

**The Impact on Local Businesses  
from the Leuchars Air Base Personnel Transition**

**Evaluation Report:**

**For Business Gateway Fife  
On Behalf of Fife Council Economic Development**

**April 2016**

**By K2 Marketing Solutions Ltd**

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## Executive Summary

This report details the findings of an evaluation carried out on local businesses within Leuchars and the surrounding locality, in order to establish the impact caused by the transition of the Leuchars Air Base Personnel.

In the first instance, all businesses were contacted by letter to notify them of the evaluation and followed up by telephone to request their participation in answering the questions within the survey - just under a third of businesses agreed to take part.

The main finding of the survey revealed that the majority of participants felt their business had been impacted negatively. Losses varied in degree but retailers, pubs, the post office, taxi and garage repair companies were those who reported being the greatest affected.

On the other hand, there were a few businesses who felt they had not been affected. There was no geographical link between these businesses but instead, included those who had never had a significant income from the base personnel when the RAF were there. Such companies included those that offered a service which was already provided on the camp such as hairdressing and property maintenance.

However, it was unanimous that the area was significantly quieter than it used to be, despite the Army moving in. The local Schools were reported to have suffered as well as properties within Leuchars which were still lying empty.

In regards to support, more than half of the respondents stated that Financial support would have helped throughout the transition period with some businesses still seeking this help. A number of businesses had contacted Fife Council to carry out a Rates Review – this proved successful for some. Other businesses had been in touch with the Business Gateway Fife to seek grants with mixed success.

One of the main grievances revealed in the results of the survey was the lack of communication throughout the transition process. Many businesses contacted Fife Council to ask for support and it was acknowledged that the following was made available:

- A 'Support Your Local Businesses' leaflet was created covering Leuchars businesses. This leaflet was dropped into all households and businesses in the Leuchars areas.
- The leaflet was then updated to include Guardbridge and St Michaels. Businesses in these areas received copies.
- The leaflet was provided to the Army for inclusion in their Welcome Packs.
- Advisory support was provided to local businesses from Business Gateway Fife. Highlighted support included the Town Centre Business Support Fund and Expert Help.
- Meeting and visit from Fergus Ewing, Minister for Business Energy & Tourism and other local representatives from Local Government, Fife Council and Business Gateway Fife. Local businesses were encouraged to attend, with the Minister visiting 3 of the local businesses personally.

However, it was noted that little to no communication had been provided by the forces to the local businesses which made it difficult for the businesses to gauge how to navigate the future.

Businesses were also asked about their long-term forecast for the future. Whilst the majority of businesses felt hopeful and optimistic, closure is a very real prospect for a couple of the businesses. One major factor which was highlighted in the survey is that Army personnel have a different culture

to the RAF personnel. Therefore, some businesses have taken the chance to review their business, make changes in their offering to overcome the downturn and subsequently adapt to the change in the market.

The main external factor affