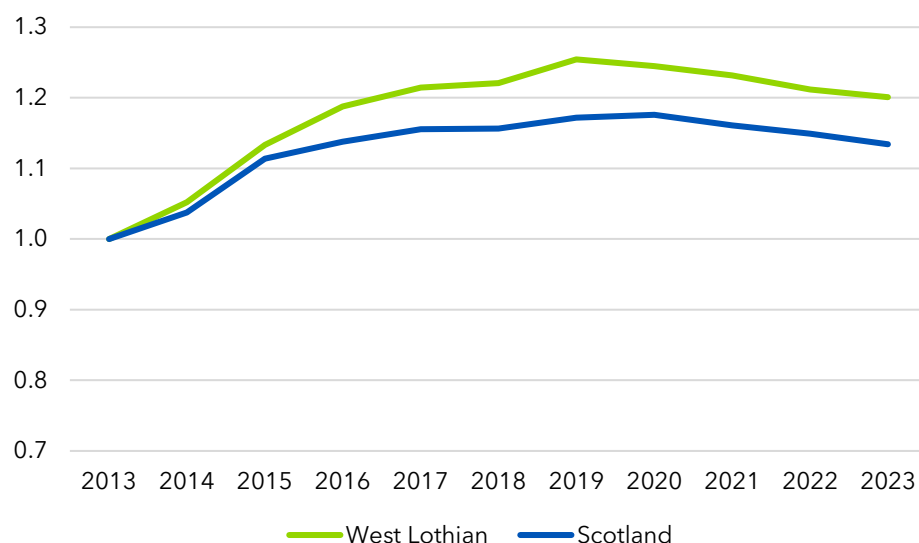
Continuing to promote West Lothian to attract and retain investment and jobs will be equally important.

Number of businesses

Points to note in relation to the change in number of businesses in West Lothian include that:

- the number of businesses increased by 20% over last decade to 2023 – from 3,755 to 4,510 businesses.
- there was particularly strong growth between 2013 and 2019 – from 3,755 to 4,710 businesses or an increase of 25% - this growth has been stronger than the national average of 13%.
- since the pandemic the number of businesses has declined by 4% - from 4,675 businesses (2020) to 4,510 businesses (2023), see **Figure 2.8**.

Figure 2.8: Business trend (2013=1.0)



Source: UK Business Counts

The five sectors with the most businesses in West Lothian in 2023 are:

- Construction (14%).
- Professional, Scientific, and Technical (13%).
- Transport and Storage (9%)
- Business Administration and support services (8%).
- Retail (8%).

Details of the numbers of business by sector and changes since 2013 can be found in **Table 2.11**.

Other points to note include that:

- sectors that experienced particularly high increases in the number of businesses are Transport and Storage (+108%), Construction (+34%), and Business administration and support services (+24%).
- sectors that experienced decreases in the number of businesses include:
 - Information and Communication (-12%). The number of information & Communication businesses actually increased by 52% between 2013 and 2019. However, since then the number fell by 42%, below the level in 2013.
 - Professional, Scientific and Technical (-20%). Professional, Scientific and Technical followed a similar trajectory to Information and Communication businesses, increasing by 32% to 2017, before falling again by 28%.

Table 2.11: Businesses by Sector (Registered Enterprises)

	2015	2023	Change	% Change, West Lothian	% Change, Scotland
Agriculture, forestry & fishing	130	130	0	0%	0%
Mining, quarrying & utilities	15	30	15	+100%	+46%
Manufacturing	255	275	20	+8%	+15%
Construction	480	645	165	+34%	+28%
Motor trades	140	195	55	+39%	+15%
Wholesale	180	175	-5	-3%	-3%
Retail	335	355	20	+6%	+2%
Transport & storage (inc postal)	185	385	200	+108%	+50%
Accommodation & food services	255	300	45	+18%	+25%
Information & communication	335	295	-40	-12%	-2%
Financial & insurance	40	65	25	+63%	+16%
Property	105	145	40	+38%	+34%
Professional, scientific & technical	610	575	-35	-6%	-7%
Business admin. & support services	250	370	120	+48%	+48%
Public admin. & defence	0	0	0	n/a	-8%
Education	35	60	25	+71%	+28%
Health	150	170	20	+13%	+15%
Arts, entertainment, recreation & other	255	345	90	+35%	+23%
Total	3,755	4,510	755	+20%	+13%

Source: UK Business Counts

Location Quotients

LQs for West Lothian show that there are particular concentrations of businesses in industries such as Transport and Storage, Motor Trades and Information and Communication, **Table 2.12**.

With the exception of a few industries (agriculture, mining, accommodation, public admin)g most sectors have a similar concertation than in Scotland as a whole, indicating that there is a broadly diverse business base across the area, with a few areas of specialism.

Table 2.12: West Lothian Business Base Location Quotients

Sector	Location Quotient
Agriculture, forestry & fishing	0.3
Mining, quarrying & utilities	0.8
Manufacturing	1.2
Construction	1.1
Motor trades	1.5
Wholesale	1.3
Retail	1.0
Transport & storage (inc postal)	2.2
Accommodation & food services	0.8
Information & communication	1.5
Financial & insurance	0.9
Property	0.9
Professional, scientific & technical	0.9
Business admin. & support services	1.1
Public admin. & defence	0.0
Education	1.1
Health	1.0
Arts, entertainment, recreation & other	1.0

Source: BRES

Table 2.13 outlines the largest sub-sectors within the most prominent industries in West Lothian identified in the LQ analysis above.

The strength of the Information and Communication sector is driven entirely by the sub-sector 'Satellite telecommunications activities' – and is largely due to the Sky site in Livingston.

The most prominent sub-sector in Transport and Storage is warehousing for land transport. Whilst there are several large employers in this sub-sector, it is largely driven by the Tesco Distribution Centre on the edge of Livingston.

The Wholesale sector's largest sub-sector is in the wholesale of clothing and footwear, largely driven by the Schuh Distribution Warehouse and corporate office. The decline in wholesale employment since 2015 has generally been driven by declines in the wholesale of pharmaceuticals.

Manufacturing's most prominent sub sectors are manufacture of non-domestic cooling and ventilation equipment- this likely reflects the Mitsubishi plant in Livingston, and the manufacture of electronic components.

Table 2.13: Largest sub-sectors in prominent industries

	Sub-sector	Employment	LQ
Information & Communication	Satellite telecommunications activities	3,500	15.7
	Computer consultancy activities	600	0.9
	Other telecommunications activities	375	0.9
	Business and domestic software development	350	1.1
	Other information technology and computer service activities	70	0.5
Transport & Storage	Operation of warehousing and storage facilities for land transport activities	3,500	5.1
	Freight transport by road	1,125	2.5
	Other passenger land transport nec	400	1.9
	Postal activities under universal service obligation	300	0.8
	Urban, suburban or metropolitan area passenger land transport other than railway transportation by underground, metro and similar systems	200	0.9
Wholesale	Wholesale of clothing and footwear	750	11.9
	Wholesale of wood, construction materials and sanitary equipment	375	1.5
	Wholesale of other machinery and equipment	300	2.1
	Wholesale of computers, computer peripheral equipment and software	160	7.7
	Wholesale of meat and meat products	150	2.5
Manufacturing	Manufacture of non-domestic cooling and ventilation equipment	1,250	21.0
	Manufacture of electronic components	850	12.7
	Machining	500	2.0
	Distilling, rectifying and blending of spirits	375	1.3
	Manufacture of medical and dental instruments and supplies	300	3.7

Source: BRES

Business size

The distribution of businesses by size in West Lothian appears very similar to that of Scotland as a whole – almost all businesses are micro enterprises and SMEs. There are slightly less micro businesses in West Lothian and more small and, particularly, medium enterprises when compared to Scotland, see **Table 2.14**.

Table 2.14: Businesses by size, 2023 (Registered Enterprises)

	West Lothian		Scotland	
	Number	% of Total	Number	% of Total
Micro (0 to 9)	3,905	86.6%	149,665	87.3%
0 to 4	3,365	74.6%	126,455	73.8%
5 to 9	545	12.1%	23,210	13.5%
Small (10 to 49)	485	10.8%	18,170	10.6%
10 to 19	320	7.1%	12,020	7.0%
20 to 49	165	3.7%	6,145	3.6%
Medium (50 to 249)	100	2.2%	2,820	1.6%
50 to 99	55	1.2%	1,810	1.1%
100 to 249	50	1.1%	1,010	0.6%
Large (250+)	20	0.4%	700	0.4%
250 to 499	10	0.2%	315	0.2%
500 to 999	0	0.0%	195	0.1%
1000+	10	0.2%	195	0.1%
Total	4,510	100%	171,350	100%

Source: UK Business Counts

Number of business per capita

West Lothian has a lower number of businesses per capita than Scotland as a whole, **Table 2.15**. For example, this could be due to the slightly higher proportion of small and medium businesses in West Lothian or connected to the availability of commercial sites and space.

Table 2.15: Business density (2023)

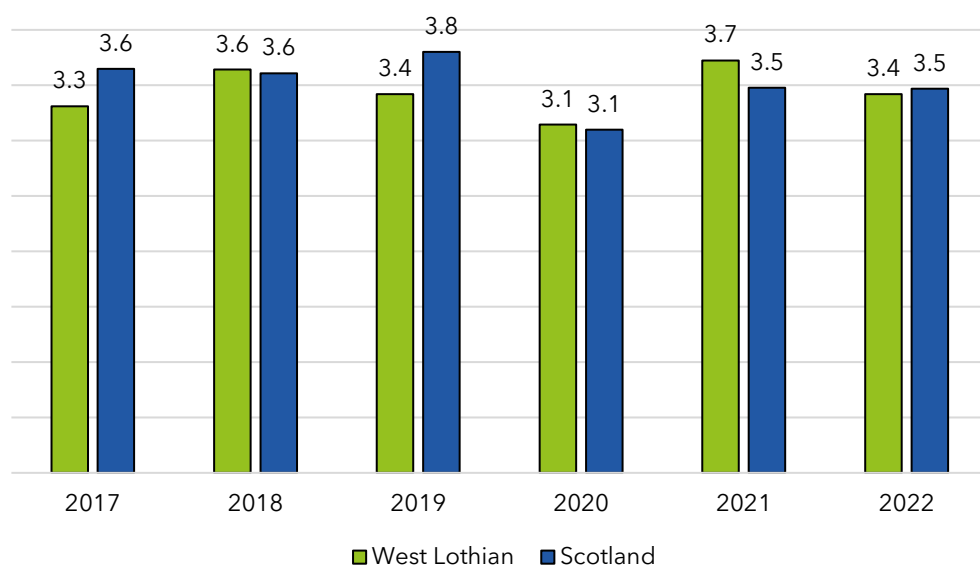
	West Lothian	Scotland
Businesses	4,510	171,350
Population	181,278	5,439,842
Businesses per 1,000 population	25	31

Source: ONS Business Demography and NRS Population Estimates

Business birth and survival rates

Business birth rates in West Lothian are broadly comparable to the national average, albeit there has been some fluctuation over the years, see **Figure 2.9**.

Figure 2.9: Business births per thousand population



Source: ONS Business Demography

The business survival rate in West Lothian is slightly better than the national average over the first two years - however, it falls below the national average in years four and five, **Table 2.16**.

Table 2.16: Business survival rate

	Birth year	No. of Births	1-year survival	2-year survival	3-year survival	4-year survival	5-year survival
West Lothian	2017	600	97%	76%	58%	46%	38%
	2018	405	94%	75%	58%	45%	
	2019	405	94%	74%	57%		
	2020	380	93%	72%			
	2021	455	93%				
Scotland	2017	21,235	94%	75%	58%	48%	40%
	2018	21,725	95%	75%	59%	48%	
	2019	22,270	95%	76%	57%		
	2020	20,770	94%	74%			
	2021	20,575	94%				

Source: ONS Business Demography

2.6 Economic Output

Gross Value Added (GVA) is a measure of the output of an economy. It measures the value that is added to the economy of a particular economic activity. For example, a furniture maker will add value to raw materials such as wood and cloth by creating more valuable furniture. GVA can be broadly defined as wages plus profits.

Table 2.17: Estimated GVA in West Lothian by sector (2023)

Sector	Value – West Lothian	% total GVA – West Lothian	% total GVA – Scotland
Manufacturing	£813m	16.0%	11.0%
Information and communication	£692m	13.6%	4.3%
Construction	£645m	12.7%	6.4%
Wholesale and retail	£510m	10.0%	7.8%
Professional, scientific, and technical	£494m	9.7%	6.4%
Real estate	£419m	8.2%	11.4%
Education	£293m	5.8%	6.4%
Public admin and defence	£280m	5.5%	7.2%
Health and social work	£269m	5.3%	9.3%
Transport and storage	£199m	3.9%	3.4%
Admin and support services	£186m	6.6%	5.0%
Financial and insurance	£188m	3.7%	7.1%
Accommodation and food services	£94m	1.8%	3.7%
Other services	£55m	1.1%	1.4%
Agriculture, forestry and fishing	£42m	0.8%	1.9%
Utilities	£39m	0.8%	1.8%
Arts, entertainment and recreation	£32m	0.6%	1.3%
Mining and quarrying	£9m	0.2%	1.1%
Total	£5,077m	100%	100%

Source: SDS RSA Data Matrix.

Skills Development Scotland (SDS) estimate the annual GVA in West Lothian in 2023 at £5.1 billion, 3.4% of total Scottish output¹. GVA by industry is set out in **Table 2.17**. The highest value sectors in West Lothian are:

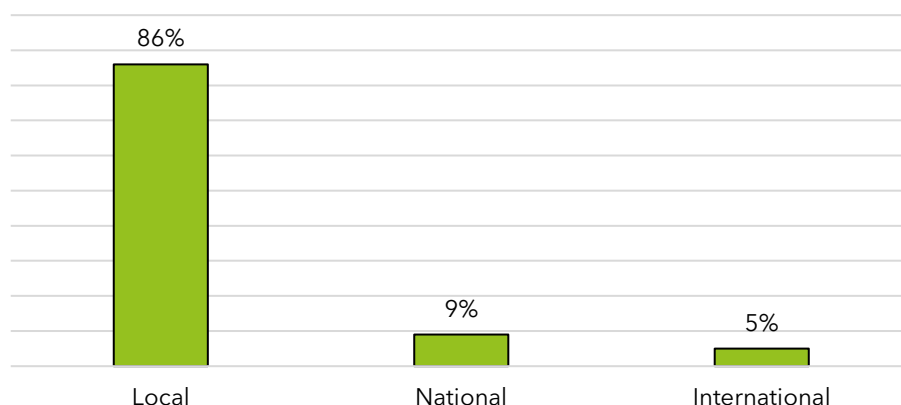
- Manufacturing.
- Information and Communication.
- Construction.
- Wholesale.
- Retail.

GVA per capita, at £60,400, is higher than in Scotland as a whole at £52,600². West Lothian is second only to Edinburgh, East and Midlothian (£60,900). This is likely due to the concentration of high GVA sectors in West Lothian, such as manufacturing and information & communication.

2.7 Third Sector

There are a total of 502 registered charities operating in West Lothian in 2024 – this is a reduction of 2% from 2023. The vast majority of charities in West Lothian are local charities (86%), with the remainder either operating on a national or international basis (14%), see **Figure 2.10**.

Figure 2.10: Status of West Lothian charities 2023



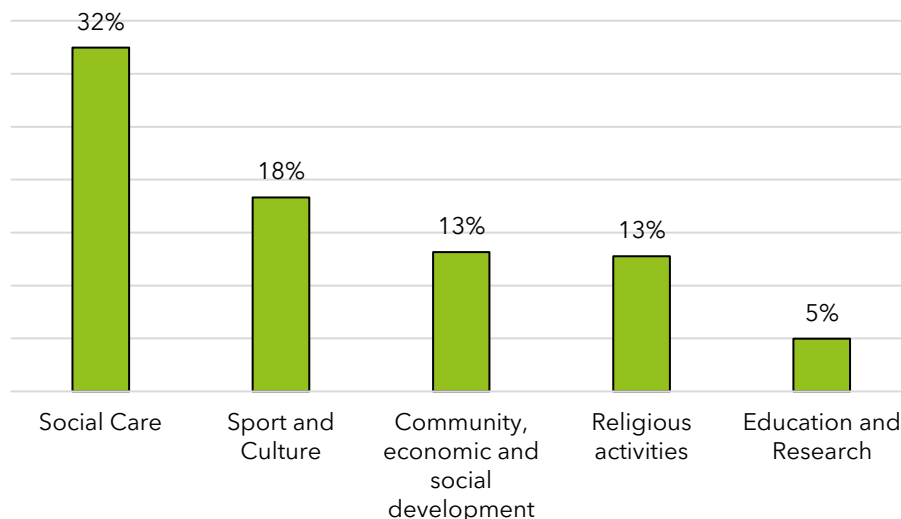
Source: SCVO Third Sector Tracker

¹ SDS RSA Data matrix

² Ibid

Almost one-third of charities in West Lothian are primarily involved in social care followed by sport and culture, see **Figure 2.11**. Of note is the 13% of third sector organisations active in community, economic and social development.

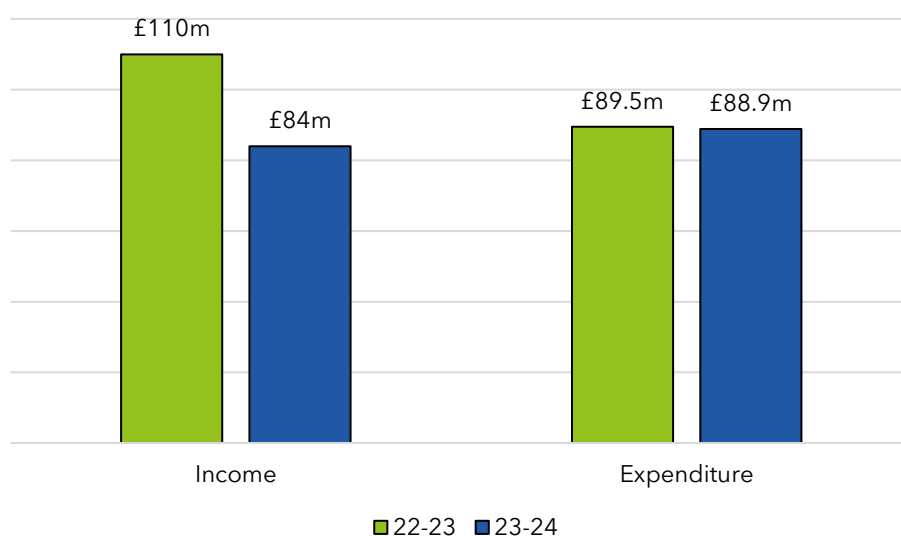
Figure 2.11: Area of focus for third sector organisations in West Lothian



Source: SCVO Third Sector Tracker

Third sector income in the most recent year was £84 million. However, this represents a decline of 24% compared to the previous year. Expenditure at £88.9 million was broadly similar to the previous year, see **Figure 2.12**.

Figure 2.12: Third Sector Income and Expenditure West Lothian



Source: West Lothian Third Sector Annual Report 2023-24

2.8 Skills and Education

Key points:

- An estimated 52% of West Lothian's working age population are qualified to NVO4+ (HND level) or above – this is slightly below the Scotland average (55%).
- West Lothian students tend to sit more Highers than other areas, and they rank third of all local authorities in terms of attainment in Highers.
- West Lothian secondary schools all have higher levels of attainment than the Scottish average.
- The percentage of secondary school students going on to a positive destination is high and broadly in line with the national average – the data for 2022-2023 shows that West Lothian slightly lags behind the Scotland average (94% and 96% respectively).
- While the percentage of employers reporting a skills gap is slightly lower in West Lothian than in Scotland, a slightly higher proportion of workers report that they have a skills gap – skills gaps are most prominent in high skill occupational groupings.

What this means for the EIP:

While West Lothian performs well in relation to attainment levels and levels of school leavers achieving a positive destination, there is a lower proportion of the working age population educated to HE level in West Lothian when compared to Scotland. Further, employers in West Lothian, including businesses in key sectors, continue to experience staff recruitment and/or retention challenges (that is, skills shortages and shortage of available workers).

SDS forecast that there is significant forecast demand to replace workers leaving the labour market for retirement and other reasons in West Lothian – across all sectors and occupations, and that the West Lothian economy needs higher level qualifications (SCQF 5-10) to ensure long-term and reliable skills pipeline to take up locally available jobs in future years.

This calls for further action in West Lothian around skills, qualifications, and employment – including supporting the economically inactive or unemployed to move into work and pathways for skilled work.

Workforce skills

West Lothian's working age population has a lower level of skills than in Scotland as a whole and across all education levels, **Table 2.18**.

Table 2.18: Workforce skills by population aged 16-64 (NVQ Level & Scottish Equivalent)

	West Lothian		Scotland	
	2015	2023	2015	2023
NVQ4+ (HND or above)	37%	52%	43%	55%
NVQ3+ (Highers)	54%	66%	59%	74%
NVQ2+ (National 5)	77%	82%	76%	87%
NVQ1+ (National 4)	87%	83%	85%	88%

Source: Annual Population Survey

Schools

There are around 12,298 school students in West Lothian across 13 secondary schools. Pupil numbers have increased by 1,463 (14%) since 2015³.

Attainment

Table 2.19 outlines the percentage of pupils gaining 5+ awards at Level 6 (Higher equivalent) in West Lothian and Scotland. Attainment rates peaked in 2020 and 2021 due to the Covid-19 pandemic which meant that pupils were assessed on a non-exam basis. Since then, attainment rates have returned to the pre-covid position.

West Lothian attainment rates for this measure are above the Scottish average and rank consistently in the top four local authorities.

Table 2.19: Percentage of Pupils Gaining 5+ Awards at Level 6

	2019	2020	2021	2022	2023	2024
West Lothian	46%	54%	55%	52%	52%	53%
Scotland	36%	40%	42%	39%	38%	39%
Ranking	4 th	3 rd	3 rd	3 rd	3 rd	3 rd

Source: LGBF

³ Source: Education Scotland Tableau Dashboard

Looking at S6 attainment, West Lothian pupils have a higher level of attainment than the National percentage. **Table 2.20** shows the percentage of S6 learners who achieved 1+, 3+ or 5+ awards at Level 6 over the last five years. This improving trend for West Lothian pupils has been consistently above the National percentage.

Table 2.20: Percentage of S6 attaining 1+, 3+ or 5+ awards at SCQF Level 6 (Higher)

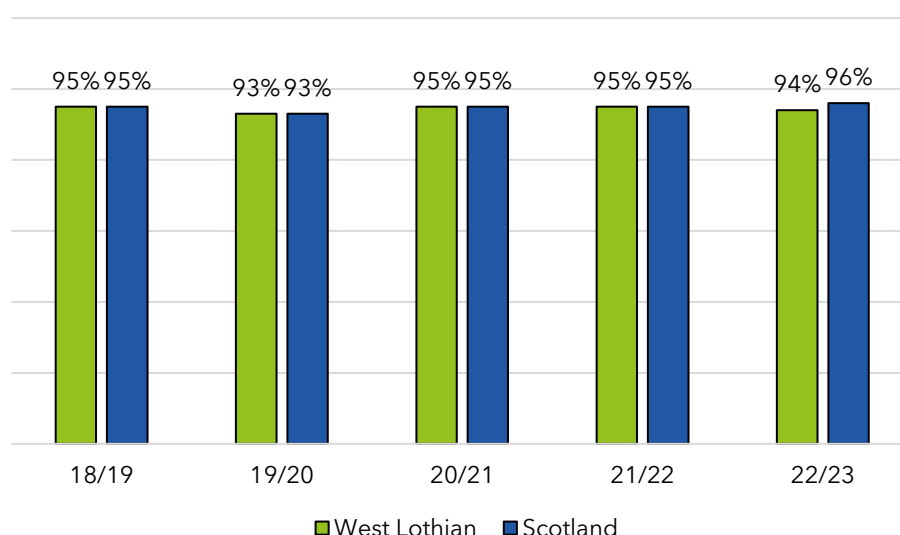
	S6 SCQF Level 6					
	1+		3+		5+	
	West Lothian	National	West Lothian	National	West Lothian	National
2019-20	72.51%	65.76%	62.24%	52.00%	51.76%	38.08%
2020-21	75.72%	67.74%	63.73%	54.90%	52.42%	41.07%
2021-22	78.58%	68.72%	66.51%	55.03%	54.38%	40.33%
2022-23	82.48%	66.57%	64.09%	52.46%	53.15%	38.66%
2023-24	86.76%	66.06%	64.01%	51.81%	53.73%	38.82%

Source: Insight Scotxed

Positive destinations

The vast majority of school leavers in West Lothian achieve a positive destination (that is, move into employment, training, or education) – this is broadly in line with the national average. The latest data shows that this is marginally higher at a Scotland level (96% and 94% respectively), see **Figure 2.13**.

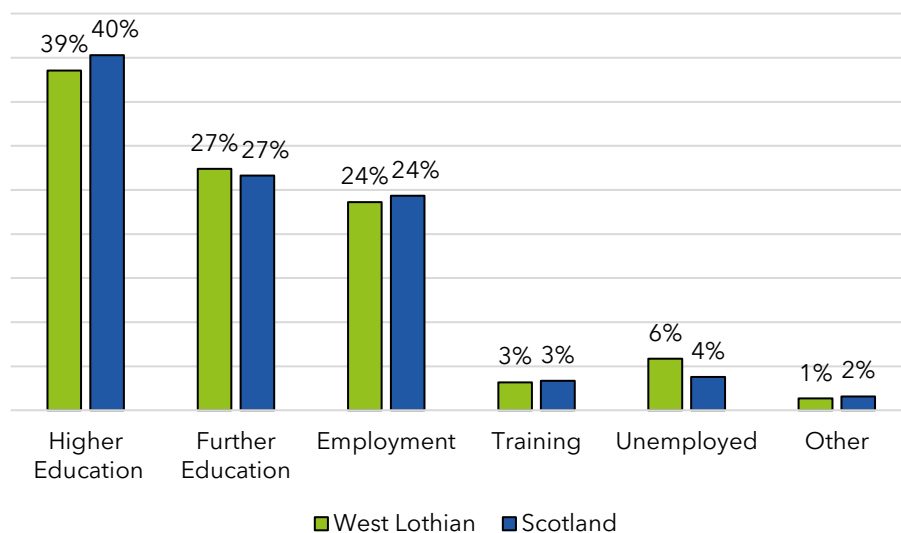
Figure 2.13: S4-S6 pupils leaving to a positive destination



Source: Summary Statistics for Attainment and Initial Leaver Destinations

Around two-thirds of school leavers in West Lothian either go onto further or higher education, with 24% going into employment and 3% involved in some form of further training or development. This is broadly in line with the destinations in Scotland as a whole. However, the numbers moving into unemployment are two percentage points higher in West Lothian than Scotland as a whole in the latest year, **Figure 2.14**.

Figure 2.14: S4-S6 pupils leaver destinations



Source:

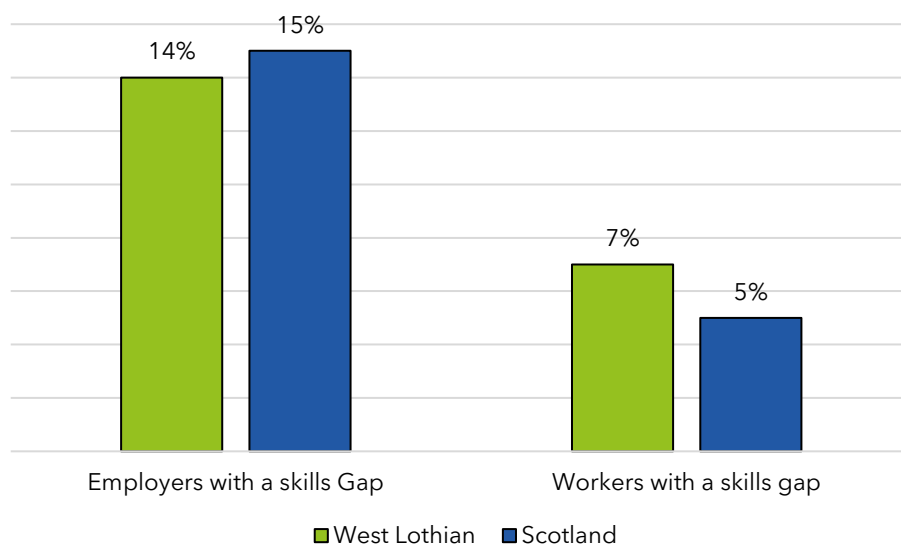
Summary Statistics for Attainment and Initial Leaver Destinations

Skills gaps

Whilst the percentage of employers with a skills gap⁴ is slightly lower in West Lothian than in Scotland, a slightly higher proportion of workers report that they have a skills gap, see **Figure 2.15**.

⁴ Skills gaps are defined as a gap between current workers skill levels and the skills required for their job role

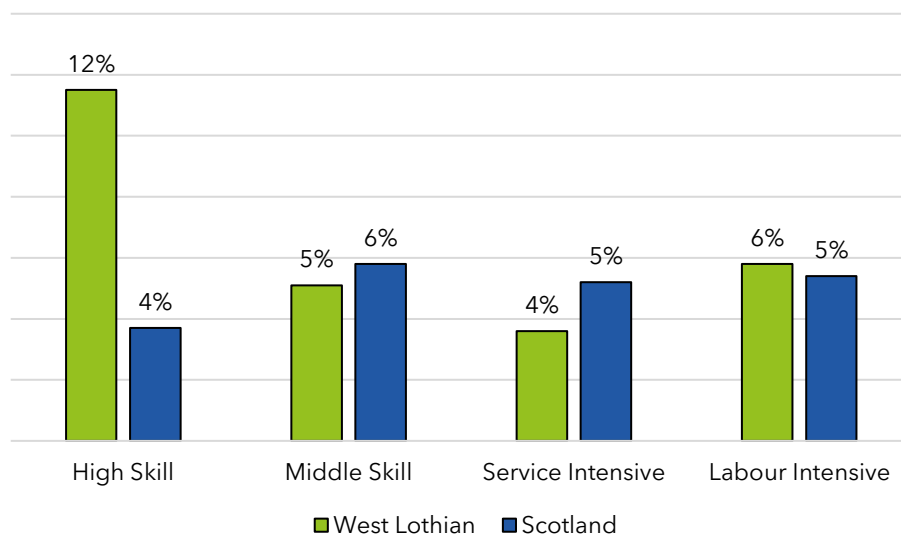
Figure 2.15: Skills gaps



Source: RSA Data Matrix

It is notable that West Lothian has a much higher density of skills gaps amongst high skill occupations. This indicates that there is high demand for high skilled workers in West Lothian that is currently not being matched by supply, **Figure 2.16**.

Figure 2.16: Skills Gaps by Occupational Grouping⁵



Source: RSA Data Matrix

⁵ Occupational grouping are jobs group by skill level as opposed to sector as outlined earlier in this report

2.9 Deprivation, Wellbeing, and Inequality

Key points:

- The employment rate in West Lothian, after falling drastically during the Covid-19 pandemic has made a strong recovery since and is currently 2.2 percentage point above the Scottish average. It has, however, yet to regain its pre-pandemic peak.
- The number of economically inactive and unemployed people have followed a similar trajectory, rising during the pandemic, falling after the pandemic, but remain above the pre-pandemic level.
- The level of child poverty in West Lothian has risen over time and is variable across the region. The child poverty rate ranges from 8% in Linlithgow to 22% in Fauldhouse and the Breich Valley and 24% in Whitburn and Blackburn.
- 10% of jobs in West Lothian pay below the Living Wage Foundation hourly wage, which is based on an estimate of the real cost of meeting everyday needs.
- Median Weekly pay in West Lothian is slightly below the Scottish average. Resident pay is higher than workplace pay, reflecting the proximity of nearby high productivity areas such as Edinburgh.
- The proportion of households who are managing well financially in West Lothian has fallen by 14 percentage points since 2016.

What this means for the EIP:

The broad message from the range of measures in this section is that West Lothian is, compared to Scotland as a whole, an affluent area, with around average wages, and low levels of deprivation and unemployment.

However, this is not to say that West Lothian does not have its challenges. Child poverty rates have been rising year on year, in work poverty has increased and the numbers reporting they are managing well financially has fallen. There are also concentrated areas of deprivation within West Lothian, primarily in the west of the region. There is a need to ensure that economic opportunity is shared throughout the region and not just limited to prosperous areas in the east.

Introduction

It should be noted that for some statistics in this section, the most recent year's data (2024) has been omitted due to data reliability issues reported by the ONS regarding the Annual Population Survey (APS). The ONS has recently called into the question the reliability of the [Labour Force Survey](#) (which is an integral part of the APS), indicating that there have been a number of methodological issues since the pandemic and that "we would advise caution when interpreting short-term changes in headline rates". More detail on the issues surrounding the Labour Force Survey can be found in an article published by the [Resolution Foundation](#) (August 2024).

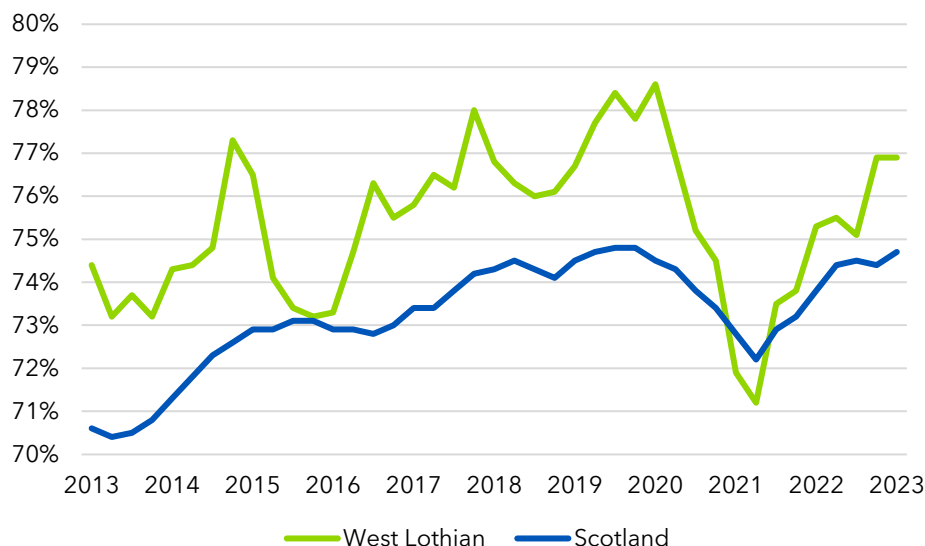
Economic activity

Employment rate

The employment rate outlines the percentage of the working age population that are in employment. This is distinct from the employment figures in **Section 2.4** as it looks at the employment of West Lothian residents as opposed to jobs located within West Lothian.

West Lothian continues to have a high employment rate and it has typically been higher than the national average (except for 2021 in the midst of the pandemic). The employment rate in West Lothian in 2023 was 76.9% compared to 74.7% for Scotland, see **Figure 2.17**.

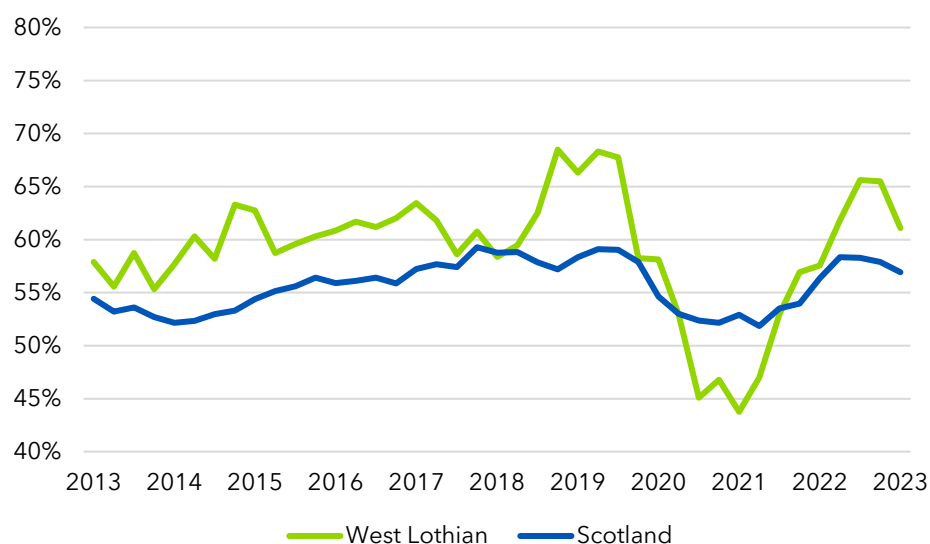
Figure 2.17: Employment rate (working age population)



Source: Annual Population Survey

The employment rate for those aged 16 to 24 is higher (61%) than in Scotland as a whole (57%). We can see a similar trend to the overall employment rate, with a higher fall during the pandemic, followed by a stronger recovery, **Figure 2.18**.

Figure 2.18: Employment rate (Aged 16-24)



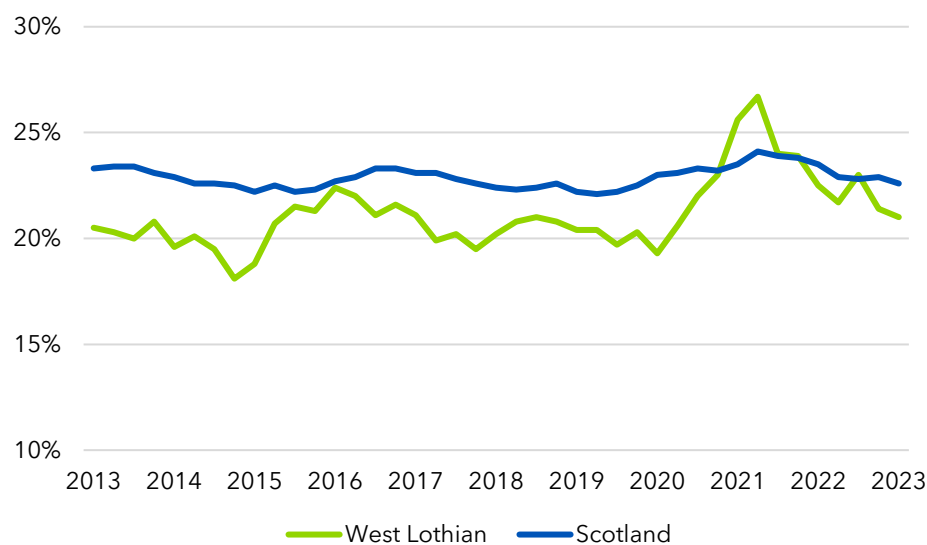
Source: Annual Population Survey

Economic inactivity

The economic inactivity rate broadly matches the employment rate, with a spike during the pandemic, and a reduction close to, but not reaching the pre-pandemic position, **Figure 2.19**.

As with the employment rate, the inactivity rate in West Lothian is generally lower than in Scotland as a whole (except in 2021) and in 2023 was 21% compared to 22.6% in Scotland.

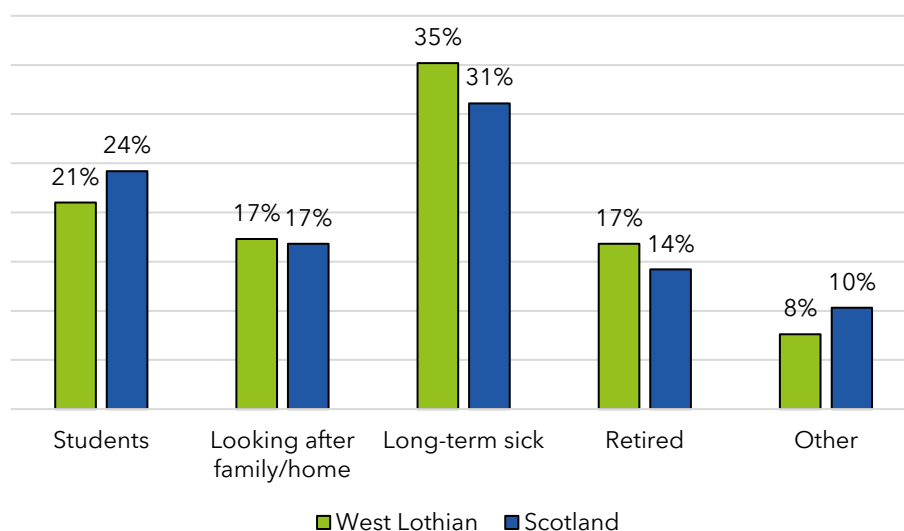
Figure 2.19: Economic inactivity rate (2013 to 2023)



Source: Annual Population Survey

Reasons for economic inactivity in West Lothian are largely similar to Scotland, although there is a slightly higher proportion of long-term sick and retired, and slightly less students in West Lothian, see **Figure 2.20**.

Figure 2.20: Reasons for economic inactivity



Source: Annual Population Survey

Claimant count

The Claimant Count is a measure of the number of people claiming benefits principally for the reason of being unemployed, based on administrative data from the benefits system.

In June 2024, there were 3,205 people in West Lothian claiming out of work benefits where there is a requirement to look for work, or 2.6% of the 16-64 year old population. This is a slightly lower rate than Scotland (3.1%), see **Table 2.21**.

There is variation by council ward - Linlithgow has the lower levels of claimant count unemployment (1.4%), while Fauldhouse and the Breich Valley (3.4%) and Whitburn and Blackburn have the highest (3.7%) - and above the Scottish average.

Table 2.21 Claimant Count

	June 2018	June 2019	June 2020	June 2021	June 2022	June 2023	June 2024
Armadale and Blackridge	2.0%	2.9%	5.6%	4.7%	2.6%	2.8%	2.7%
Bathgate	1.8%	2.9%	5.5%	4.6%	2.7%	3.1%	2.6%
Broxburn, Uphall and Winchburgh	1.4%	2.5%	5.7%	4.7%	2.7%	2.6%	2.5%
East Livingston and East Calder	1.8%	2.7%	5.2%	4.2%	2.5%	2.5%	2.6%
Fauldhouse and the Breich Valley	2.0%	3.9%	7.0%	6.1%	3.5%	3.7%	3.4%
Linlithgow	0.9%	1.2%	3.0%	2.3%	1.3%	1.2%	1.4%
Livingston North	1.5%	2.0%	4.4%	3.8%	1.9%	1.9%	2.3%
Livingston South	1.8%	2.8%	5.2%	4.6%	2.6%	2.5%	2.6%
Whitburn and Blackburn	2.7%	4.3%	7.3%	6.0%	3.9%	4.1%	3.7%
West Lothian	1.8%	2.8%	5.4%	4.5%	2.6%	2.7%	2.6%
Scotland	2.6%	3.1%	6.1%	5.1%	3.2%	3.2%	3.1%

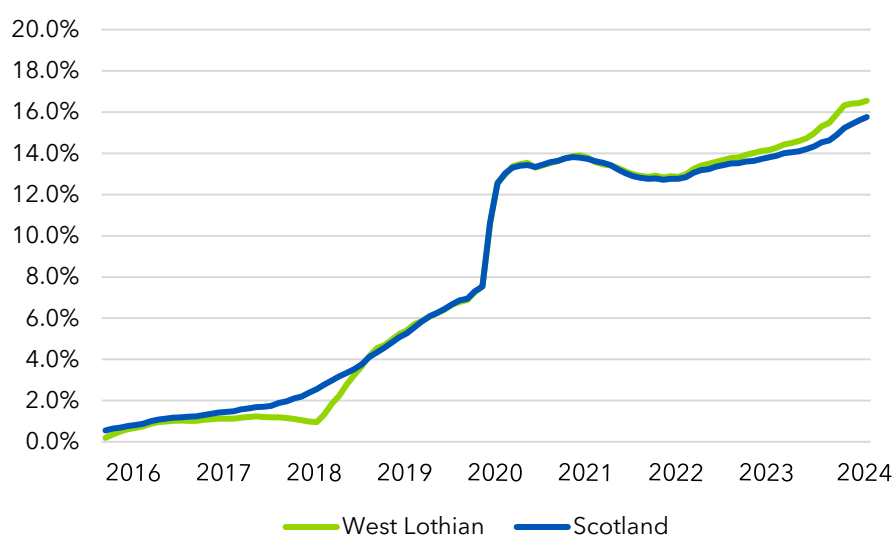
Source: Claimant Count

Universal Credit

The number of people claiming Universal Credit (UC) in West Lothian has generally been broadly in line with the Scottish average. This began to diverge around 2022, with the percentage of West Lothian residents claiming UC currently at 16.6% compared to the Scottish average of 15.8%,

Figure 2.22.

Figure 2.22: Universal Credit Recipients



Source: DWP

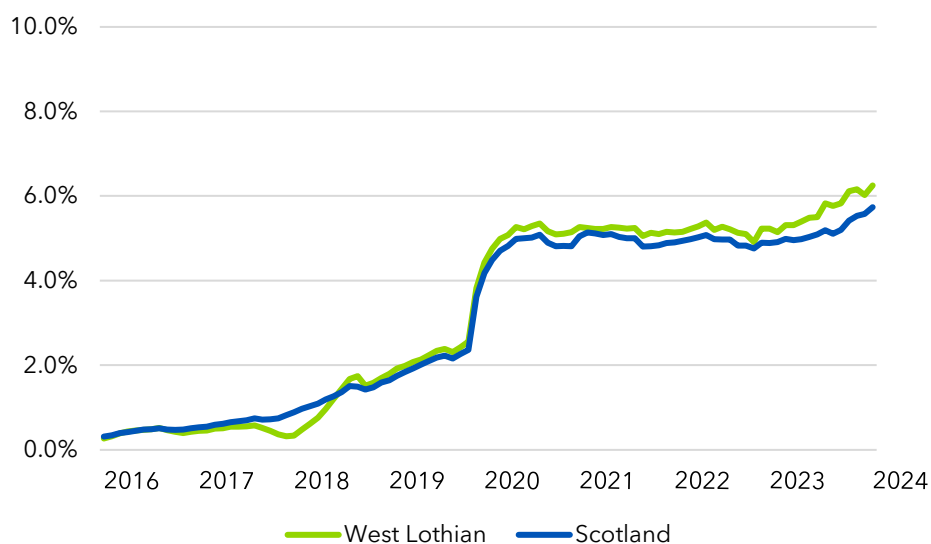
In Work Poverty

In work poverty is measured by the percentage of the working age population that is in work claiming Universal Credit.

The number of working people claiming UC increased drastically during the pandemic to just over 5% of the working population, or around 6,000 people. Since the pandemic, this has continued to grow, particularly over the last year, likely due to the cost of living crisis, **Figure 2.23**.

The proportion of employed people claiming UC in West Lothian has consistently been above the Scottish level and is now 6.3% compared to 5.7% in Scotland. However, that has widened over the last two years, indicating that the cost of living crisis has affected West Lothian more than Scotland as a whole.

Figure 2.23: Universal Credit recipients in employment



Source: DWP

Deprivation

The Scottish Index of Multiple Deprivation (SIMD) measures deprivation across seven domains – income, employment, health, education, geographic access, housing and crime.

The SIMD ranks small areas (datazones) from most deprived (ranked 1) to least deprived (ranked 6,976). In total there are 113 datazones in the West Lothian and 8% of them fall within the 15% most deprived in Scotland.

This indicates that West Lothian has comparatively fewer areas of deprivation than the average across Scotland.

Table 2.22 outlines the individual domains and levels of deprivation, with health and crime being the most prominent issues.

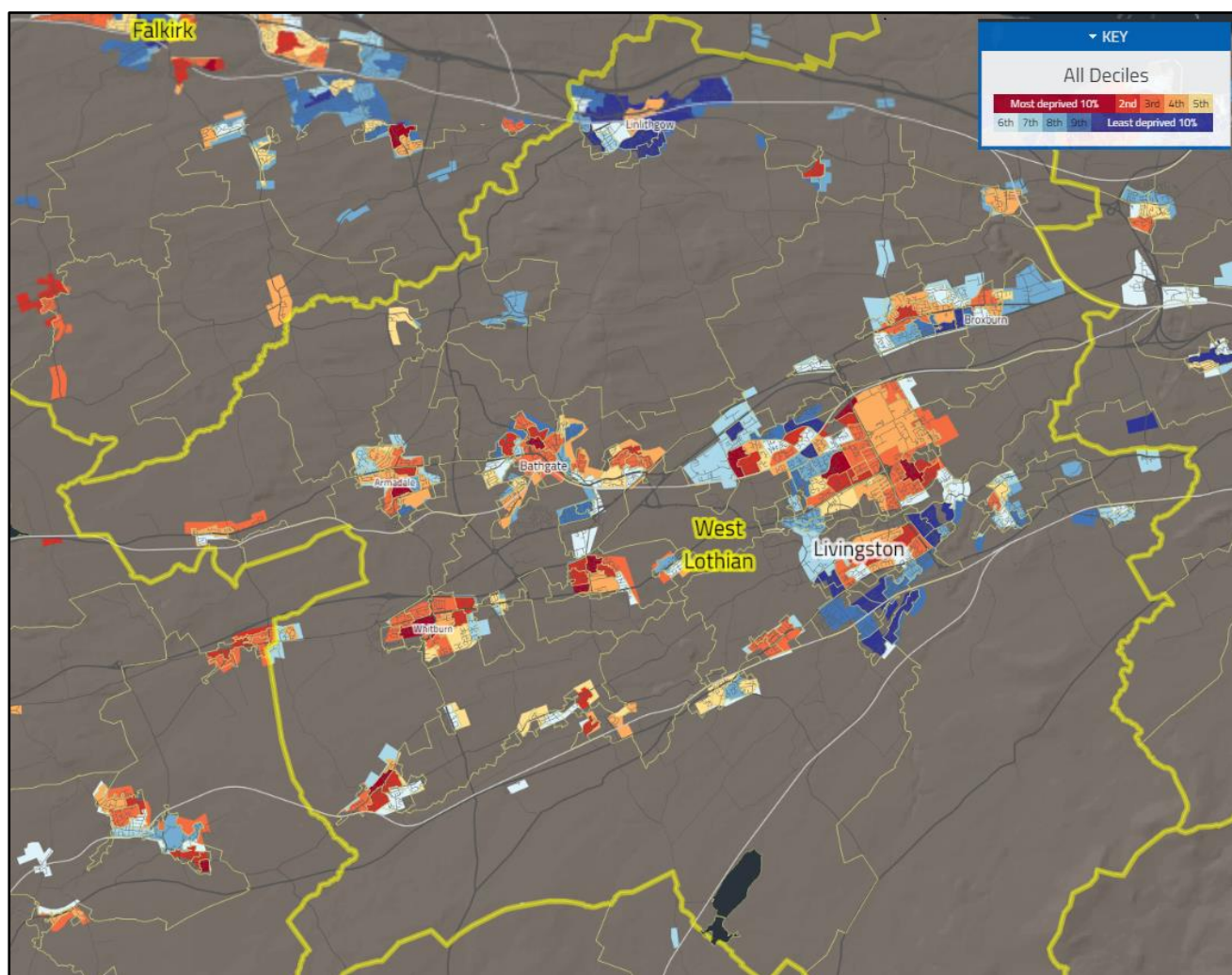
Table 2.22: SIMD Domains and Overall Rank (2020)

	% in the Most Deprived 15%
Overall	8%
Income	8%
Employment	9%
Health	12%
Education	8%
Geographic Access	8%
Crime	10%
Housing	1%

Source: SIMD 2020

The levels of deprivation are unevenly geographically distributed in West Lothian. Areas such as Linlithgow, Broxburn and the South of Livingston have low levels of deprivation, whilst there are high levels of deprivation is concentrated primarily in the west of the region, in places such as Fauldhouse, Whitburn, Blackburn and Bathgate, **Figure 2.24**.

Figure 2.24: Deprivation map



Source: SIMD 2020

Average salary

Median gross weekly income⁶ for West Lothian residents at £695 is slightly below the Scottish level of £702. The median gross weekly income for workplaces in West Lothian is slightly lower than for residents at £680, **Table 2.24**.

This means that people living in West Lothian are, on average, paid more than those working in West Lothian, and is likely due to West Lothian residents working outwith the local area having higher levels of pay in more productive areas, such as Edinburgh.

Table 2.24: Median gross weekly pay

	West Lothian		Scotland	
	2015	2023	2015	2023
Residents				
Male full-time	£528.80	£728.00	£561.50	£725.70
Female full-time	£472.40	£671.50	£474.20	£672.00
All full-time	£502.30	£695.30	£527.00	£702.40
Workplaces				
Male full-time	£516.90	£701.90	£562.90	£727.90
Female full-time	£441.20	£658.00	£475.00	£670.80
All full-time	£498.30	£679.60	£527.00	£702.80

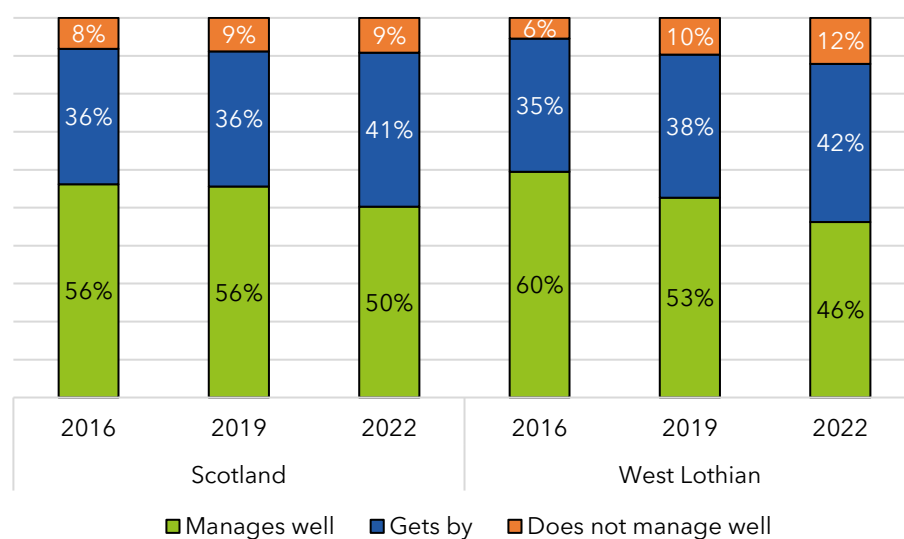
Source: Annual Survey of Hours and Earnings (ASHE)

Managing financially

The total percentage of households in West Lothian who are managing well financially has declined by 14 percentage points since 2016 – from 60% to 46%. This is higher than the six percentage point decline for Scotland as a whole (from 56 to 50%), **Figure 2.25**.

⁶ The Median Gross Weekly wage measures the wage of the person in the middle of the income distribution before tax or any other deductions.

Figure 2.25: How households are managing financially



Scottish Household Survey

Source:

Child Poverty

Table 2.25 outlines the percentage of children living in relative low-income families in West Lothian. Relative poverty measures incomes compared to today's average incomes. A relative low income family is defined as one which earns 60% of the median family income.

West Lothian (18%) has a slightly lower proportion of children in relative poverty than in Scotland (19%) as a whole. The proportion of children in poverty in West Lothian and Scotland has risen steadily in recent years, following a broadly similar trajectory.

There is variation in levels of child poverty by council ward in West Lothian – it ranges from a low of 8% in Linlithgow, to highs of 22% in Whitburn and Blackburn and 25% in Fauldhouse and the Breich Valley.

Table 2.25: Children in low income families – relative measure

	2015	2016	2017	2018	2019	2020
Whitburn and Blackburn	19%	17%	21%	22%	22%	22%
Broxburn, Uphall and Winchburgh	12%	12%	14%	14%	16%	18%
Bathgate	13%	12%	14%	16%	16%	16%
Armadale and Blackridge	15%	13%	15%	18%	16%	17%
Livingston South	14%	15%	15%	18%	19%	19%
East Livingston and East Calder	11%	13%	15%	16%	16%	17%
Linlithgow	8%	7%	7%	7%	8%	8%
Livingston North	13%	14%	15%	15%	16%	18%
Fauldhouse and the Breich Valley	15%	16%	19%	21%	21%	25%
West Lothian (all)	13%	13%	15%	16%	17%	18%
Scotland	14%	15%	16%	18%	18%	19%
UK	16%	16%	17%	18%	18%	19%

Low income defined as 60% of median family income.

Source: DWP Children In Low Income Families – Local Area Statistics ([link](#))

Table 2.26 outlines the percentage of children living in absolute low-income families in West Lothian. Absolute incomes compares income over time. An absolute low income family is defined compared to a low-income family in 2011 and is not compared to current average incomes.

West Lothian (15%) has a slightly lower proportion of children in absolute poverty than in Scotland (16%) as a whole. The proportion of children in poverty in West Lothian and Scotland has risen slightly in recent years, however, this has been at a slower rate than for relative poverty, **Table 2.25**.

The areas with the lowest (Linlithgow) and highest (Fauldhouse and the Breich Valley) levels of absolute poverty are the same as with relative poverty.

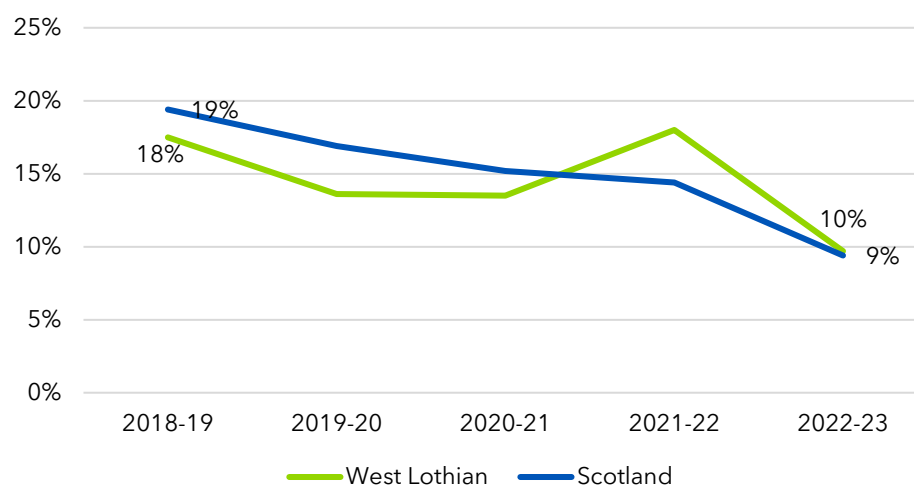
Table 2.26: Children in low income families – absolute measure

	2015	2016	2017	2018	2019	2020
Whitburn and Blackburn	19%	16%	16%	18%	18%	18%
Broxburn, Uphall and Winchburgh	12%	11%	12%	12%	13%	15%
Bathgate	13%	11%	12%	13%	13%	13%
Armadales and Blackridge	15%	12%	12%	14%	13%	15%
Livingston South	14%	14%	12%	15%	15%	15%
East Livingston and East Calder	11%	12%	12%	13%	13%	14%
Linlithgow	8%	6%	5%	6%	7%	7%
Livingston North	13%	13%	13%	12%	13%	15%
Fauldhouse and the Breich Valley	16%	15%	15%	17%	17%	21%
West Lothian (all)	13%	13%	12%	14%	14%	15%
Scotland	15%	14%	14%	15%	15%	16%
UK	16%	15%	15%	15%	15%	16%

Real Living Wage

The 'real' Living Wage is the only UK wage rate based on living costs. The percentage of the West Lothian workforce who earn less than the 'real' Living Wage has declined from 18% to 10% since 2018-2019. This is slightly above the Scottish average, **Figure 2.26**.

Figure 2.26: Proportion of Workforce Earning Less than 'Real' Living Wage



Source: Local Government Benchmarking Framework

2.10 Infrastructure

Key points:

- The number of houses in West Lothian has risen faster (+11%) than in Scotland as a whole (+8%) over the last decade.
- The median house price at £210,000 is higher than in Scotland (£185,000) and has increased 74% over the last decade, faster than in Scotland (42%).
- Digital infrastructure is generally excellent in West Lothian, with much broader coverage of high broadband speeds than Scotland as a whole, particularly with regard to commercial premises.
- There is a total of 335 hectares of vacant and derelict land in West Lothian.
- The Town Centre vacancy rate is 8% in West Lothian, which is considerably lower than the Scottish rate of 12%

What this means for the EIP:

The level of housebuilding has been strong over the last decade in West Lothian. It is notable that Mid Lothian and East Lothian are the other local authorities with strong rates of house building, with all three areas acting as 'overflow' housing for Edinburgh. These strong levels of housebuilding have also been accompanied by large increases in median house prices, indicating that demand for housing remain strong in West Lothian and the Wider region.

A large amount of vacant and derelict land is available for development and could be used for housebuilding, with the former Bangour hospital having already been designated for housebuilding in the Local development plan.

Housing

There has been an 11% increase in the number of houses in West Lothian over the last decade, a larger increase than in Scotland as a whole (+8%). This is the third largest increase in housing of any Scottish Local authority, behind on Midlothian (+17%) and East Lothian (+15%), **Table 2.27**.

Within West Lothian, the largest increases in housing have been in Bathgate and Livingston. Whitburn and Blackburn is the only area which saw a fall in housing numbers.

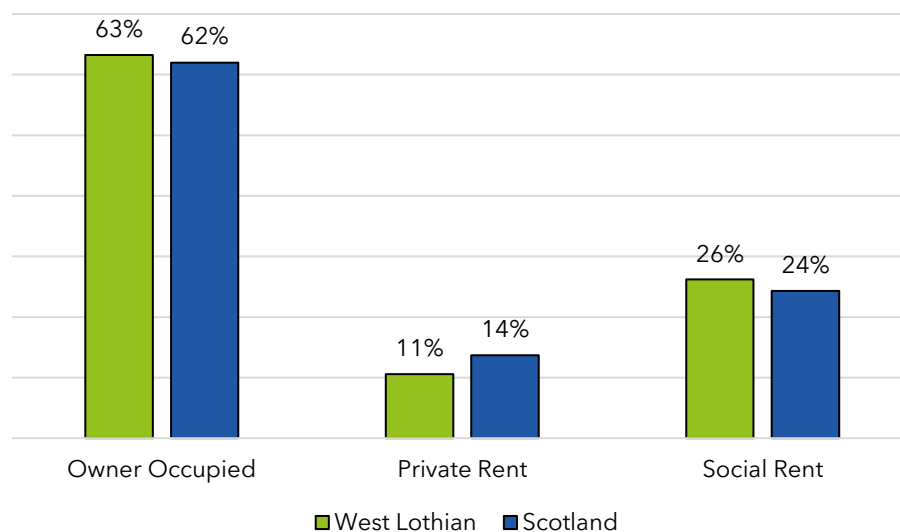
Table 2.27: Housing Numbers

	2013	2023	Change	% Change
Bathgate	8,481	10,772	+2,291	+27%
East Livingston and East Calder	8,868	11,230	+2,362	+27%
Livingston North	8,704	10,094	+1,390	+16%
Linlithgow	6,788	7,729	+941	+14%
Broxburn, Uphall and Winchburgh	8,332	9,030	+698	+8%
Fauldhouse and the Breich Valley	7,085	7,394	+309	+4%
Livingston South	10,270	10,705	+435	+4%
Armadale and Blackridge	6,797	7,031	+234	+3%
Whitburn and Blackburn	11,149	10,891	-258	-2%
West Lothian	76,473	84,929	+8,456	+11%
Scotland	2,526,870	2,721,225	+194,355	+8%

Source: <https://statistics.gov.scot/>

West Lothian has a slightly higher rate of private home ownership and social rented housing than Scotland as a whole, which has higher levels of private rentals, **Figure 2.27**.

Figure 2.27: Housing Tenure 2011

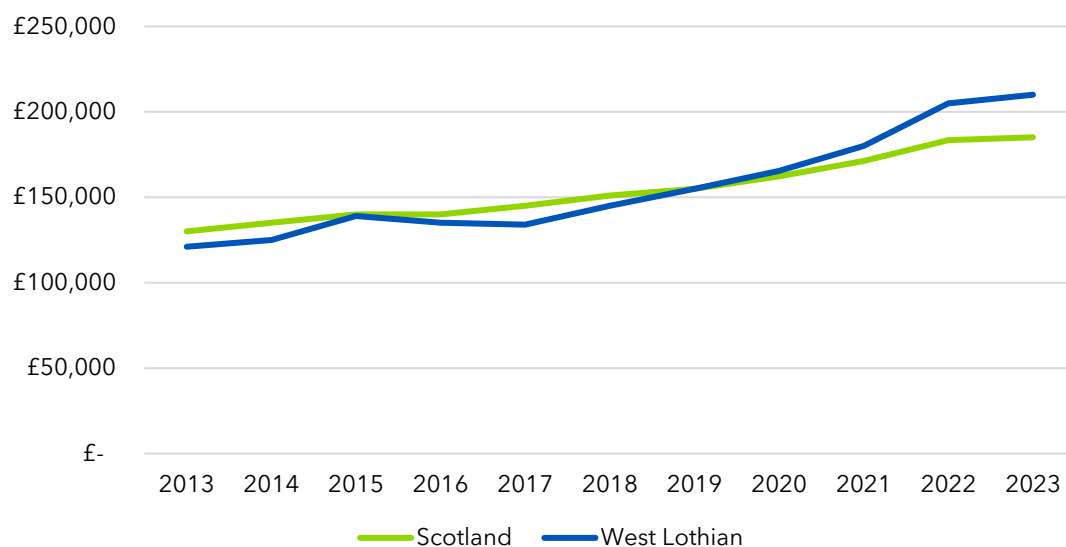


Source: Census 2011

The median residential property price on West Lothian in 2023 was £210,00, an increase of 74% since 2013. This is a higher median price than in Scotland as a whole (£185,000) and a higher increase (+42%), **Figure 2.28**.

West Lothian ranks 10th of Scottish local authorities for house prices, however, it is notably cheaper than the other regions surrounding Edinburgh such as Midlothian and East Lothian, making it a more affordable option for Edinburgh based commuters.

Figure 2.28: House Prices



Source: <https://statistics.gov.scot/>

Average house prices in West Lothian range from £229,475 in Linlithgow to £145,000 in Whitburn and Blackburn, and the largest increase in house prices have been around Broxburn and Livingston, **Table 2.28**.

Table 2.28: House Prices by Electoral Ward

	2013	2023	Change	% Change
Linlithgow	£175,000	£229,475	+£54,475	+31%
Broxburn, Uphall and Winchburgh	£119,998	£215,000	+£95,003	+79%
Livingston South	£115,000	£210,000	+£95,000	+83%
East Livingston and East Calder	£103,000	£190,000	+£87,000	+84%
Livingston North	£125,000	£180,000	+£55,000	+44%
Armadale and Blackridge	£140,000	£179,000	+£39,000	+28%
Fauldhouse and the Breich Valley	£95,000	£150,000	+£55,000	+58%
Bathgate	£128,998	£147,595	+£18,598	+14%
Whitburn and Blackburn	£86,000	£145,000	+£59,000	+69%
West Lothian	£121,000	£210,000	+£89,000	+74%
Scotland	£130,000	£185,000	+£55,000	+42%

Digital Connectivity

The communication regulator Ofcom defines a 'decent broadband service' as a download speed of at least 10 Mbit per second (Mbps). Since March 2020 this has formed the Universal Service Obligation for broadband, with a legal right to request a service at this minimum level from BT. This is up to an installation cost threshold of £3,400, after which the excess can be paid or alternative options pursued (for example, satellite broadband).

As of early 2021, the majority of residential (99%) and commercial (87%) premises in West Lothian were receiving at least 10 Mbps. Those not covered by this are likely to be in rural areas that are more costly to reach.

Access to the faster broadband spend (100Mbps, Gigabit and Full fibre) is considerably higher in West Lothian than in Scotland. This is particularly noticeable in commercial premises., **Table 2.29**.

Table 2.29: Broadband coverage and speeds (2023)

	> 10 Mbps	> 30 Mbps (Superfast)	> 100 Mbps	Gigabit capable	Full fibre
Residential premises coverage					
West Lothian	99.6%	99%	89%	88%	62%
Scotland	98%	95%	71%	70%	52%
UK	98%	97%	78%	76%	56%
Commercial premises coverage					
West Lothian	99%	98%	87%	86%	61%
Scotland	93%	85%	47%	45%	30%
UK	95%	84%	56%	53%	37%

Source: OFCOM Connected Nations

4G mobile coverage has greatly improved over recent years, and nearly four fifths of premises in West Lothian (78%) now have coverage by at least one network operator, **Table 2.30**.

Table 2.30: 4G Mobile Coverage (Premises with at least one operator)

	4G	5G
West Lothian	99%	n/a
Scotland	99%	88%
UK	99%	93%

Source: OFCOM Connected Nations

Vacant and derelict land

The latest Vacant and Derelict Land Register (2022) details 79 sites within West Lothian. The combined size of all these sites is 335 hectares. Over half (58%) of this land is covered by just five sites, including:

- Former Bangour Hospital, Dechmont (81 ha.)⁷. This site has been allocated for housing in the Local Development Plan.
- Riddochhill, Bathgate (36 ha.).
- Northfield Bings, Fauldhouse (26 ha.).
- Lower Bathville, Armadale (26 ha.).
- Philpstoun South and North Bings, Philpstoun (25 ha.).

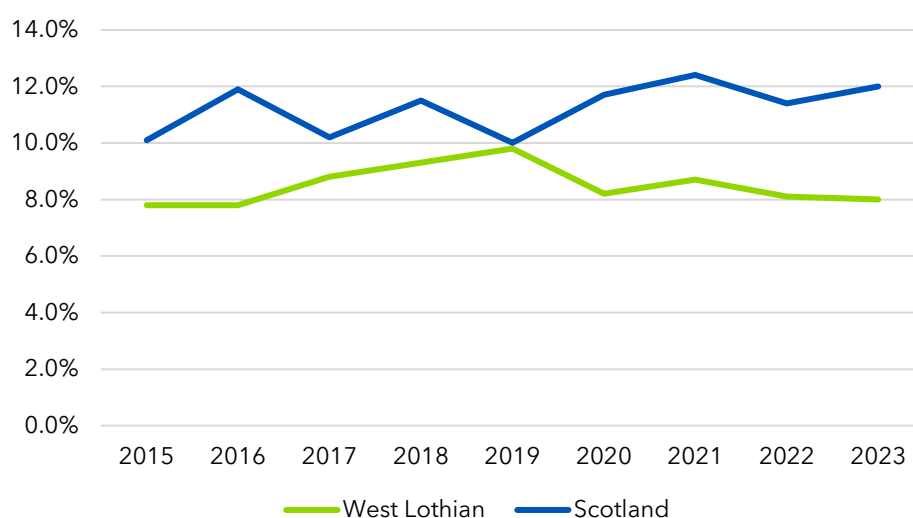
⁷ Listed as two sites in the register and combined here.

This indicates that there is a considerable level of brownfield land available for commercial or housing development. However, the level of remediation that would be required to make these sites viable is unknown.

Town vacancy rates is a measure of vacant commercial units as a percentage of total units within key town centres. West Lothian has a vacancy rate of 8% at the moment, which is considerably below the Scottish rate of 12%, **Figure 2.29**.

This indicates that West Lothian Town Centres are generally better occupied and more vibrant than the average town centre in Scotland.

Figure 2.29: Town Vacancy Rate



Source: Local Government Benchmarking Framework

2.11 Energy and emissions

Key points:

- CO2 emissions in West Lothian fell 37% from 2005 to 2021, a higher rate than Scotland - the largest gains have been in electricity consumption, as decarbonisation of electricity generation experienced the most progress.
- West Lothian has had lower emissions per head of population than Scotland every year since 2015.
- Emissions from domestic electricity have declined by 66 % since 2005, whilst emissions from gas have fallen only by 15%, indicating that emissions from domestic heating remain a barrier to decarbonisation.
- Transport is the largest single emitter, both in West Lothian (32% of the total) and nationally (24%). This is potentially due to the importance of road transport and storage in West Lothian and presence of the M8 motorway.

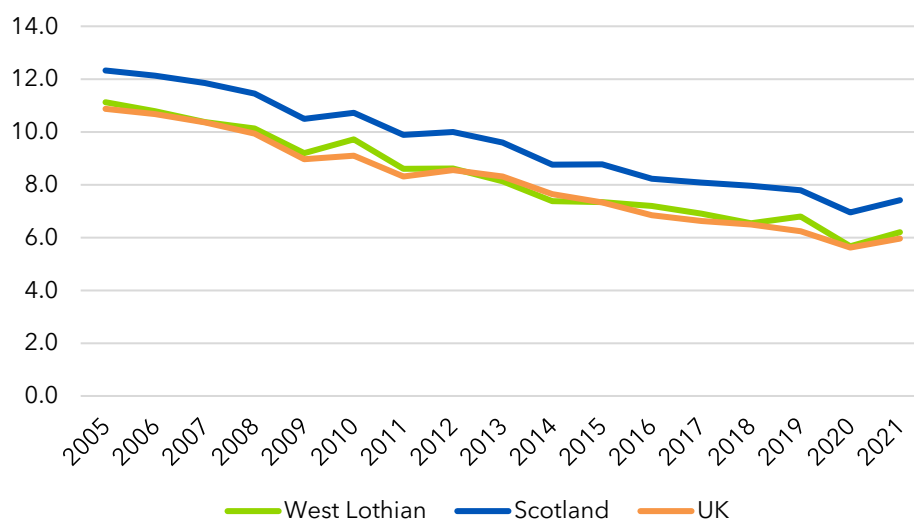
What this means for the EIP:

The clear message from this is that although progress has been made in reducing carbon emissions, the large majority of this has been due to the decarbonisation of electricity generation. To ensure that West Lothian is able to reduce carbon emissions in line with Scottish government targets, action will need to be taken on reducing emissions from transport and domestic heating.

Carbon emissions

Estimates of carbon dioxide (CO2) emissions are published at local authority level by the UK Department for Business, Energy and Industrial Strategy. This data has been published since 2005, with a long term trend of declining emissions, see **Figure 2.30**. West Lothian has experienced a decline of 44% in carbon emissions per head of population over this period – this is a larger decrease than in Scotland, and broadly similar to the UK. Emissions per head have remained lower in West Lothian than the Scottish average throughout this period.

Figure 2.30: CO2 Emissions Per Head of Population (tonnes)



Emissions are allocated on an "end-user" basis where emissions are distributed according to the point of energy consumption (or point of emission if not energy related). Excludes aviation, shipping and military transport. Source: BEIS.

This can be broken down further by emissions caused by energy and fuel consumption by industry, commercial users, public sector, domestic premises, transport and through land use, see **Table 2.31**.

Table 2.31: Total CO2 Emissions (kilotons of CO2)

	West Lothian			Scotland		
	2005	2021	Change	2005	2021	Change
Industry	337.8	211.0	-38%	12,103.7	7,797.5	-36%
Commercial	191.1	35.4	-81%	6,413	1,480	-77%
Public sector	74.6	43.7	-41%	2,425	1,490	-39%
Domestic	435.7	282.6	-35%	14,664	8,630	-41%
Transport	434.2	373.5	-14%	11,568	9,878	-15%
Agriculture	101.8	89.0	-13%	8,834.1	7,985.2	-10%
Waste Management	205.0	67.0	-67%	4,057.2	1,332.8	-67%
Total	1,835.5	1,150.1	-37%	62,985	40,653	-35%

Source: BEIS

Reductions in carbon emissions have been much greater in some sector than others:

- most of the reduction in emissions – across industry, commercial, public sector and domestic premises – has been due to decarbonisation in electricity generation. For example, domestic electricity emissions decreased 66% since 2005, and gas emissions only reduced 15%. Further efforts on domestic heating and industrial and commercial gas use are required for carbon reduction in these areas.
- transport is the largest single emitter, both in West Lothian (32% of the total) and nationally (24%). The vast majority (99%) is from road transport, and has reduced only 14% compared to the overall reduction of 37%. This is potentially due to the importance of road transport and storage in West Lothian and presence of the M8 motorway. The acceleration of the take up of electric cars over the coming decades and well as policy initiatives to encourage modal shifts in transport use will aim to reduce the carbon emission in this area.

Renewables

Supporting renewable energy is a key policy for national and local government and there has been a major push towards supporting new projects over the last six years. As noted, this has played an important role in reducing carbon emissions over recent years. This is reflected in data for West Lothian which shows an increase in the number of renewable energy installations, installed capacity and actual generation between 2014 and 2019, see **Table 2.32**.

Table 2.32: Renewable Electricity Generation

	West Lothian			Scotland		
	2014	2022	Change	2014	2022	Change
Number of Sites	1,596	4,336	+172%	56,801	81,940	+44%
Installed capacity (MW)	210	268	+27%	3,036	6,016	+98%
Electricity generation (MWh)	667,011	783,777	+18%	11,662,500	16,317,172	+40%

Source: BEIS

Most renewable energy generation in West Lothian is from onshore wind and hydro, see **Table 2.33**. Although there are a large number of solar panels, and the number has grown considerably over the last five years, their total output is relatively low.

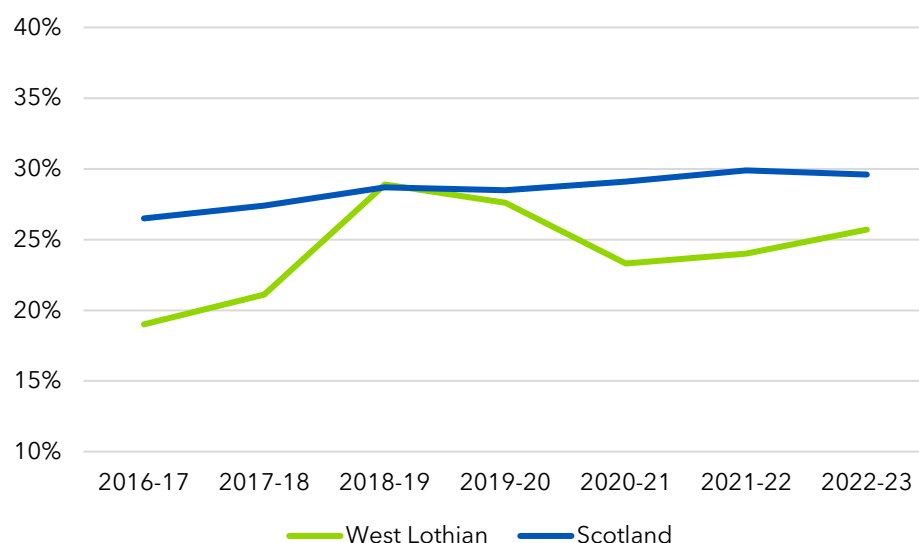
Table 2.33: Renewable electricity generation – number of Installations

	2014	2022	% total renewable electricity generated (2022)
Photovoltaics	1,290	5,196	4%
Onshore Wind	17	34	96%
Landfill Gas	1	1	n/a
Total	1,308	5,231	100%

Source: BEIS

2.12 Council Procurement

The total value of West Lothian Council's regulated procurement contracts in 2022-2023 was £98 million across 332 total contracts⁸. The proportion of this that is spent with local enterprises in West Lothian has increased from 19% to 26% from 2016-2017 – but remains below the Scottish average of 30% indicating that a lower proportion of West Lothian's Council's procurement contracts are spent with local enterprises that across Scotland as a whole, **Figure 2.31**.

Figure 2.31: Council Procurement Spend with Local Enterprises (%)

Source: Local Government Benchmarking Framework

⁸ West Lothian Council Annual Procurement Report [link](#)

2.13 Health

The female life expectancy in West Lothian is the same as the Scottish level at 80.7 years, however, West Lothian has a slightly higher male life expectancy at 77.1 compared to 76.5 across Scotland as a whole, **Table 2.34**.

Table 2.34: Life Expectancy at Birth 2022

	Female	Male
West Lothian	80.7	77.1
Scotland	80.7	76.5

Source: NRS

The Scottish Public Health Observatory (ScotPHO)⁹ measure a range of health outcomes by local authority. Measures which West Lothian perform statistically significantly better than Scotland as a whole include:

- alcohol related hospital admissions.
- child dental health in primary 1 and primary 7.

Measures which West Lothian perform statistically significantly worse than Scotland as a whole include:

- asthma patient hospitalisations.
- COPD patient hospitalisations.
- emergency patient hospitalisations.
- emergency admissions aged 65+ years.
- multiple emergency hospital admissions age 65+ years.
- bowel screening uptake.
- breast screening uptake.
- population prescribed drugs for anxiety/ depressions/ psychosis.
- psychiatric patient hospitalisations.

⁹ <https://www.scotpho.org.uk/>

3 Policy and Strategic Review

3.1 Introduction

This section provides a high-level overview of the national, regional, and local policies and strategies that have helped inform the West Lothian EIP. The intention is not to list every policy or strategy but to consider the crucial documents and identify the current policy drivers of relevance for the West Lothian EIP.

3.2 Summary

The policy and strategic landscape has evolved since the previous economic strategy for West Lothian and economic recovery plan. Many plans and strategies are still set in the context of the lasting economic and social impacts that the pandemic has had on people, businesses, and communities, and COVID-19 recovery. They are also firmly set within the context of inflationary pressures, the cost of living crisis, the global climate emergency and growing nature crisis, and the unprecedented financial constraints facing the public sector, including local government and partners. Current policy objectives can be identified as: sustainable and inclusive growth; tackling poverty (including in-work poverty and child poverty) and inequalities; just transition to a net carbon zero economy; wellbeing; fair work; local living and 20 minute neighbourhoods - resilient and sustainable places; and community wealth building.

From a skills perspective, learning throughout life, enhancing access to upskilling and retraining opportunities, higher qualifications, and increasing system agility are all important policy drivers of inclusive growth. Equally, growth and resilience of a vibrant and diverse business sector in West Lothian relies on effective business support for residents to start their own business, and to enable local firms to grow in a sustainable and inclusive manner, as well as a highly skilled workforce. There is recognition that wider factors, such as childcare, transport, housing, etc also play a critical role in reducing poverty and enabling people, including parents and carers, particularly women, to participate in work, education, or training. This suggests an increasingly preventative, holistic approach to tackling child poverty, focusing on the role of housing, transport, childcare and economic development may help reduce socio-economic inequalities. There is also a need to foster greater cooperation and partnership between public bodies, businesses, and the wider community.

3.3 National context

Scotland's National Performance Framework

Scotland's [National Performance Framework](#) (NPF) underpins delivery of all Scottish Government's priorities and monitors the delivery of the Scottish Government's purpose which is to:

- create a more successful country.
- give opportunities to all people living in Scotland.
- increase the wellbeing of people living in Scotland.
- create sustainable and inclusive growth.⁹
- reduce inequalities and give equal importance to economic, environmental, and social progress.

The NPF is Scotland's wellbeing framework – following a refresh of the NPF in 2018 the framework now includes an explicit commitment to 'increased wellbeing' as part of its purpose and comprises a broader range of National Outcomes and indicators to measure Scotland's performance in economic and wellbeing terms. This provides a more holistic picture of the extent to which Scotland's economy and society is resilient and thriving

The following National Outcomes are of relevance to the West Lothian EIP:

- **Economy** – We have a globally competitive, entrepreneurial, inclusive, and sustainable economy.
- **Fair Work and Business** – We have thriving and innovative businesses with quality jobs and fair work for everyone.
- **Education** – We are well educated, skilled, and able to contribute to society.
- **Poverty** – We tackle poverty by sharing opportunities, wealth, and power more equally.

The latest [review of the NPF and National Outcomes](#) commenced in 2023 and an updated NPF was published by government in October 2024. Further, the Scottish Government is exploring the development of wellbeing and sustainable development legislation, which could include strengthening duties on public bodies, such as local government, to consider the National Outcomes.

Scotland's National Strategy for Economic Transformation

Scotland's [National Strategy for Economic Transformation](#) (NSET) (March 2022) sets out the government's vision to 2032 and associated actions to develop:

"A Wellbeing Economy: Thriving across economic, social and environmental dimensions".

NSET has an explicit focus on boosting economic performance (for example, productivity, innovation) and tackling structural economic inequalities. The NSET vision is set within the context of three ambitions – **a fairer, wealthier, and greener Scotland**, and five policy programmes, **Figure 3.1**.

Figure 3.1: Vision, ambition and programmes of action for Scotland’s economy by 2032



Source: Scottish Government, NSET.

NSET sets the direction of travel in terms of economic development in order to make the shared vision of a wellbeing economy a reality. There is a commitment to:

- establish Scotland as a world-class entrepreneurial nation founded on a culture that encourages, promotes, and celebrates entrepreneurial activity in every sector of our economy.
- strengthen Scotland’s position in new markets and industries, generating new, well-paid jobs from a just transition to net zero.
- make Scotland’s businesses, industries, regions, communities, and public services more productive and innovative.
- ensure that people have the skills they need at every stage of life to have rewarding careers and meet the demands of an ever-changing economy and society, and that employers invest in the skilled employees they need to grow their businesses.

- reorient our economy towards wellbeing and fair work, to deliver higher rates of employment and wage growth, to significantly reduce structural poverty, particularly child poverty, and improve health, cultural and social outcomes for disadvantaged families and communities.

Planning policy

The Scottish Government [National Performance Framework 4](#) (NPF4) is the national spatial strategy for Scotland. NPF4 sets out government's spatial principles, regional priorities, national developments, and national planning policy.

The NPF4 is set within the context of the unprecedented challenges facing Scotland and beyond – namely the global climate emergency and growing nature crisis. It specifies a need to enable and support development that addresses the social and economic legacy of the COVID-19 pandemic, the cost crisis and longstanding inequality (people living in Scotland have very different life chances, at least partly a result of the places where they live).

The NPF4 helps guide choices about where development should be located, as well as being clear on the types of infrastructure that needs to be built, and the assets that should be protected to ensure they benefit future generations. National developments will be a focus for delivery, as well as exemplars of the Place Principle, placemaking and a CWB approach to economic development.

There are six spatial principles:

- **just transition** - we will empower people to shape their places and ensure the transition to net zero is fair and inclusive.
- **conserving and recycling assets** - we will make productive use of existing buildings, places, infrastructure and services, locking in carbon, minimising waste, and building a circular economy.
- **local living** - we will support local liveability and improve community health and wellbeing by ensuring people can easily access services, greenspace, learning, work and leisure locally.
- **compact urban growth** - we will limit urban expansion so we can optimise the use of land to provide services and resources, including carbon storage, flood risk management, blue and green infrastructure, and biodiversity.
- **rebalanced development** - we will target development to create opportunities for communities and investment in areas of past decline and manage development sustainably in areas of high demand.
- **rural revitalisation** - we will encourage sustainable development in rural areas, recognising the need to grow and support urban and rural communities together.

The national spatial strategy will support the planning and delivery of:

- sustainable places, where we reduce emissions, restore, and better connect biodiversity.
- liveable places, where we can all live better, healthier lives.
- productive places, where we have a greener, fairer, and more inclusive wellbeing economy.

The NPF4 is helping to guide the preparation of Regional Spatial Strategies (RSS) and new Local Development Plans (LDP) which will help to deliver Scotland's national spatial strategy. For the Central area the following priorities are specified.

Table 3.1: NPF4 – Central area priorities for RSS and LDP

Central	Priorities
This area broadly covers central Scotland from the Glasgow city region and the Ayrshires in the west to Edinburgh city region in the east, including the Tay cities, the Forth Valley and Loch Lomond and The Trossachs National Park.	To deliver sustainable places, RSS and LDP in this area should support net zero energy solutions including extended heat networks and improved energy efficiency, together with urban greening and improved low carbon transport.

The [Place Principle](#) (2019) is a key driver for NPF4 - all those responsible for providing services and looking after assets in a place need to work and plan together, and with local communities, to improve the lives of people, support inclusive and sustainable economic growth and create more successful places.

[Local living and 20 minute neighbourhoods](#) is also a driver of the planning guidance - this concept provides people with the opportunity to meet the majority of their daily needs within a reasonable distance of their home. It aims to support people to 'live well locally' and to provide access to the majority of daily needs within a 20 minute walk, wheel, or cycle from home. It is an approach likely to be more readily achievable in urban places, towns, villages, and cities.

The [Infrastructure Investment Plan 2021-2022 to 2025-2026](#) sets out its vision as:

'Our infrastructure supports Scotland's resilience and enables inclusive, net zero and sustainable growth'.

The 'investment hierarchy' framework prioritises enhancing and maintaining assets over new build. The plan has three core strategic themes for guiding investment decisions in Scotland, linking directly to the NPF4, including:

- enabling the transition to net zero emissions and environmental sustainability.
- driving inclusive economic growth.
- building resilient and sustainable places.

The trends in planning policy are shifting towards the promotion of greater collaboration and community engagement, the principles of sustainable development and the wellbeing economy, all of which are highly relevant to the West Lothian context. As noted above, RSS and LPS will identify and support national developments which are relevant to their areas.

Scotland's National Innovation Strategy 2023 to 2033

The [national innovation strategy 2023 to 2033](#) sets out the vision:

"For Scotland to rank alongside Denmark, Norway and Finland in being recognised as one of the most innovative small countries in the world. Innovation and the ecosystem of businesses, organisations universities and talent that promote and deliver it, will drive future national and regional economic success".

Four broad innovation themes are identified as areas of focus, **Table 3.2** – this includes supporting more SMEs to innovate to increase their productivity – that is, increasing the number of businesses who are 'innovation-active'. Some of West Lothian's key sectors are strongly aligned with the priorities identified in the Innovation Strategy, such as life sciences and biotechnology, electronics and software, and engineering – as is the wider Edinburgh and South East Scotland City Region (for example, digital and data).

In relation to skills the Innovation Strategy acknowledges that if Scotland's SMEs are not able to adopt simple and relatively cheap technologies (for example, cloud computing), then they are unlikely to have the necessary capital, strategic capacity or skills to invest in more sophisticated technologies (for example, AI, data analytics and 5G). At the same time, large companies in major cities will continue to invest, train staff, and grow faster and more productive. This could then deepen regional and skill-based wage inequality, constrain job creation (especially high value jobs) and weaken the competitiveness of Scottish SMEs.

Table 3.2: Scotland's National Innovation Strategy – Four programmes of action

Programme	Brief description
Building successful Innovation Clusters	<p>Strong research and business base in a number of key markets that future activity will focus on, including:</p> <ul style="list-style-type: none"> • Energy transition includes: hydrogen generation, storage and transport; floating offshore wind; built environment transition; and decarbonisation of transport. • Health and life sciences includes: digital health; future medicines manufacturing; and precision medicine. • Data and digital technologies includes: quantum technologies and photonics; and FinTech and financial services. • Advanced manufacturing includes: small satellite space; and robotics and autonomous systems.

Innovation Investment Programme	To support the growth and scaling of the priority areas, this programme will review ring-fence a significant proportion of public sector innovation funding to be spent and invested in the priority areas and enable a coordinated approach to increasing Scotland's share of UK and EU innovation funds including the opportunities provided by Innovate UK and Horizon Europe.
Innovation-led Entrepreneurship and Commercialisation Programme	A focus on supporting universities in their ambitions for a new Investment Fund, developing a Research Commercialisation Action Plan, and delivering existing commitments on entrepreneurship in universities.
National Productivity Programme	This programme will aim to diffuse the benefits of innovating for productivity gains. It will make full use of existing Innovation Architecture to support more SMEs to innovate to increase their productivity - an increase in the number of businesses who are 'innovation-active'.

Community Wealth Building

Community Wealth Building (CWB) is an important part of the Scottish Government's ambitions to deliver a wellbeing economy. A CWB approach (five pillars of spending, workforce, land and property, inclusive ownership, and finance) aims to: foster greater cooperation and partnership between public bodies, businesses, and the wider community; secure greater leverage; increase opportunities; and maximise assets.

In practice, such approaches help to create inclusive local economies with more local employment and a larger and more diverse business base, for example by:

- reviewing procurement frameworks and approaches.
- developing supplier capacity.
- making a commitment to Fair Work practices and paying at least the real Living Wage.
- tackling vacant and derelict land.
- reviewing funding assessment criteria (public funding applications could require evidence of positive community wealth building impacts).
- considering financing options, including progressive financing.

The Scottish Government made a commitment in its [Programme for Government 2023-2024](#) (and within NSET) to work with public sector anchor organisations, local government, the third sector, and businesses to develop legislative proposals and other actions to support CWB, with sustainable business growth and high quality jobs in communities across Scotland. Scottish Government has undertaken a public consultation to capture views on what future CWB legislation could look like and where existing law and policy could be changed to advance and embed action on CWB. The consultation analysis has since been published (October 2023), and the findings will be used by Scottish Ministers to help inform the development of CWB legislation and policy.

Fair Work

Fair Work First is the Scottish Government's flagship policy for driving high quality and fair work, and workforce diversity across the labour market in Scotland by applying fair work criteria to grants, other funding and public contracts being awarded by and across the public sector, where it is relevant to do so. The Scottish Government is committed to fair work and a refreshed [action plan](#) sets out actions to promote fair and inclusive workplaces across Scotland – its vision is for “Scotland to be a leading Fair Work Nation by 2025, where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations, and society”.

[Fair Work First Guidance](#) (March 2023), among other things, specifies that “For public sector grants awarded on or after 1 July 2023, the default position is that Fair Work First criteria for paying at least the Real Living Wage and providing appropriate channels for effective workers’ voice will be mandatory while the other criteria will continue at this stage to be encouraged. Only in limited circumstances may the grant maker/funder consider making an exception to mandatory criteria.

Pathways: A new approach for women in entrepreneurship

The [Pathways](#) report (February 2023) presents the findings of an independent review into women in entrepreneurship in Scotland commissioned by Kate Forbes, Cabinet Secretary for Finance and the Economy. Among the stark findings, points to note are that:

- despite more than half of Scotland's population being female, only one in five of Scotland's entrepreneurs are women. This represents a missed opportunity to leverage an untapped pool of talent to drive and grow the entrepreneurial economy.
- relative to men, women are often more logistically constrained, making participation in entrepreneurship difficult (for example, primary carer role, home-manager role).
- women frequently have a sense of “not belonging” in entrepreneurship, which affects their confidence and self-belief.
- formally-defined pathways into entrepreneurship are unclear, while informal pathways and networks underserve women.
- only 2% of institutional investment goes to women-led companies in Scotland. Women receive far less investment than men at all stages of the entrepreneurial journey from venture capital firms and related sources.

Recommendations are grouped into categories such as: Physical and Social Entrepreneurial Infrastructure, Entrepreneurial Access Pathways, Investment, and Education and Society. While the focus of the review was on the under-participation of women in entrepreneurship, the report concludes that its recommendations have wider applicability to other under-represented groups (for example, migrant groups, those located in disadvantaged urban areas).

Best Start

[Best Start](#) (October 2022) sets out the Scottish Government's plans to embed the benefits of investment in 1,140 hours of high quality funded early learning and childcare and its approach to expanding the childcare offer over the period 2022-2026. The vision is that "access to rich and nurturing early learning and school age childcare experiences, children, families, and their communities are enabled to reach their full potential and the poverty-related outcomes gap narrows". Delivery principles which underpin what the childcare offer will look like span quality, flexibility, accessibility, affordability

Three early learning and school age childcare outcomes are identified (and associated strategic priorities) are identified, including:

- children's development improves and the poverty-related outcomes gap narrows.
- family wellbeing improves.
- parents' and carers' opportunities to take up or sustain work, training, and study increase.

It is recognised that affordable and flexible early learning and childcare can improve standards of living and address child poverty. For example, through reducing pressures on family income and enabling parents and carers, particularly women, to participate in work, education, or training. There is a renewed focus on building a system of school age childcare (providing care before and after school, all year round, supporting parents/carers) to have secure and stable employment.

As well as a more integrated "no-wrong door" approach to support parents/carers, including those on low incomes, single parents, those who are not currently in work, to access the training/skills they need to enter, sustain, and progress in work, and addressing barriers by working with others to promote access to funded childcare options, flexible working options and wellbeing in the workplace.

No One Left Behind

[No One Left Behind](#) is the national strategy for placing people at the centre of the design and delivery of employability services. It promotes a strengthened partnership approach where the Scottish and Local Government (Partnership Agreement for Employability) work together with public, third and private sector partners to identify local needs and make informed, evidence-based decisions, flexing these to meet emerging labour market demands. The strategy recognises that while unemployment is historically low, there are still many people who struggle to find and keep a job – this is particularly true of the West Lothian labour market.

The vision is of an employability system that tackles inequalities in Scotland's labour market, creating a more responsive, joined up and aligned employability system that helps people of all age, who face the greatest barriers to progress towards, into and to sustain work – particularly people with health conditions, disabled people and others who are disadvantaged in the labour market.

Key actions undertaken to implement the policy are underpinned by the No One Left Behind principles, including:

- dignity and respect, fairness and equality, and continuous improvement.
- provides flexible and person-centred support.
- is straightforward for people to navigate.
- integrated and aligned with other services.
- provides pathways into sustainable and fair work.
- driven by evidence including data and experience of others.
- support more people to move into the right job at the right time.

Skills policy

[Scotland's Future Skills Action Plan](#) (March 2021) reaffirms the importance of skills in helping individuals reach their potential and provides a thematic framework to demonstrate the development and re-focusing of Scotland's skills system. Improving productivity, inclusive growth, and fair work are reaffirmed as critical for Scotland's future success.

Skills and qualifications are identified as a key driver of inclusive growth - that is, they help to drive productivity and growth, plays a key role in determining participation and inclusion, increases an individual's ability to do more advanced tasks that add more value to the economy. People with higher qualifications are more likely to be in employment and developing skills can help people progress to more fulfilling, secure, well paid, and fair work, which has wider social benefits.

Further Scotland's working age population is expected to grow - this highlights the need to enhance access to upskilling, reskilling and retraining opportunities so that individuals are able to successfully gain new skills regardless of age or current qualification levels. A strong skills system also helps contribute to economic growth, inclusion, and productivity - the skills system must be flexible, agile and responsive to understand and reflect employer needs and to support Scotland's workforce and employers. Workers should be able to access upskilling, retraining, and learning opportunities that meet their needs and circumstances, and to meet future skills challenges.

Work-based learning is viewed as critical, including greater access to learning which is modular and provides opportunity for practical experience in the workplace. The themes of particular relevance to the West Lothian EIP are: Theme 1 - **Increasing system agility and employer responsiveness**, and Theme 2 - **Enhancing access to upskilling and retraining opportunities**.

A number of Skills Development Scotland (SDS) and partners Skills Investment Plans (SIPs) at the national sectoral are also of relevance. [Invest in West Lothian](#) identify the **area's key sectors** as: life sciences and biotechnology; engineering, design, and manufacturing; electronics and software; construction; food and drink; logistics and distribution; retail; and creative industries. Where relevant national level sector SIPs exist (albeit they are somewhat dated), points to note are outlined below.

Table 3.3: Sector SIPs

Sector	Priorities or themes
Life and Chemical Sciences Sector SIP (2018)	<ul style="list-style-type: none"> • Address specific skill shortages. • Ensure national coverage of skills and training provision. • Increase exposure to and understanding of industry. • Enhance practical experience of those entering the sectors.
Food and Drink Sector SIP (2017)	<ul style="list-style-type: none"> • Raise the profile and image of the sector to attract new entrants. • Driving leadership and management excellence. • Skills for business improvement. • Skills for business growth.
Construction Sector SIP (2015)	Developing and retaining a talent pool to support the growth of the Scottish construction sector: <ul style="list-style-type: none"> • Attracting future talent and building on pathways. • Better meeting employer demand. • Modernising training provision. • Providing skills for future growth.
Creative Industries Sector SIP (2015)	Developing and retaining a talent pool to support the growth of the Scottish creative sector: <ul style="list-style-type: none"> • Developing industry readiness and progression. • Addressing the creative digital agenda. • Developing leadership and business Skills. • New approaches to delivery.
Engineering Sector SIP (2015)	<ul style="list-style-type: none"> • Developing routes into the industry. • Better meeting employer demand. • Making the skills system more responsive. • Skills infrastructure and coordination.

3.4 Regional context

The growing focus on regional approaches has been a significant driver in recent economic development policy in Scotland. This first emerged through the Enterprise and Skills Review - [Phase 1](#) (2016) and [Phase 2](#) (2017) reports which aims to **ensure a simpler and more coherent enterprise and skills support system** - and led to the formation of Regional Economic Partnerships across Scotland. At a similar time, the [City Region City Deal and Regional Growth Deal Plans](#) were developing, reinforcing a set of regional geographies as a focus for economic development investment and activity.

Regional Growth Deals are packages of funding and decision-making powers, agreed between the Scottish Government, the UK Government, and local partners. They are designed to bring about long-term strategic approaches to improving regional economies by leveraging additional investment, creating new jobs, and accelerating sustainable, inclusive economic growth. Each deal is tailored to its region, reflecting its individual economic strengths and weaknesses, and comprises a programme of interventions to support positive, transformative change.

Edinburgh and South East Scotland Region Regional Prosperity Framework

The six local authorities that make up the [Edinburgh and South East Scotland city region](#) are City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian. The Scottish and UK Governments alongside partners from six local authorities, universities and colleges, and the private and third sector provided £1.3 billion for culture, digital, housing, infrastructure, knowledge and innovation, and skills. The deal, signed in 2018, is delivering improvements in innovation, housing, critical infrastructure, and a new skills programme, unlocking access to good opportunities for people across the region.

The vision for the region that is set out in the City Region Deal is:

“In a fast-changing world we will create a region where investment, intellect and culture will fuse to create new ways of doing things. In the next 20 years the Edinburgh and South East Scotland City Region will become the most connected, creative, inclusive and entrepreneurial place in Europe. We will build a network of businesses, universities, technical and creative skills attracted a great lifestyle and cultural offer”.

Five themes for capital investment are identified as follows:

- Research, Development and Innovation: £751 million.
- Housing: £313 million.
- Transport: £156 million.

- Culture: £45 million.
- Integrated Regional Employability and Skills: £25 million

As at June 2024 - 21 out of 22 Business Cases have been approved by Joint Committee, and £323 million Government funding has been spent (54% of total).

A key driver is the opportunity to **address inclusion across the region**. Prosperity and success is not universal across the region: 21% of children are living in poverty; there is a lack of mid-market and affordable housing; and too many people are unable to move on from low wage/low skill jobs. The City Region Deal will address these issues, create new economic opportunities, and is expected to provide up to **21,000 new jobs**.

The Regional Prosperity Framework (2021) is the next phase of the development of Edinburgh and South East Scotland's regional economy, building upon the City Region Deal. It is designed to be a single document that helps to shape where public and private investment, including Levelling Up monies, could make the best contribution to drive the region forward in a sustainable and inclusive manner. It articulates the long-term aspirational goals (20-year vision for the regional economy to 2041) for Edinburgh and South East Scotland to guide the future direction of regional economic and wider policy across stakeholders.

Vision: "Our aim is to become the data capital of Europe. We will ensure the social and economic benefits of this capability extend to all. All sections of the community will have the opportunity to develop the key skills that will help to end inequalities in our society. We will protect our environment and make best use of our extraordinary built and natural assets, ensuring that the Edinburgh and South East Scotland City Region delivers a just transition to a net zero economy. Our institutions, ancient and modern, will deliver positive outcomes that enhance our local, national and international reputation".

Nine major regional opportunities – "The Big Moves" – are identified (as are illustrative projects), see **Figure 3.2**. It sets out how the Big Moves will benefit people, places and planet and can be delivered by building on the major enablers across the city region.

Figure 3.2: Edinburgh and South East Scotland – ‘The Big Moves’

OUR BIG MOVES	Data Capital of Europe <ul style="list-style-type: none"> • Agri-tech and Healthcare • Fintech • DDI across key sectors • Usage of Infrastructure 	Re-thinking Our Place <ul style="list-style-type: none"> • Sustainable approaches • Society & business • Regenerating High Streets • Regional Spatial Strategy 	Sustainable Transport <ul style="list-style-type: none"> • Rail network • Waverly transformation • Regional Mass Transit • Active travel
	Regenerating the Forth <ul style="list-style-type: none"> • Forth Ports Freeport/ Greenport programme • Regeneration of Edinburgh Waterfront • Cockenzie Regeneration and Blindwells 	Sustainable Tourism & Culture <ul style="list-style-type: none"> • Regional tourism network • Fair working principles • Edinburgh Festivals 	Supporting Enterprise <ul style="list-style-type: none"> • Innovation ecosystems • Support for young people • Wellbeing at heart of recovery
	Aligning Skills <ul style="list-style-type: none"> • Future skills • Digital skills • Addressing shortages • Employer skills 	Re-Inventing Healthcare <ul style="list-style-type: none"> • Usher Institute • Advanced Care Research Centre • BioQuarter • Strong regional partners 	Anchor Institutions <ul style="list-style-type: none"> • High local impacts • Sustainable employment • Reputational pull
ENABLER	INFRASTRUCTURE		
	PEOPLE AND ORGANISATIONS		

Source: Regional Prosperity Framework.

Explicit reference to West Lothian includes:

- strategic plans in the pipeline to capitalise on the advanced technology and manufacturing industry for potential university presence in the years to come. It is crucial that this builds on the supported growth of key data-driven innovation sectors, including: public services, finance and fintech, insurance, artificial intelligence and robotics, and bio, health and life science, food and drink and agricultural innovation.

SIP for Edinburgh and South East Scotland

The SIP for Edinburgh and South East Scotland (2017) notes that:

- **the region has a diverse employment and business base with a wide range of sectoral specialisms** - the region's skills needs are similarly diverse ranging from high level technical and professional skills in financial services, engineering and life sciences sectors, to good quality customer service skills in the region's retail, tourism and care sectors. It is important that the RSIP can help deliver skills provision that meets these diverse requirements.
- **some sectors and geographies are characterised by low wages – so contributing to in-work poverty** - to minimise the long-term impact of this for individuals, it is important that individuals have the opportunities to develop and progress in work to enable movement into higher paid, higher skilled jobs.
- **cross-cutting all sectors and occupations is the increasing importance of data and digital skills** - not only will the digital sector create new jobs but digital technologies will also increasingly be embedded across all jobs, Edinburgh and South East Scotland could gain a comparative advantage by focusing resources on this area.
- **building digital skills** is also important for increasing citizenship and economic inclusion across the region's more disadvantaged communities and residents.
- **to drive the growth and diversification of the Edinburgh and South East Scotland economy – particularly in new and emerging sectors – there is a need for high quality management and leadership skills** that build a positive culture around the importance of investing in and developing skills, as this will help the region capitalise on future innovations and raise productivity levels,

It also notes that:

- **Edinburgh and South East Scotland is a large and diverse region with variations in skills, qualifications and economic activity levels** - while the development of the IRES programme is positive, it is important that service and funding flexibilities remain so that tailored approaches can be taken to address issues and challenges.
- **the region overall has a highly qualified workforce but it also has higher levels of underemployment** - there is a need to create and attract higher skilled jobs that better utilise the skillsets of the workforce (including the region's university graduates), as well as a need for high quality management, leadership and entrepreneurial skills.
- **There is an under-representation of Modern Apprenticeships in the region and continued work is needed to increase the investment** in these (and/or Graduate Apprenticeships if more appropriate to some of the region's sectors) as they provide good quality employment and progression opportunities for young people.

- **Brexit has the potential of reducing the region's migrant workforce** - the region's skills providers and employers must therefore work together to develop more attractive careers for local residents in agriculture, food and drink, tourism, health and social care.
- **the region has an ageing population and, there is a need to increase the economic contribution of the working age population**, to enable older residents to stay in the labour market longer - this includes providing opportunities to retrain, and ensuring effective workforce development and succession planning is in place so that critical skills are retained in the region's workforce.
- **poor transport connectivity and the limited travel horizons of some residents are limiting the effectiveness of the region's labour market, and this is also impeding people's access to skills provision** - partners must build linkages with transport partners to help ensure transport infrastructure and providers are responding to the transport needs of all the region's residents.

Figure 3.3: SIP for Edinburgh and South East Scotland



Source: SIP for Edinburgh and South East Scotland.

The SIP notes that regional data masks local variations, for example:

- West Lothian has higher unemployment, out-of-work claimants and NEET rates than the region as a whole.
- using qualifications as a proxy for skills, the region's working age population is more highly skilled than the Scotland and the UK average - there are, however, variations within the region with 57% of Edinburgh's working age population qualified at SCQF Level 7 or above, compared to 37% in West Lothian.

3.5 West Lothian context

West Lothian Local Outcomes Improvement Plan

The West Lothian Community Planning Partnership [Local Outcome Improvement Plan 2023-2033](#) sets out partners' long-term vision to 'improving the quality of life for everyone who lives, works, learns and does business in West Lothian'. The LOIP makes a commitment to tackle complex and stubborn issues that require additional partnership action, leadership, and collaboration where the CPP can make the biggest impact and that it should focus on tackling inequalities. The LOIP is firmly set with the context of COVID-19 recovery and the wide-ranging impacts the pandemic has left upon local communities, the cost of living crisis, and increasing pressure on public finances.

The CPP is responsible for a number of partnership plans and strategies that are also focused on tackling inequalities and improving outcomes - for example, including but not limited to the Community Learning and Development Partnership Plan 2021-2024 and the Anti-Poverty Strategy 2023-2028. The LOIP therefore does not duplicate outcomes or activities that are already being driven forward through other partnership plans, strategies, and groups - as such some areas of activity do not specifically appear within the LOIP but are a key part of CPP activity in West Lothian. These are: public protection, child poverty, children and families, and wider community safety activity.

Guiding principles - prevention, tackling inequalities, inclusiveness, and community resilience and empowerment. Four thematic pillars have been developed that the CPP will work together to improve, including:

- **creating skills and jobs** - West Lothian delivers sustainable, inclusive, and diverse economic growth enabling businesses to create good quality jobs that everyone can access.
- **improving health and wellbeing** - West Lothian is a place where everyone has the opportunity to enhance their mental and physical health and wellbeing.

- **creating net zero carbon communities** - Everyone who lives, works and delivers services in West Lothian builds a sustainable, nature rich, net zero carbon communities.
- **creating affordable and sustainable housing** - everyone has access to appropriate, affordable, and sustainable housing which meets their need.

Key points from the LOIP on skills and jobs include that in West Lothian:

- there is high employment, average salaries and seeing the highest ever recorded results for school leavers entering a positive destination.
- there are variations in employment, salaries, positive destinations and qualifications across the population and in recent years, child poverty and in-work poverty have become increasingly significant issues - low pay, underemployment and economic inactivity.
- there is slightly under the national average for basic and intermediate and higher-level qualifications.
- there is a need to upskill and retrain in order to support local people to access better jobs.
- the economy and types of jobs required are changing. There is a skills gap/shortage across a range of sectors and employers are reporting that they cannot find people with the right skills from within West Lothian to fill available jobs.
- total employment is projected to increase - there is a need to ensure there are enough people to fill the jobs required.

A Delivery Plan has been created that sets out objectives, outcomes and measurement.

Table 3.4: West Lothian LOIP

What does success look like	What will the CPP do
<ul style="list-style-type: none"> • The partnership has a shared understanding of the future local economy, informed through ongoing discussion with local employers. • Local firms are able to deliver sustainable, inclusive and diverse economic growth • Economic partners in West Lothian collaborate to maximise job opportunities and minimise and reduce the skills gap • West Lothian has a flexible and adaptable workforce with the skills to meet workforce and economic demands • Those experiencing in-work poverty are supported and provided with opportunities/pathways to upskill • In-work poverty and child poverty are minimised 	<ul style="list-style-type: none"> • Embed a partnership approach to marketing and branding of West Lothian to attract good quality jobs. • Promote West Lothian as a Living Wage place. • Support businesses to promote upskilling. • Identify opportunities to upskill/retrain our existing workforce, working with local employers to create a learning culture in the workplace and increase flexibility. • Align curriculum in schools and colleges to future jobs, improve understanding of career pathways and raise aspirations of our young people. • Embed partnership arrangements to identify those experiencing in-work poverty/insecure work, increase aspirations and provide opportunities to upskill/retrain through targeted support.

Other points of relevance to the EIP are as follows.

Creating net zero carbon communities - West Lothian Council declared a Climate Emergency in September 2019 and has set an area wide target to achieve net zero carbon by 2045. This area wide target will require the buy-in of all partners, including businesses and communities, if it is to be achieved. By 'net zero carbon' we mean reducing greenhouse gas emissions and balancing the impact of any remaining emissions with an appropriate amount of carbon removals, e.g. by planting trees to capture carbon. A part of what success looks like is that there is improved engagement with all sectors and communities, businesses and third sector play a lead part in achieving net zero carbon.

Creating sustainable and affordable housing priority also has an indirect link to achieving the skills and jobs priority, not least as there is an unprecedented demand for affordable housing in West Lothian.

West Lothian Council Corporate Plan

The [Corporate Plan](#) sets West Lothian Council's strategic direction and identifies priorities for council services for the years 2023-2024 to 2027-2028. It is set within the backdrop of continued growing demand for innovative, responsive, and bespoke public services and spending restraints in the public sector.

Our purpose: Improving lives and making West Lothian a great place to live, work, learn and do business. Our Vision: A thriving West Lothian.

West Lothian Council's corporate priorities reflect the areas that are the most important for the community and improving the quality of life for all living, working and visiting West Lothian, and include:

- **raising educational attainment** - providing high quality education and learning for our young people, helping them to fulfil their potential in life and contribute to society in a meaningful way.
- **strengthening care and support for children, adults and older people** - helping older and vulnerable people to live better, more independently and longer lives.
- **investing in skills and jobs** - investing in jobs and skills to improve employability and create a strong and sustainable local economy.
- **helping to create strong and sustainable communities** - communities which are well-designed and well looked after and empowered.
- **tackling homelessness, poverty and inequality** - increasing access to affordable housing and mitigating poverty and exclusion in our community to create a fairer society.

The council aims to support the growth of a vibrant business sector, built around a highly motivated and skilled workforce. The strategy recognises that a strong local economy supports the success of other priorities, particularly in improving attainment and health outcomes, and addressing poverty (and therefore improving the quality of life and overall wellbeing). The council has made a commitment to:

- targeting regeneration interventions on communities with the greatest need including areas suffering disadvantage, rural areas and isolated communities, whilst attracting investment and promoting sustainable growth in those areas.
- promoting access to employment by ensuring young people have an opportunity to aspire and understand the opportunities available in new industries on leaving school.
- through [Invest in West Lothian](#) continue to support investment ensuring collaboration with national and local agencies and other partners.
- supporting businesses through building an entrepreneurial culture, supporting business start-ups and early stage company growth to increase the overall stock of businesses.
- collaboration through partnership working to maximise job opportunities and minimise skills gaps.
- maximising the potential of West Lothian's town centres and visitor attractions through targeted investment and partnership working to increase the range of employment opportunities available.

Planning, Economic Development and Regeneration Service Improvement Plan

The council's [Planning, Economic Development and Regeneration Service Improvement Plan 2023-2026](#) covers the functional areas of Economic Development, Regeneration and Employability, Community Planning, Environmental Health, Trading Standards, and Planning Services which also includes the Education Planning, Environment and Climate Change. It is also set within the context of challenges such as inflationary pressures, increasing costs and tighter financial constraints.

The Economic Development and Regeneration function has a budget of circa £2.18 million and a staff resource of circa 53 Full Time Equivalents (FTE). The service has a key role in monitoring the region's economy and providing services to individuals and businesses to help deliver the conditions for economic growth in West Lothian and improved employability.

The **Economic Development and Regeneration function's objectives** are to:

- support, employability, growth and sustainability within the West Lothian economy through effective business support, and fair and transparent regulatory controls and enforcement.

- protect and improve the local environment and amenity within West Lothian through effective engagement, planning, and enforcement
- protect and help improve the physical, mental, and financial health and wellbeing of people within West Lothian.

Economic Development and Regeneration supports the Council's corporate priorities by:

- protecting and enhancing our natural environment, and amenity within our communities, which supports the physical and mental well-being of individuals and our communities.
- working to support our local citizens, local economy and business sector to provide sustainable and reliable employment, and safe and compliant workplaces, which provides for financial security for households leading to improvements in educational potential and general wellbeing.
- protecting vulnerable members of the community through ensuring action against financial harm and fraud, ensuring less impact on social and health care services.
- ensuring the necessary protections for important and fundamental human needs such as food, water, shelter, clean air, and financial security are in place.

Over the period to 2025-2026 the Economic Development and Regeneration function will work to:

- support the creation of community wealth and employment through specific interventions including No-one Left Behind and Shared Prosperity Fund.
- lobby for additional funding for infrastructure projects through the UK Levelling Up Fund.
- engage in effective internal and external partnership working aimed at minimising social disadvantage.
- develop our own staff to take on new roles and responsibilities to meet service challenges and demands.
- develop effective working within PEDR to develop staff and mitigate some of the recruitment and service delivery challenges.
- increase the level of training for new recruits to fill vacant posts in key service delivery areas.
- review and prioritise service delivery in line with available staff resources.
- support economic development and sustainable employment in West Lothian.

There is also a wider commitment to:

- improve opportunities for customers to access the service for support and information using technology which allows appropriate interaction and customer service and frees up available staff resources to be directed most effectively.

- support West Lothian businesses improve their approach to reduce their negative impact on climate change and environmental impact.

Fair Work

West Lothian Council is supportive and committed to Fair Work. It is embedded in the council's [People Strategy 2023-2028](#) (for example, 'Championing fair work practices and an inclusive workplace where all employees are able to participate fully in all aspects of work'), Procurement requirements, etc. In relation to economic development, the council's grants have at least Real Living Wage as minimum. In practice, the council asks for salary of at least £30,000 if businesses are supporting the creation of a new job.

Better Off West Lothian Tackling Poverty Strategy

The [Better Off West Lothian Tackling Poverty Strategy 2023-2028](#) reaffirms CPP partners commitment to tackling poverty and inequality, and to helping people experiencing or at risk of poverty. It builds on previous strategies which have sought to improve access to advice, maximise income and address problem debts, improve access to affordable housing, create opportunities for good quality, sustainable employment, promote access to affordable credit options, and more recently providing a range of financial support to help those struggling with the cost of living.

The current strategy recognises that poverty is ever changing, that poverty means different things to different people, that a wide range of economic factors can impact the lives and finances of local people, and that some people are more at risk of being in poverty than others (unpaid carers, disabled people, young people, minority ethnic people, some families).

The strategy also recognises the wide-ranging impact of the pandemic and cost of living crisis in this regard - people being furloughed or having their hours of work reduced and an unprecedented cost of living crisis that has left many people who were previously living comfortably, struggling to make ends meet. Living costs soon outstrip wage and benefit increases.

Points of note include that:

- fewer people are claiming out of work benefits and more people are in employment in 2023 than in 2012.
- since 2016-2017 West Lothian wage growth has been consistently strong and overtaken the Scottish average.
- underemployment and insecure jobs continue to be key factors for the working age population creating potential for higher levels of 'in work poverty'.
- local unemployment of the general working age population is below Scotland average

- the tightening of labour supply and an ageing workforce can be seen as an opportunity for local people to retrain and up-skill.
- now fewer children living in low income households since 2012 – but data for child poverty data for Scotland shows that the majority of children living in poverty are in households where someone works.

Table 3.5: Better Off West Lothian Tackling Poverty Strategy – challenges and opportunities

Challenges	Opportunities
<ul style="list-style-type: none"> • The impact and legacy of the Covid 19 pandemic • Rise in fuel costs • The impact of the UK's exit from the European Union • Ongoing, public service budget constraints • Continuing national programme of welfare reform • Low pay, stagnating wages and insecure unsuitable work • Lack of affordable housing • Increased cost of living crisis • Increasing levels of debt • Demographic changes within West Lothian • Raising awareness of new Scottish devolved benefits 	<ul style="list-style-type: none"> • Predicted demographic changes • Designing services to take into account the predicted growing population • Addressing the lack of income from employment as a key driver of poverty • Bridging the disconnect between skills and current employment opportunities • Addressing the disproportionate rising costs • Barriers associated with living with a disability or having a caring responsibility • Tightening of labour supply and an aging workforce present an opportunity for local people to retrain and up skill

Vision – “We want West Lothian to be a place where all residents can live good lives, make informed choices and reach their full potential. We want a society where no-one has to make the choice between heating and eating, people are free of the constant worry and stress of making ends meet and where all children are safe, happy and healthy”. Aims are to:

- protect people in West Lothian from the worst extremes of poverty allowing them to meet their basic needs and live comfortably.
- enable and empower people to access opportunities to become financially resilient through maximising income from social security and moving people towards education, training and employment.
- change the mindsets of those who have negative attitudes towards our most vulnerable residents by reframing how we talk about poverty and increasing understanding to reduce the stigma.
- work collaboratively with partners and use our collective voice to lobby the Scottish and UK Government to bring about change.

Table 3.6: Better Off West Lothian Tackling Poverty Strategy – priorities and outcomes

Priority	Description	Outcome
Addressing the increasing costs of living	The cost of basic necessities is a key driver of poverty and growing financial pressures. In West Lothian we believe that nobody should go without the essentials. Making sure people can afford to meet their needs including housing, fuel, food, transport and childcare will be a key focus of our strategy going forward.	People are able to meet their basic needs and live comfortably
Increasing income from employment	We know that work is the best route out of poverty for most people, but it can be difficult for people unable to secure and sustain well paid employment that works for them. Addressing barriers through supporting access to training and upskilling and promoting flexible opportunities that suit individuals skills and needs will be a priority over the next five years.	People are supported to move toward good quality, sustainable employment
Maximising income from social security	Social security benefits are there to act as a support net, yet often people can't or don't access their full entitlement to support to help ease the financial pressures faced by low income families. Our strategy will aim to ensure that everyone can make the most of their money by working to ensure people have access to their full entitlements.	Maximise income through entitlement to social security benefits and other support
Working together to reduce stigma and promote available support	We recognise that in order to create an accessible network of support, we need to work collaboratively across the public and third sector to raise awareness of poverty and reduce the stigma faced by people living on a low income.	Stakeholders work together to share information and best practice to tackle poverty and reduce stigma

Community wealth building in West Lothian

CWB is at the heart of the activity supported by the CPP through the delivery of the LOIP and aligned with CWB principles. There is a commitment to ensuring that service delivery will be undertaken to ensure the maximum benefits to West Lothian residents, businesses and local communities. This will ensure the maximum amount of economic return and local benefit is derived from all CPP activity. This will include activity delivering wider social benefit and wellbeing through procurement, recruitment, fair employment, the use of land and assets and exploring opportunities to generate income locally.

Further West Lothian Council has been working with CLES to scope out what the requirements would be for the development of a CWB Action Plan for West Lothian. Among other things, the [Advancing community wealth building in West Lothian](#) report (2022) sets the socio-economic context for West Lothian and goes on to highlight 12 recommendations for actions that would achieve the desired community wealth building outcomes in West Lothian.

On the plus side the following points (strengths) are raised in a West Lothian context:

- population growth.
- employment rates are higher than the Scottish average.
- good connectivity to the wider Edinburgh city region and beyond.
- proximity to Edinburgh and the relatively affordability of housing in West Lothian has contributed to population growth, which is set to continue.
- recent enterprise growth in sectors such as logistics and distribution and food and drink has brought significant multinational companies to the area.

On the flip side, challenges raised include that:

- proximity to the wider Edinburgh city region and beyond shapes the economic fortunes of West Lothian - It has a significant jobs base, but its connectivity means its labour market is not self-contained, with high levels of in and out commuting to neighbouring areas.
- labour market dynamics and sectoral mix mean that West Lothian is a porous economy, with significant flows of wealth out of the area through wages, spending of residents in neighbouring areas and profit flows to companies owned out with the area.
- poverty is a significant issue for many households and communities - largely driven by the prevalence of low pay in the area (for example lower average weekly wages than for Scotland).
- poverty is not evenly spread - several of the area's former mining villages experience severe and persistent disadvantage.
- high levels of child poverty.

COVID-19 pandemic and the cost-of-living crisis have worsened inequalities in general, and food and fuel poverty in particular – pressure on household incomes with increases in unemployment and cuts to earnings due to furlough ; increased use of foodbank services; increase in Universal Credit claimants.

The Council, in its Corporate Plan 2023-2024 to 2027-2028, has made a commitment to developing an approach to CWB in 2023-2024 that will focus on changing its approach to service delivery to ensure the maximum benefits to West Lothian residents, businesses and local communities. This approach will be reflected through corporate strategies over the five-year period. The council is seeking to embed the principles of collaboration, inclusion and environmental sustainability at the heart of its transformation approach. Community wealth building is a key delivery mechanism for these aspirations.

In terms of developing a vision for a wellbeing economy in West Lothian, several key themes emerged, (including but not limited to):

- **fairly paid, secure jobs that enable people to live fulfilling lives** – a wellbeing economy would be underpinned by jobs with decent pay and conditions - addressing low pay, in-work poverty and barriers that prevent people getting and keeping a job with fair pay and conditions, and increasing opportunities for training and progression.
- **addressing the root causes of poverty and inequality, not just managing their impacts** - despite apparent economic success poverty has worsened in recent years and inequality has grown – important to rewire the economy so that people in West Lothian are resilient to economic shocks and can live full and healthy lives.
- **empowering communities** - where communities play a greater role in developing solutions for the challenges they face, the solutions are better tailored to their needs, interests and wishes than ‘top-down’ solutions – support for a move away from a “paternalistic” approach to public service delivery and position ‘plural ownership’ as the antidote to these traditional paternalistic approaches. This means greater democratic participation in public service delivery but also citizen ownership and control in the commercial economy. In practice this means a greater diversity of business ownerships models (for example social enterprises, cooperatives, mutuals and municipal enterprise) but also maximising public participation in design and decision making in public services.
- **strengthening collaboration between the private, third and public sector.** We heard a widely shared conviction that community wealth building must involve not just public sector organisations but also the private and third sectors:
- the third sector plays a fundamental role in the lives of people of West Lothian, including serving as a lifeline to the most deprived - this role became increasingly apparent during the pandemic. The potential of community wealth building is to build on the relationships, insight and creativity of the sector to enable it not just to tend to the symptoms of a failing economic model but to transform it. The third sector is severely stretched though and must be properly funded
- in relation to the private sector, widespread support for involving businesses in developing a community wealth building approach. Participants emphasised that the sector is not homogenous, with key examples of highly generative, locally rooted enterprises with much to contribute both directly and to this agenda more broadly. The ambition here is to amplify their voice and leadership within the sector
- the public sector’s role is therefore to enable the contribution of the third and private sectors to community wealth building but also crucially to use its levers (such as procurement and regulatory powers) to influence behaviour and accelerate change.

- whilst action to **tackle the climate emergency** is a priority for WLC, more needs to be done to engage the private sector and spur action around the transition to net zero carbon.

The report highlights three CWB outcomes for West Lothian:

- **a reduction in poverty in West Lothian** through growth in the number of secure jobs paid at or above the real living wage, especially in those sectors where low pay is currently concentrated and an increased proportion of people in the most deprived areas of West Lothian in work in secure jobs paid at or above the real living wage.
- **communities in West Lothian are empowered to own, manage and control economic assets**, including the most deprived areas, such as productive land, energy generation and foundational economy businesses.
- **West Lothian achieves a just transition to net zero carbon by 2030** with the creation of good jobs in green industries, improvement in home energy efficiency and a reduction in fuel poverty, investment in infrastructure that enables communities to be resilient to climate change and making sure the costs of transition do not burden those least able to pay.

West Lothian Local Development Plan

Adopted in 2018, the [West Lothian Local Development Plan \(LDP\) 2018](#) is part of a statutory framework designed to guide land use and development within the region. The development plan for West Lothian comprises two documents – the National Planning Framework 4 (NPF4) as already summarised in Chapter 3.3 national policy context – and the West Lothian Local Development Plan 2018 (LDP1).

The LDP sets out a vision statement, which covers its main areas of focus including economic development and growth, housing, infrastructure, town centre and retailing, community regeneration and climate change and renewable energy.

“By 2024, West Lothian’s population will have grown and an improved employment position within a more diversified local economy will have been established. There will be a greater choice of housing options available, supported by the full range of education, community, health, retail, recreation and leisure facilities and a network of open spaces. The area will enjoy better transport connectivity with more options for sustainable travel choices and more active travel routes.

Development will take place in a way that is sustainable, meeting the challenges of climate change and renewable energy, and sensitive to the area’s many built and natural heritage assets. At the same time development will be used as a vehicle to help regenerate communities and for improving the quality of life for all living in West Lothian.”

Key aims under each of the following relevant plan areas are presented in Table 3.7 below:

Table 3.7: West Lothian Local Development Plan – Key aims of relevant plan areas

Plan area	Key aims
Economic Development and Growth	<ul style="list-style-type: none"> • Provide an adequate and diverse range and quality of employment land and maintain West Lothian’s attraction as an area which provides a range of choice for those wishing to invest and do business. • Promote West Lothian as an attractive tourist destination. • Continue to support major development within the Core Development Areas (CDAs) at Armadale, East Broxburn and Winchburgh and Livingston and the Almond Valley.
Community Regeneration	<ul style="list-style-type: none"> • Promote community regeneration through the development of brownfield sites, create local employment opportunities and help to address inequalities
Sustainable Housing Locations	<ul style="list-style-type: none"> • Provide a generous supply of housing land and an effective five year housing land supply at all times. • Continue to promote and support major development within the previously identified CDAs • Support the council’s new build housing programme and increase the supply of affordable housing across a range of tenures.
Town Centres and Retailing	<ul style="list-style-type: none"> • Promote the development and regeneration of town and village centres and consolidate and enhance Livingston’s role as a sub-regional retail and commercial centre.
Climate Change and Renewable Energy	<ul style="list-style-type: none"> • Help achieve climate change objectives by minimising the area’s carbon footprint through promoting development in sustainable locations and supporting mitigation and adaptation measures.

Preparation of a new LDP has commenced with anticipated adoption before 2027.

4 External Context

4.1 Introduction

The previous section on the policy and strategic landscape identifies that many policy objectives are priorities continue to be set within the backdrop of the evolving external context. This is considered in more detail below. While each external factor has been split into separate subsections, it should be noted that many of these factors interact and affect each other.

4.2 Labour market issues

In the UK, there were more vacancies for every jobseeker in 2021 and 2022 than at any time in the previous 20 years, at around 0.9 vacancies for every unemployed person¹⁰. Employers across all sectors of the economy are struggling to fill vacancies albeit the level of vacancies has been steadily decreasing with some labour market correction, **Figure 4.1**.

Figure 4.1: Number of vacancies in the UK (000s), seasonally adjusted, 2005 - 2024



Source: [Vacancies and jobs in the UK: July 2024 from ONS Vacancy Survey](#)

¹⁰ UK Government Social Mobility Commission, [State of the Nation 2023](#)

Data indicates that the shortage is not due to a surge in demand for labour, but because the UK's labour force is shrinking as economic inactivity has increased by 565,000 people since the start of the pandemic¹¹. A key driver of increasing economic inactivity is individuals leaving the labour market (e.g. early retirement). This is now seen as one of the major economic challenges in the UK.

In addition to rising economic inactivity, the number of EU workers in the UK fell by some 300,000 people during the first COVID-19 lockdown. This has partially recovered, but there are still around 100,000 fewer than at the start of the pandemic. This has been more than offset by continued long-term growth in the number of non-EU foreign-born workers in the UK, increasing by some 170,000 people since the start of the pandemic.

The highest rates are found in areas that are typically dependent on foreign labour for agriculture in rural areas, and hospitality. Recent events, such as Brexit and COVID-19 have exacerbated long term historic changes in the underlying labour market relating to "mismatches" between the skills and locations of workers and vacancies.

The [Employer Skills Survey \(ESS\) 2022](#) is a large-scale UK-wide telephone survey with employers which provides labour market information on the skills challenges faced by Scottish employers.

"Vacancy density" is the number of vacancies as a percentage of total employment. For Scotland, this figure was 4.8% in 2022, meaning that for every 100 people employed in Scotland there were approximately 5 vacancies. This was an increase on the equivalent 1.9% figure in 2020, and the 3.1% figure in 2017. By sector, employers with the highest vacancy density were in the Hotels and Restaurants (7.7%), Financial Services (7.3%) and Primary Sector and Utilities (7.3%) sectors. Conversely, those in Information and Communications (2.2%) and Education (2.6%) had the lowest vacancy densities.

¹¹ House of Lords, Economic Affairs Committee 2nd Report of Session 2022-23, [Where have all the workers gone?](#), 20 December 2022

Specific issues related to West Lothian's labour market identified in the survey findings included that:

- density of skill-shortage vacancies (i.e. hard-to-fill vacancies due to difficulties finding applicants with required skills, knowledge and/or experience) was highest in the West Lothian ROA region (39% of vacancies compared to 31% in Scotland)
- West Lothian had the second highest proportion of staff with skills gaps (7.1%) in 2022 compared to other Regional Outcome Agreement regions.

A final impactor on labour market issues is wage growth pressure which is witnessed in many sectors and which could have an effect on business competitiveness.

4.3 Rising inflation and interest rates

Inflation is the measure of how quickly prices have risen over the past year. The main impact is on supplier and wage costs and the costs of capital following recent increases to the base rate. It also impacts borrowing costs.

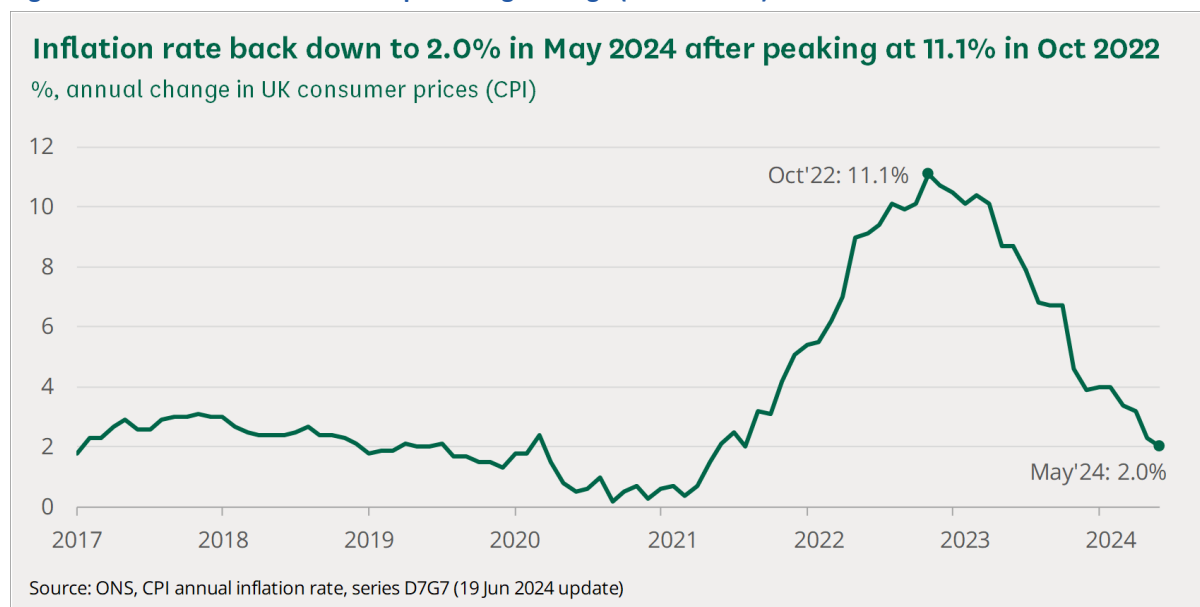
Inflation rose to over 11% in the autumn of 2022¹² – the main economic shocks were:

- the pandemic - this led to a shortage of products and services, followed by a sudden increased demand which started to push up prices.
- Russia's invasion of Ukraine - this had a significant impact on energy and food prices.
- a shortage in the number of people available for work in the UK - thousands of people dropped out of the workforce following the pandemic. As a result, this pushed up the cost of hiring people which is a large part of costs for many businesses, which consequently led to some businesses putting up their prices.

As at July 2024, inflation dropped to 2.2% - this is a slight rise from 2% in May 2024 which was the lowest level in nearly three years, **Figure 4.2**.

¹² Bank of England, [What will happen to inflation?](#) (last updated 20 June 2024).

Figure 4.2: UK Inflation rate annual percentage change (2017 – 2024)



Source: UK Parliament, House of Commons Library, [Rising cost of living in the UK](#), 11 July 2024

The Bank of England notes that the pressures that were pushing up prices have eased, and the increases in interest rates made during 2021–2023 have also helped to slow down those price rises.

The Bank of England think that inflation is likely to stay around 2% in the coming months, due to energy prices being lower than they were a year ago. It is anticipated that inflation to go back up to around 2.5% towards the end of 2024, before falling again after that.

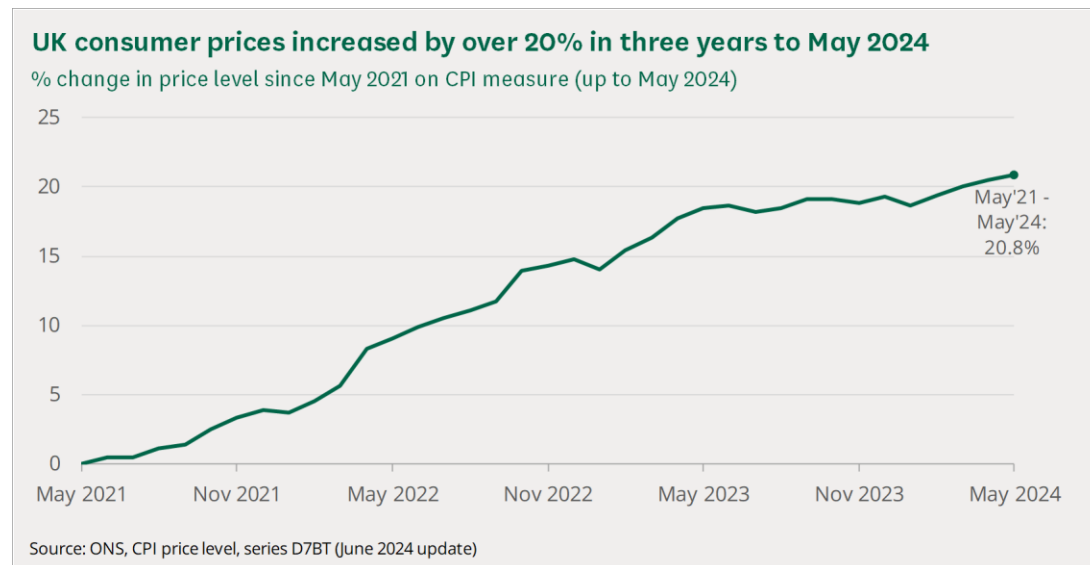
While prices overall are very likely to go up more slowly than they have done in recent years, lower inflation does not mean prices will fall. Most things will still cost more than they did before.

This represents a significant challenge for businesses, with 36% of SMEs reporting that ‘increased costs’ was seen as a potential future major barrier in the [BVA BDRC SME Finance Monitor](#) (March 2024).

4.4 The 'cost of living crisis'

The cost-of-living crisis mainly directly impacts consumers. For example, UK consumer prices increased by 20.8% in total over the three-year period between May 2021 and May 2024, **Figure 4.3**.

Figure 4.3: UK consumer price change (May 2021 – May 2024)



Source: UK Parliament, House of Commons Library, [Rising cost of living in the UK](#), 11 July 2024

The Scottish Government '[cost-of-living indicator](#)' measures the percentage of net income spent on housing, fuel and food by households in Scotland and is measured as a three-year rolling average.

The cost-of-living crisis is affecting many West Lothian communities, especially those in areas of high deprivation where many residents already use food banks. In addition, the rising costs of fuel leaves some questioning the viability of working in a job with heavy car use (for example, the care industry). Many more fear the cost of heating their home over winter months.

The impact of the cost-of-living increase has been felt by significant numbers in the area, whilst community and services are experiencing some recovery after the COVID-19 pandemic, this and real term cuts in earned and benefit income have all combined to create a precarious financial situation for many households across the West Lothian.

It also has a knock-on impact in terms of reducing demand for some goods and services. In addition, the rising costs of energy are a general problem for all business, and critical for some.

The full extent of this is yet to be fully understood and is a developing issue but one on which the new West Lothian EIP will require to reflect.

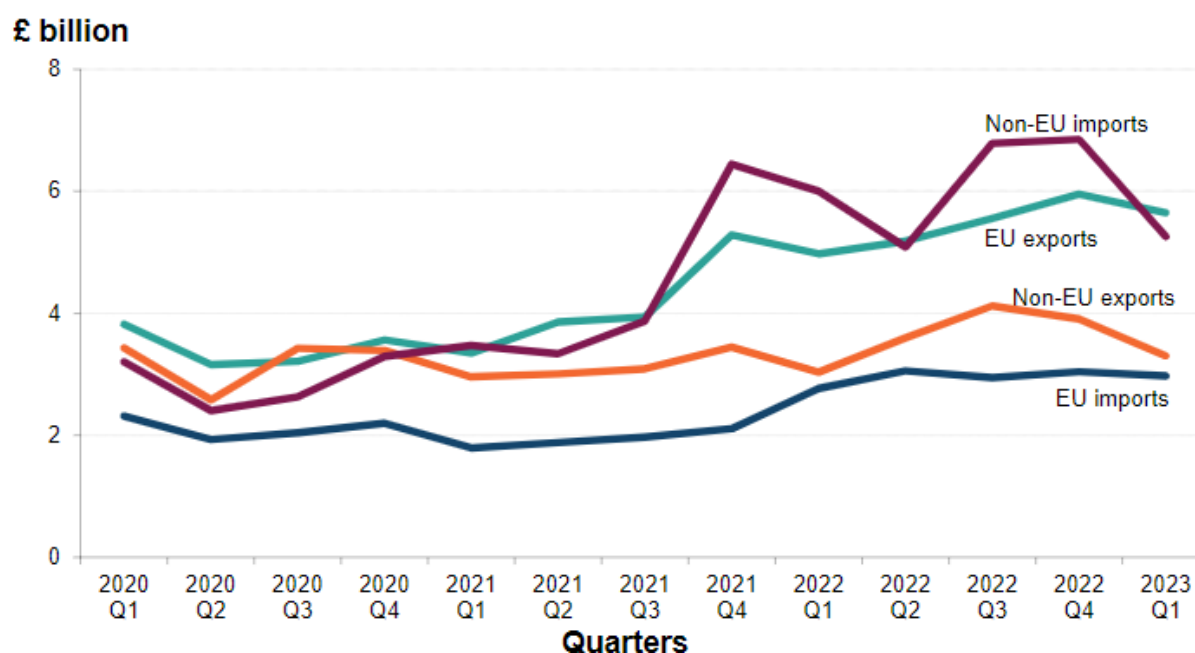
4.5 Brexit and international trade

The specific impact of Brexit may be masked by the influence on international trade resulting from other significant economic influences, notably COVID-19, global recession, and supply chain disruption.

Figure 4.4 shows a time series of Scotland's goods trade with EU and non-EU countries, for both exports and imports. Key points to note include:

- The value of all four goods flows had an overall increasing trend when comparing the year ending March 2023 with the previous year.
- Scotland's goods import value from non-EU countries had a noticeable increase since the second quarter of 2021, with a large quarterly variation since the fourth quarter of 2021.
- Since the fourth quarter of 2020, the value of EU exports has exceeded the value of non-EU exports consistently.

Figure 4.4: Scotland's goods trade, (Q1 2020 to Q1 2023)



Source: HM Revenue & Customs, [UK regional trade in goods statistics first quarter 2023: commentary](#), 15 June 2023

In terms of exports by type, the value of mineral fuels exports to EU almost doubled from 2020 to 2022 (+91%) while there was a significant 77% decrease of non-EU exports, **Table 4.1**. On the other hand, non-EU exports of beverages and tobacco has also almost doubled (+71%) with much smaller increase for EU exports (+36%).

Table 4.1: Value of Scotland exports by SITC section (£ millions)

Figures in £ million	2020	2021	2022	2023 (Q1 only)
EU Exports by SITC Section				
0 Food and Live Animals	1,080	1,109	1,236	291
1 Beverages and Tobacco	1,225	1,391	1,662	386
2 Crude Materials	228	360	385	78
3 Mineral Fuels	6,386	8,128	12,217	3,377
4 Animal and Vegetable Oils	23	30	24	3
5 Chemicals	1,342	1,542	1,671	411
6 Manufactured Goods	712	840	908	182
7 Machinery and Transport	2,057	2,295	2,871	741
8 Miscellaneous Manufactures	683	733	688	176
9 Other commodities nes	15	0	0	0
Total EU Exports	13,751	16,429	21,663	5,645
Non-EU Exports by SITC Section				
0 Food and Live Animals	580	594	685	142
1 Beverages and Tobacco	2,372	2,794	4,056	792
2 Crude Materials	134	189	270	65
3 Mineral Fuels	1,794	1,139	419	32
4 Animal and Vegetable Oils	2	5	4	0
5 Chemicals	1,164	1,481	1,667	416
6 Manufactured Goods	1,409	1,518	1,715	288
7 Machinery and Transport	4,497	3,798	4,760	1,306
8 Miscellaneous Manufactures	878	981	1,074	257
9 Other commodities nes	1	1	1	1
Total Non-EU Exports	12,830	12,500	14,651	3,300

Source: HM Revenue & Customs, [UK Regional Trade in Goods Statistics: first quarter 2023](#)

Data at West Lothian level is unavailable.

While it is difficult to deduce the specific impact of Brexit from the goods data, UK SMEs have consistently reported that the new EU trading arrangements have had a total net negative impact on running their business (33% negative compared to 3% positive impact in Q4 2023). The [BVA BDRC SME Finance Monitor](#) (March 2024) notes that the key issue is supply chain disruption, particularly for construction, wholesale/retail, and manufacturing sectors, followed by issues with paperwork, especially for larger SMEs.

4.6 Supply Chain Issues

Both global and local factors have fed into supply chain delays, from disruption to the supply of shipping containers around the world to a shortage of HGV drivers and a lack of semiconductor microchips. These supply chain delays have resulted from increased geopolitical conflict and tensions (e.g. Red Sea attacks, Russia/Ukraine conflict) as well as other influencing factors and crises as discussed elsewhere in this chapter such as Brexit, COVID-19, and climate emergency.

While economic shocks are volatile and unpredictable, there are signs that supply chain issues are beginning to ease. For example, only 12% of UK SMEs in Q4 2023 cited supply chain issues as a major barrier to their business compared to 23% in Q4 2021. Diesel prices have also dropped from a peak of 199 pence per litre in June 2022 to around 148 pence per litre (August 2024).

In January 2024, the previous UK Government also introduced a [Critical Imports and Supply Chains Strategy](#) to help build and strengthen the resilience of the UK's supply chains for vital goods by reducing the dependence on "protectionist or coercive states".

4.7 Climate emergency

The impact of the climate emergency may be largely indirect to business, through for example excessive flooding with its associated costs, and direct, through for example government regulations on heating buildings, or transport constraints adding to the costs of doing business or increases in insurance premiums.

There will also be changes in demand for certain goods and services, with both positive and negative impacts for individual firms. For many firms, the specific risks and opportunities are relatively unknown.

For West Lothian, this adds further uncertainty and complexity particularly the push to zero fossil fuels as stated in the recent energy strategy.

In [Climate Emergency Skills Action Plan \(2020 - 2025\)](#), West Lothian College is one of a number of colleges that are being supported through Scottish Power Energy Network's Green Energy Fund and ESP, to develop specialised renewables and energy efficiency training centre to support the development of green provision and train the future workforce in renewables, energy efficiency and emerging technologies in collaboration with industry.

4.8 COVID-19 pandemic

In the spring of 2020, the UK's four national governments moved to introduce unprecedented restrictions on the activity of their respective citizens in response to the COVID-19 pandemic. In terms of economic impact, "the pandemic caused a severe recession, with an unprecedented drop in GDP during the first national lockdown in 2020"¹³.

This impact was not universal. In several industries it was relatively easy for businesses to transition to working remotely, limiting the negative effects of the lockdowns¹⁴. For more 'in-person' industries, such as the arts, hospitality, construction, retail, and manufacturing, the impact of the lockdown was far more severe. For example, 80% of businesses working in the arts, entertainment and recreation, and accommodation and food closed during the initial lockdown of spring 2020.

However, as the pandemic progressed, many 'in-person' businesses adapted to these changed operating conditions, which significantly reduced the impacts of later lockdowns. For example, the construction industry went from having 30% of firms shut during lockdown one to only 4% in lockdown three.

The [Oxford Economics Vulnerability Index](#) considers a local authority's economic diversity, business environment and digital connectivity to consider how able, or not, an area is to withstand and respond to the economic shock resulting from COVID-19.

West Lothian's score of 91.5 means that the area was better able to withstand and respond to the economic shock resulting from pandemic than the Great Britain local authority average. The main factors for West Lothian being the 6th most resilient local authority related to lower share of small firms and self-employment, and high economic diversity (with lower reliance on GVA in sectors more exposed to COVID-19).

While the long-term effects of COVID-19 and related restrictions will remain uncertain for some time, it is appropriate to take stock of the impact of COVID-19 on the local economy and consider how the needs of businesses have changed and they can be best supported post-pandemic.

¹³ UK Parliament House of Commons Library Research Briefing, [The economic impact of Covid-19 lockdowns](#), 25 November 2022

¹⁴ Limited in terms of the percentage who had to temporarily close or pause trading.

The eventual impact of COVID-19 on the economy could be significantly different to those anticipated as the pandemic emerged in March 2020. The significant commercial hits taken by many businesses were notably offset by what became unprecedented levels of COVID-19 government support funding packages.

To a significant extent, these distorted the lending finance market while available and are likely to have a distorting effect for some years to come. Also, far more SMEs took on external finance than in the past. Many of these SMEs represent borrowers of necessity, as opposed to planned borrowers, seeking relatively short-term funding to meet immediate needs.

It is perhaps likely that the majority of these borrowers of necessity will revert to being non-borrowers once their government debts have been repaid. Presently, it is unclear how many of these borrowers took on funding as a contingency against possible future needs, and how many may have taken the opportunity to take on debt for which they would normally be unable to qualify.

Many planned borrowers took the availability of the relatively soft terms of government lending (notably the lack of the need for personal guarantees) to pay down their commercial borrowing.

The latest [BVA BDRC SME Finance Monitor](#) (March 2024) noted that “we may have moved on from COVID-19 but there are plenty of other issues for SMEs to cope with”. For example, whilst a number of sectors in West Lothian, including tourism and retail, have bounced back somewhat since COVID-19 restrictions have been lifted, sectors face structural challenges around staff recruitment and retention.

4.9 Ukraine/Russia conflict

The Russian invasion of Ukraine began on 24 February 2022. It is impacting supply chains, energy costs and availability and cost of raw materials.

The war has significantly impacted the availability of seasonal agricultural workers in the UK. In 2021, 20,000 of the seasonal work visas, two-thirds of the total, were granted to Ukrainians. In 2022, this dropped to around 8,700 people¹⁵.

Wages have reportedly increased by up to 38%¹⁶, which may result in a wider industry impact if casual and less skilled workers are encouraged to move to farm work as a result.

A secondary consequence has been the steep rise in energy prices for business and individuals.

¹⁵ UK Government Home Office, [Statistics on Ukrainians in the UK](#), 23 February 2023

¹⁶ The Grocer, [Ukraine conflict expected to hit seasonal worker numbers](#), 4 March 2022.

5 Funding

5.1 Introduction

This section sets the scene on local government finances, and then considers funding sources, including potential sources to support delivery of the West Lothian EIP.

5.2 Local government finances

Local government (and wider public sector) continue to operate in a challenging fiscal context. Councils, including West Lothian Council face a wide range of challenges resulting from:

- uncertainty driven by Brexit, COVID-19, and the war in Ukraine.
- the ongoing effects of the pandemic.
- inflationary pressures.
- the cost-of-living crisis.
- an increased demand for services, particularly by the most vulnerable in society, due to demographic pressures.
- funding levels which have not kept pace with increased demand for services nor have been uplifted for inflation and other cost pressures – funding has fallen substantially in real times.
- additional policy commitments, including ring-fenced funding.
- workforce pressures such as recruitment, retention, staff absence, and an ageing workforce¹⁷.

This reinforces the need for councils to make difficult decisions about the shape and level of service delivery to balance budgets and ensure financial sustainability – core services are significantly underfunded, capital programmes are being reduced, while non-statutory services continue to be significantly reduced, with some stopping all together. This all impacts on key services.

¹⁷ Improvement Service, Local Government Benchmarking Framework, [National Benchmarking Overview Report 2022-2023](#).

Local government revenue expenditure on economic development has fallen by 8.5% between 2021-2022 to 2022-2023¹⁸. More widely the scale of reduction in expenditure across council services have raised concerns about future sustainability and capacity to support prevention and early intervention approaches to tackling poverty, improving health and wellbeing.

5.3 Funding sources

End of European funding

Scotland has benefitted from European Structural and Investment Funds (ESIF) for many years - the funds have been an integral and hugely valuable part of Scotland's regional policy infrastructure for over 40 years and have consistently contributed to sustainable and inclusive economic growth. Among other things, it funded a range of interventions including SME support, skills/development and training, and employability support.

The end date for the delivery of operations through the 2014-2020 programme was extended to 30 September 2023, and the financial end date was 31 December 2023.

Some of the ESIF activity continues to be delivered despite European funding coming to an end. This activity is now typically funded from a variety of sources, including the UK Government and Scottish Government (for example, Shared Prosperity Fund, No One Left Behind), among others.

UK Shared Prosperity Fund

The UK Government has since replaced Structural Funds with a domestic fund - the UK Shared Prosperity Fund 2022-2023 to 2024-2025. The Fund is a central pillar of the UK government's Levelling Up agenda and provides £2.6 billion of funding for local investment by March 2025. All areas of the UK received an allocation via a funding formula.

It has an overarching objective of "Building pride in place and increasing life chances" and three investment priorities:

- communities and place.
- local business support.

¹⁸ Ibid.

- people and skills.

West Lothian Council was awarded £6.6 million and is using the funding to support a number of areas of work, including but not limited to economic development. Areas covered by the funding include:

- Economic Development – both Employability and Business Gateway.
- Anti-Poverty Service.
- Education – HYPE & Adult Learning.
- Social Policy – Supported Employment.

The UK Shared Prosperity Fund monies has allowed West Lothian Council to deliver a continued programme of support previously provided by EU funding.

Under the local business support priority, West Lothian Council is expanding its support for businesses through a range of opportunities, including:

- a Tourism Officer will continue to support West Lothian’s visitor economy and a Town Centre Manager will enable local businesses to work together towards recovery from the effect of the COVID-19 pandemic.
- funding will support the development of a team of specialist support including business growth advisors, third sector support and business information along with a new post, of Employer Engagement Officer who will work directly with employers to create strategies for improving productivity and support these with grants schemes including:
 - Early Stage Growth Fund.
 - Innovation Fund.
 - Project Grant.
 - Digital Development Fund.
 - Graduate Placement Fund.
 - Low Carbon Fund

Targeted grant schemes will help firms improve their resilience and capacity for higher-value growth - this will help with sales and margins and provide opportunities to access new markets and increased resilience.

Grants to recruit graduates in to higher-value roles provides an opportunity for younger people to bring new skills to local firms – including support for further training to support career progression. Graduates will bring skills across a range of technical disciplines including digital technology, low carbon and productivity.

Funding beyond 2024-2025 for the Shared Prosperity Fund is currently uncertain. There has recently been a change in UK Government - while there is likely to be a replacement programme there is current uncertainty regarding the scale, scope and focus of any new funding programme.

No One Left Behind

No One Left Behind is the Scottish Government's approach to transforming employment support in Scotland. It aims to help people of all ages find work and reduce child poverty. It also aims to make the system more responsive to the needs of those with health conditions, disabilities, and other disadvantages in the job market. No One Left Behind supports a more localised commissioning approach, which enables local service delivery and a holistic package of support tailored to individual needs to drive better outcomes for individuals who want help to find work.

The first stage of implementation commenced in April 2019 when 'Activity Agreements' and 'Scotland's Employer Recruitment Incentive' ceased and were replaced by a local allocation of No One Left Behind investment across the 32 local authority areas. From 1 April 2022, further implementation of No One Left Behind commenced - the employability programmes Community Jobs Scotland and Employability Fund ceased with funding transferring to No One Left Behind local governance arrangements.

West Lothian Council's funding allocations were:

- £1.1 Million in 2022-2023.
- £2.3 Million in 2023-2024.
- £2.4 Million in 2024 - 2025 (including an element protected for parental employability support, given its significance in helping parents to increase their income).

Tackling youth unemployment and inequalities in the labour market remains a priority for West Lothian Council and its Local Employability Partnership partners. The additional resources, being provided to West Lothian provides the ability to target current capacity and provide additional support for young people who have found themselves disengaged, unemployed or underemployed.

Funding for 2025-2026 is £2.8 Million.

5.4 Potential funding

West Lothian Council funding

The Scottish Government distributes funding to councils by agreeing the method of distribution with the Convention of Scottish Local Authorities (COSLA) and councils. As noted earlier, local government funding has been under some pressure for some time and spending by local authorities on economic development has reduced in recent years.

Also as noted earlier the Economic Development and Regeneration function in West Lothian Council has a budget of circa £2.18 million - the service has a key role in monitoring the region's economy and providing services to individuals and businesses to help deliver the conditions for economic growth in West Lothian and improved employability.

While it therefore may be possible for the council to allocate some funds to the West Lothian EIP it is very unlikely it will be able to fund it all and there is also likely to be ongoing council-wide budgetary pressures.

Edinburgh and South East Scotland City Region Deal

City Region Deals are designed to bring about long-term strategic approaches to improving regional economies, aiming to help harness additional investment, create new jobs and accelerate inclusive economic growth.

More detail on the Edinburgh and South East Scotland City Region Deal is described in **Section 3.4**. Approvals have already been made, including those which support West Lothian.

It is currently unclear whether there will be a City Deal² and what it will look like, etc.

UK Government funds

The UK Government has allocated funding under its "levelling up" agenda to support community, jobs, regeneration, transport and heritage projects. The Shared Prosperity Fund was described earlier.

Other funds include: the Community Renewal Fund, Levelling Up Fund, and Community Ownership Funds. West Lothian Council has not submitted any bids under these other funds.

Scottish Government funds

In parallel with most public organisations the Scottish Government is also under budgetary constraints following the pandemic and subsequent changing economic conditions.

Wider Scottish Government funding includes (albeit some of these are currently closed to applications or actually have no funding budgeted):

- the Regeneration Capital Grant Fund which supports locally developed, place-based regeneration projects that involve local communities, helping to tackle inequalities and deliver inclusive growth in deprived, disadvantaged, and fragile remote communities across Scotland.
- the Flexible Workforce Development Fund supports employers to address priority skills and skills gaps in their organisation by accessing funding to create training programmes that meet their needs. These programmes can be delivered in partnership with their local college, The Open University in Scotland, or an independent training provider.
- Vacant and Derelict Land Fund offers funding to transform long-term vacant and derelict sites. It is open to applications from local councils and Clyde Gateway.
- Placed Based Investment Programme - aims to bring the Place Principle to life and accelerate the delivery of community led regeneration, community wealth building, town centre revitalisation, and 20-minute neighbourhoods.

Other public sector funding

There are a range of other public sector partners who, while in similar budgetary positions, may have available funding. The main ones who should be approached could include:

- Scottish Enterprise.
- Skills Development Scotland.
- Scottish Funding Council.

In addition, Scottish Towns Partnership publish a monthly Funding Finder report which includes a section on employment and training. There are also potential industry partners, notably CITB who should be considered.

Commercial Funding

This could include both public and private commercial funding from a range of sources:

- Scottish Investment Bank.
- Business Loans Scotland.
- British Business Bank.
- Mainstream lenders.

Any commercial funding would be dependent on the project being able to generate income from its activities to repay any loans or investments.

While not funding in a traditional sense, the major construction companies could be approached for contribution and/or donations and/or equipment to support the project which will ultimately benefit them.

Commercial funds could also be raised through trading with the project seeking to operate in the commercial contracts market.

Climate emergency

The UK and Scottish Governments are committed to addressing the climate emergency through their roadmap to a net zero future. This agenda has also been adopted by many private sector construction companies and funders.

Funds are available for investment, skills development, and infrastructure projects.

6 Business Survey

Summary

Our business and organisation survey identified the geographical location and road infrastructure as key strengths of West Lothian as a place to do business – it allows easy access to the wider Central Belt including nearby cities, including Edinburgh and Glasgow and allows businesses to serve a larger market. Business support services are also identified as a key strength.

Public transport within West Lothian is considered a weakness – for example, there is felt to be a lack of provision to connect town centres and train stations with large industrial sites within West Lothian. Links between education and industry is considered another area of weakness.

A vast majority of businesses and organisations report that the attraction and retention of staff is a challenge for their business. The main issues are: candidates do not have the right mix of skills/qualifications required; transport/travel/accessibility issues; candidates lack sufficient experience; difficulty in attracting people to work in West Lothian.

Over half of businesses and organisations expect their business to be strong and growing across the next two to three years. Various factors are considered important to support growth, including access to labour/workforce, support with the transition to net zero and reducing the business' environmental impact, reduced costs of doing business, improved transport infrastructure, and access to workforce development/skills and training opportunities (58%).

Suggestions for EIP priorities centred on: skills and education (for example, more apprenticeship opportunities, more upskilling opportunities improved links between further and higher education providers and employers); improved public transport (for example, improved bus services, more affordable and reliable train services, greater transport links between town centres and industrial employment areas); financial support for businesses (for example, grant support for new and existing businesses, upskilling and reskilling, lower rates for retailers to increase town centre footfall), and support to attract and retain jobs and people (for example, to help address ageing population and workforce, creating and retaining jobs for local people).

Introduction

The business and organisation online survey ran from 22 May 2024 to 23 August 2024. It was emailed directly by WLC to its sector forums and further promoted via its social media channels. It was also promoted through the Voluntary Sector Gateway West Lothian.

A total of 20 responses were received. The absolute number of responses to the survey is small – it provides a snapshot of views on West Lothian as a place to do business and suggested priorities for the EIP. The findings are not representative of the views of all businesses and organisations within West Lothian.

Strengths and weaknesses of West Lothian as a place to do business

Businesses and organisations were asked to rate a range of aspects on a scale from one (a major weakness in West Lothian) to 5 (a major strength in West Lothian) to better understand their views on the main strengths and weaknesses of West Lothian as a place to do business, see **Figure 6.1**.

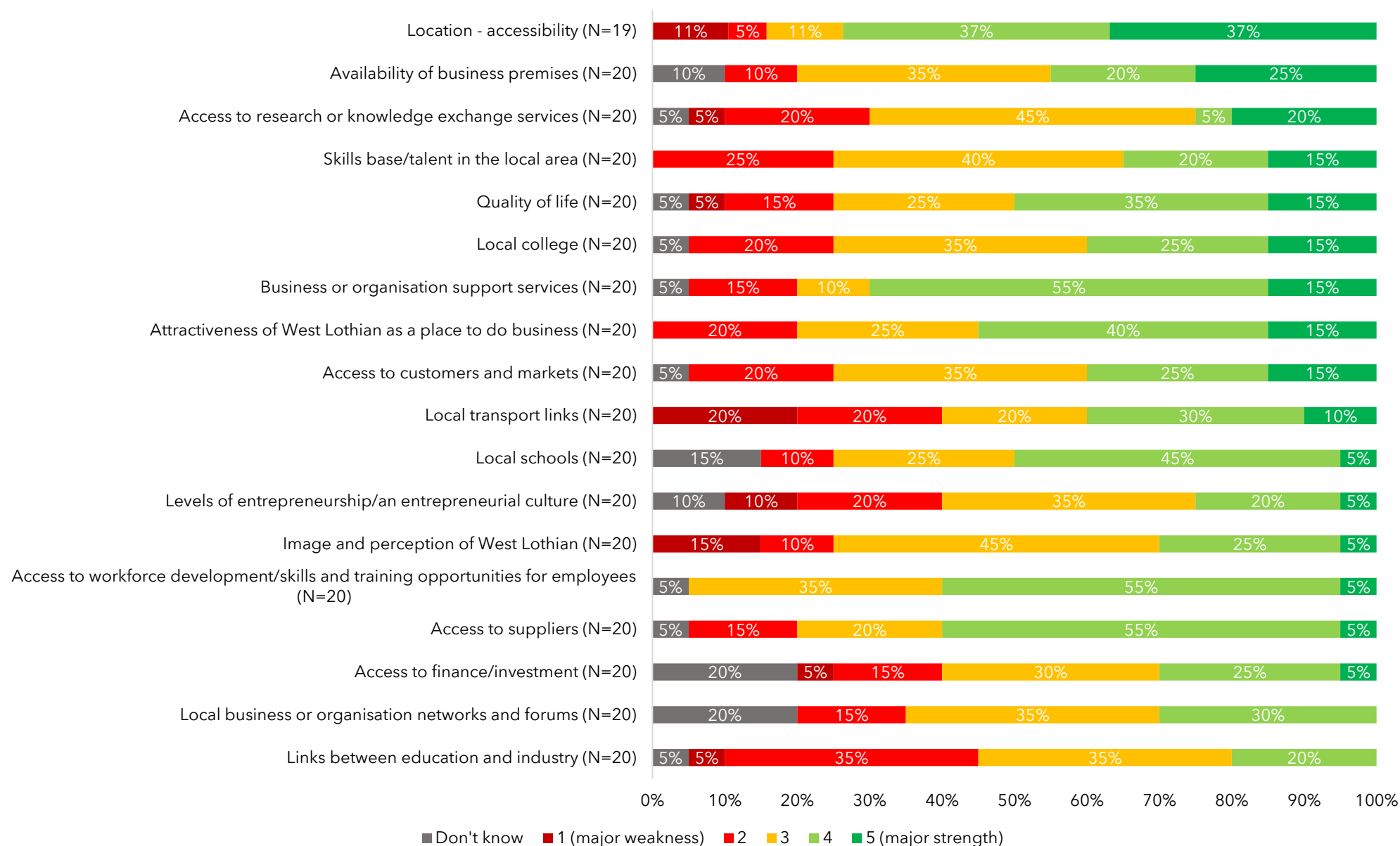
The top five strengths of West Lothian (rated as either 4 or 5) are identified by businesses and organisations as:

- its accessibility as a location (74%).
- business support services (70%).
- access to suppliers 60%.
- access to workforce development/skills and training opportunities for employees (60%).
- attractiveness of West Lothian as a place to do business (55%).

The main weaknesses of West Lothian (rated as either 1 or 2) as a place to do business are identified as:

- links between education and industry (40%).
- local transport links (40%).
- levels of entrepreneurship/an entrepreneurial culture (30%).
- access to research or knowledge exchange services (25%).
- image and perception of West Lothian (25%).
- skills base/talent in the local area (25%).

Figure 6.1: We are interested in your views on the strengths and weaknesses of West Lothian as a place to do business. Please rate each factor on a scale of 1 (a major weakness in West Lothian) to 5 (a major strength in West Lothian).



Qualitative feedback provided by businesses and organisations on West Lothian as a place to do business is captured below.

Transport infrastructure and links

Positive feedback from businesses and organisations is that road infrastructure and connectivity is a strength due to good road and motorway links, providing quick and easy access across the Central Belt, including to the cities of Edinburgh and Glasgow.

More negative views are held on public transport within West Lothian. While there are said to be good rail links (for example, connections to Glasgow and Edinburgh), there is a perception that the cost and reliability of rail travel has made this inaccessible for some people, particularly young people.

Buses are also highlighted as a weakness - for example, there is reference to issues for those looking to travel by bus to more rural parts of West Lothian and to industrial estates for employment. Availability and frequency of bus provision is mentioned specifically - this can limit people's ability to access employment opportunities if they do not own a car or cannot afford rail travel. It is suggested that there could be better transport links during peak travel to work hours.

A further suggestion is that there could be more and affordable EV charging points.

Location

The geographical location of West Lothian in the Central Belt is considered to make it a good place to do business and operate from. As noted above, businesses and organisations said that there is easy access to other parts of the Central Belt due to good motorway, trunk roads and rail links. Its central location helps businesses and organisations have access to a wider market for their goods, services, or activities. Livingston is also highlighted within the qualitative feedback as a good place to do business, with reference to connectivity, infrastructure, and access to a skilled workforce.

Council and Business Gateway Support

A common view from businesses and organisations is that the area is well served by Council and Business Gateway services - for new and existing businesses, and support for business sustainability and growth. WLC is viewed as proactive in this regard - the Council is said to provide a wide range of support to SMEs (for example, various grant schemes). There is also considered to be a supportive and collaborative spirit among businesses and organisations based in West Lothian - a culture of working together where relevant.

Recruitment

The main issues raised by businesses and organisations (across different sectors) relate to challenges arising from a lack of access to a local skilled workforce – some mentioned that they often have to recruit talent from further afield, while others said that there could be increased links and improvement engagement between West Lothian College and local employers to help overcome labour and skills shortages. As noted above, businesses report that public transport issues within West Lothian can make it difficult for local people to take up employment opportunities.

Strengths and weaknesses of infrastructure and services in West Lothian

Businesses and organisations were asked to rate wider infrastructure and services in West Lothian using the same scale described above, see **Figure 6.2**. Some of the feedback chimes with that reported above (for example, around road and rail connectivity, public transport, etc).

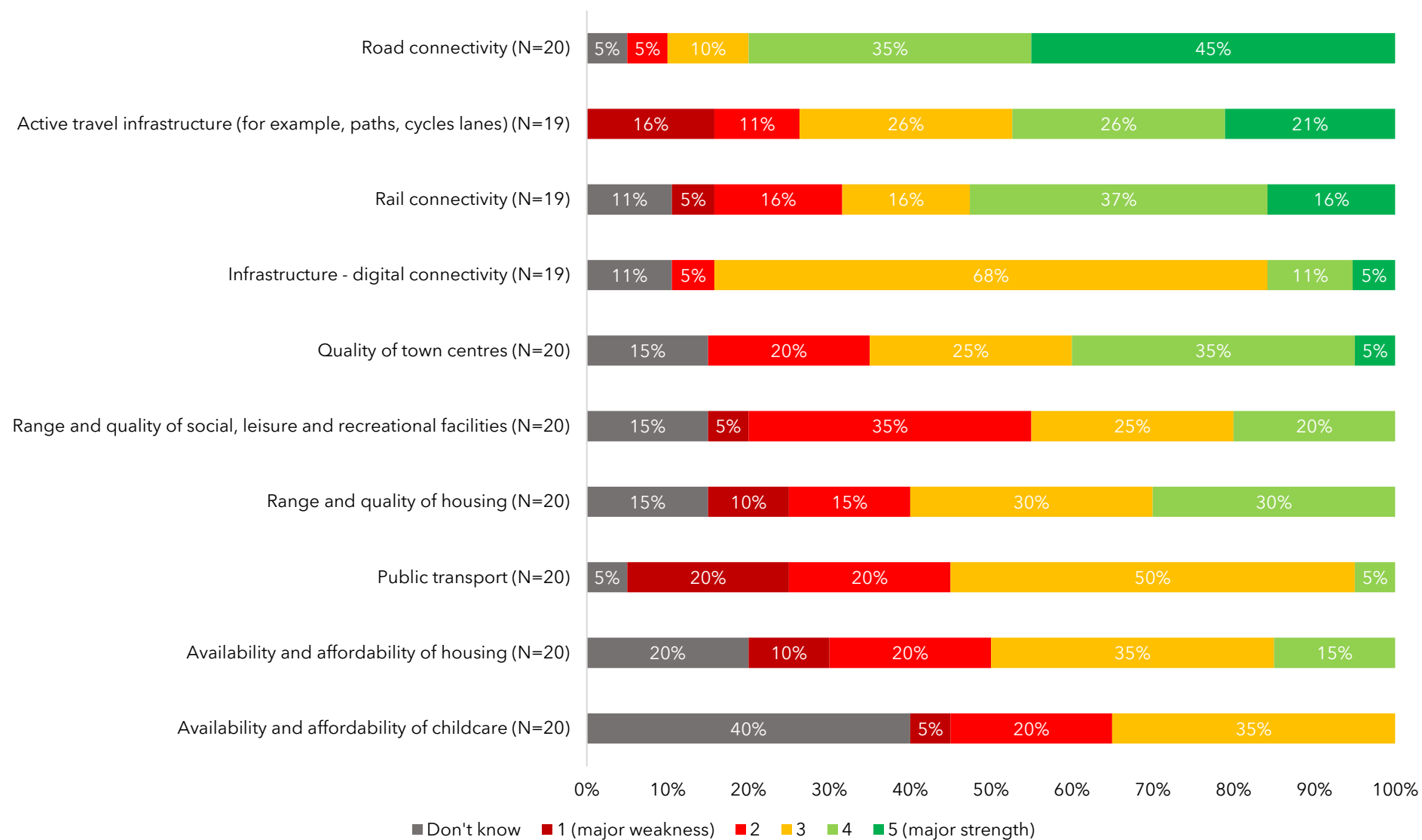
Notably, transport received mixed feedback again, including:

- road connectivity (80%) is viewed as a real strength of the area, followed by but to a lesser extent rail connectivity (53%) and active travel infrastructure (47%).
- public transport is viewed as a weakness locally (40% rated it as a weakness or major weakness).

Other points to note include that:

- a majority feel that digital connectivity in West Lothian is average or a weakness (73%).
- around two-thirds rate the availability and affordability of housing in West Lothian as average or a weakness (65%), while 55% rate the quality and range of housing as average or a weakness.
- a relatively equal proportion of businesses and organisations rate both the range and quality of social, leisure and recreational services in West Lothian, and the quality of town centres as either a strength or a weakness.

Figure 6.2: How would you rate the following infrastructure and services in West Lothian, using the same rating scale?



Recruitment and skills

A vast majority of businesses and organisations (80%) report that the attraction and retention of staff is a challenge for their business, of which 40% consider this a major challenge.

Table 6.1: To what extent is the attraction and retention of staff a challenge for your business or organisation?

	Number	Percentage
It is a major challenge	8	40%
It is a challenge to some extent	8	40%
It is not a challenge at all	4	20%
Don't know/not sure	0	0%

N=20

Table 6.2: Which recruitment issues do you face?

	Number	Percentage
Candidates do not have the right mix of skills/qualifications required	11	69%
Transport/travel/accessibility issues	11	69%
Candidates lack sufficient experience	10	63%
Difficulty in attracting people to work in West Lothian	10	63%
Staff shortages	6	38%
Difficulties in attracting a diverse range of candidates	5	31%
Rates of pay are not attractive	5	31%
Lack of awareness of the different types of jobs available within our sector	4	25%
Unfilled vacancies	4	25%
The sector is not considered attractive	2	13%
Typically receive few applications	2	13%
Lack of career pathways/career progression opportunities	1	6%
Other	0	0%

N=16

Multiple responses were allowed. As a result, totals may be greater than 100%.

The main recruitment issues faced are said to be:

- candidates do not have the right mix of skills/qualifications required (69%).
- transport/travel/accessibility issues (69%).
- candidates lack sufficient experience (63%).

- difficulty in attracting people to work in West Lothian (63%), see **Table 6.2**.

When asked what the main recruitment challenge they face is, 75% said that candidates do not have the right mix of skills/qualifications required. This is followed, but to a much lesser extent, by:

- candidates lack sufficient experience (33%).
- transport/travel/accessibility issues (25%).
- difficulty in attracting people to work in West Lothian (17%).

The main ways businesses and organisations have tried to overcome recruitment issues include:

- making use of recruitment agencies.
- offering candidates increased wages/salaries and other workplace benefits.
- editing job post descriptions and hiring requirements.

Some said that they still experience issues finding staff.

Business support

Almost all businesses and organisations who responded to the survey (95%) said that they have accessed support services from at least one agency or organisation over the past three years (**Table 6.3**).

Support has been most commonly accessed from:

- Business Gateway (63%).
- Scottish Enterprise (63%).
- West Lothian Council (58%).
- West Lothian College (58%).

Table 6.3: Have you accessed business or organisation support services from any of the following agencies or organisations over the last three years (excluding COVID-19 related grants/loans/furlough support)?

	Number	Percentage
Business Gateway	12	63%
Scottish Enterprise	12	63%
West Lothian College	11	58%
West Lothian Council	11	58%
Skills Development Scotland	7	37%
West Lothian Chamber of Commerce	7	37%
Business Loans Scotland	2	11%
Scottish Development International	2	11%
Voluntary Sector Gateway West Lothian	1	5%
West Lothian Community Planning Partnership	1	5%
Federation of Small Business	0	0%
Other	0	0%

N=19

Multiple responses were allowed. As a result, totals may be greater than 100%.

Limited qualitative feedback was provided – where it was, businesses and organisations indicated that the support received was beneficial and they also praised the proactive nature of support agencies and their responsiveness.

Future outlook and support needs

Over half of the businesses and organisations who responded to the survey expect their business or organisation to be strong and growing in the future (58%) – however, a sizable proportion think their operations will be fairly static (37%).

Table 6.4: What is the future outlook for your business or organisation in West Lothian – think about over the next two to three years?

	Number	Percentage
Strong and growing	11	58%
Fairly static	7	37%
Likely to reduce in size	1	5%
May stop operating	0	0%

N=19

Future opportunities

Future opportunities for business growth are considered to lie in increasing goods and services and reaching new or a wider market.

Future challenges

The main challenges for businesses are reported as:

- Brexit.
- geopolitical issues.
- recruitment challenges.
- cost-of-living crisis.
- rising costs (for example, energy).

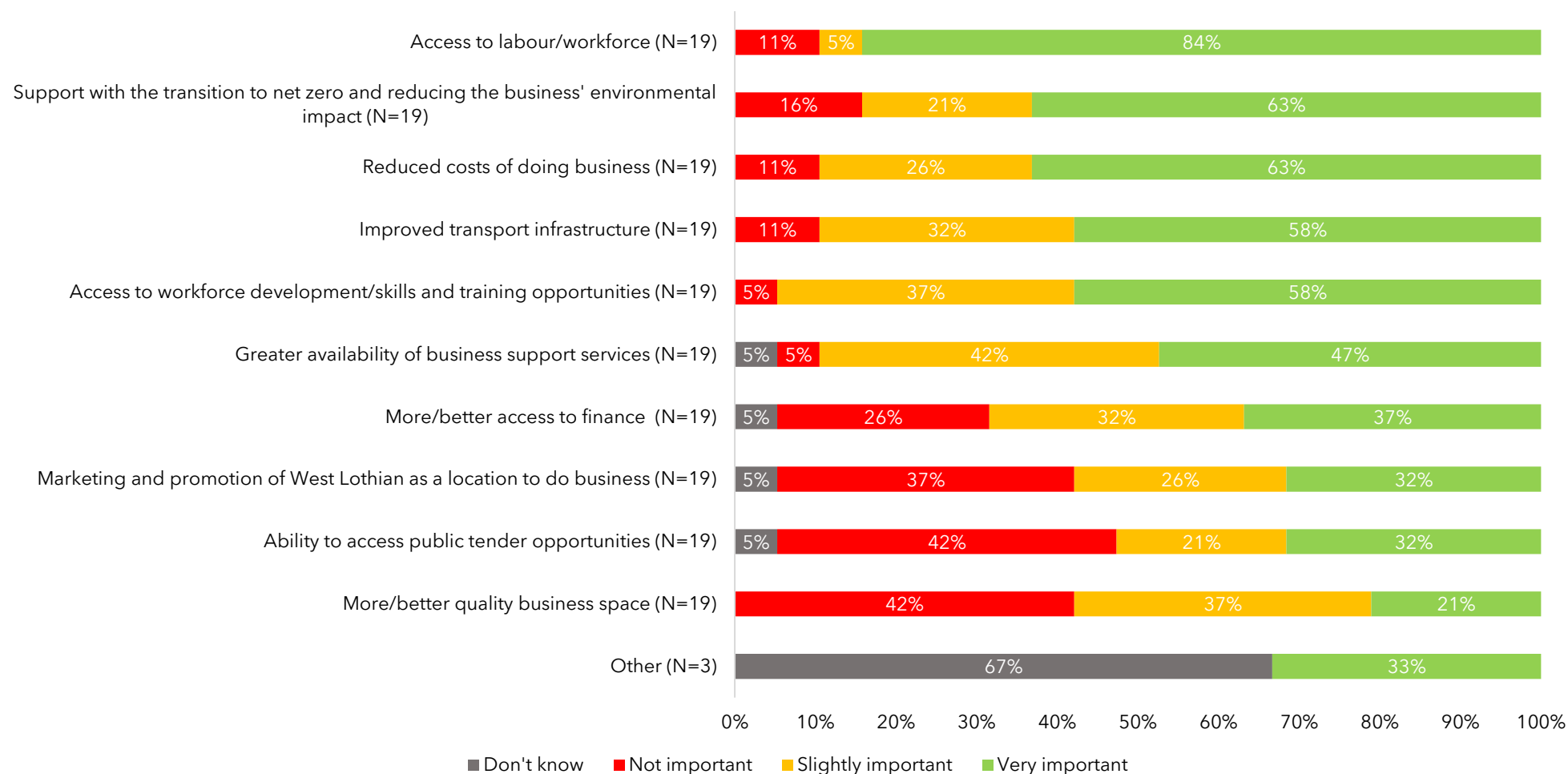
How business growth can be best supported

From a pre-defined list, businesses and organisations were asked to consider how important or otherwise various factors would be in supporting their business or organisation to grow over the next few years, see **Figure 6.3**.

The factors considered most important are:

- access to labour/workforce (84%)
- support with the transition to net zero and reducing the business' environmental impact (63%).
- reduced costs of doing business (63%).
- improved transport infrastructure (58%).
- access to workforce development/skills and training opportunities (58%).

Figure 6.3: How important or otherwise do you think the following factors will be in supporting your business or organisation to grow over the next few years?



Note: Those who responded 'Other' did not give any further feedback.

Wider feedback highlighted concerns around a growing ageing workforce and the need to retain and attract young people to the West Lothian area. It also noted that there is a demand for affordable leasing options in town centres, to allow for business growth and survival.

Economic Investment Plan – priorities

Businesses and organisations were asked to list their top three key priorities and actions that should be in the new EIP for West Lothian. The main themes are captured below.

Skills and education

- more apprenticeship opportunities.
- more upskilling opportunities.
- skills pathways.
- improved links between further and higher education providers and employers.

Transport

- improved bus services.
- more affordable and reliable train services.
- greater transport links between town centres and industrial employment areas.

Financial support

- grant support for new and existing businesses.
- upskilling and reskilling.
- lower rates for retailers to increase town centre footfall.

Retention

- retaining young people in the local community and attracting working age people to the West Lothian area – to address ageing population and workforce.
- local jobs.

About the business or organisation

Most survey respondents are self-employed, micro enterprises or SMEs (83%).

Table 6.5: What size is your business/organisation by number of employees?

	Number	Percentage
Self-employed/sole trader (no employees other than yourself)	1	6%
Micro (less than 10)	3	17%
Small (10 – 49)	7	39%
Medium (50 – 249)	4	22%
Large (250+)	3	17%

N=18

Responses were not received from businesses and organisations in all local council wards. Almost three-quarters are located within the Livingston area (73%), see **Table 6.6**.

Table 6.6: Which West Lothian Council Ward is your business or organisation located?

	Number	Percentage
Livingston South	7	39%
Livingston North	6	33%
Bathgate	3	17%
Armada and Blackridge	1	6%
East Livingston and East Calder	1	6%
Broxburn, Uphall, and Winchburgh	0	0%
Fauldhouse and the Breich Valley	0	0%
Linlithgow	0	0%
Whitburn and Blackburn	0	0%

N=18

Most reported that their headquarters is in West Lothian (89%).

Table 6.7: Is your business or organisation headquarters in West Lothian?

	Number	Percentage
Yes	17	89%
No	2	11%

N=19

More than three-quarters (79%) operate within the private sector.

Table 6.8: Which of the following sectors does your business or organisation operate in?

	Number	Percentage
Private sector	15	79%
Public sector	3	16%
Third or voluntary sector	1	5%

N=19

The businesses and organisations which responded to the survey operate within a range of sectors, most commonly life sciences (17%) and manufacturing (17%), see **Table 6.9**.

Table 6.9: What is the main industry sector in which your business or organisation operates?

	Number	Percentage
Life Sciences	3	17%
Manufacturing	3	17%
Engineering	2	11%
Food & Drink	2	11%
Construction	1	6%
Distribution	1	6%
Technology	1	6%
Tourism	0	0%
Other	5	28%

N=18

Other includes: retail, local authority, and opticians.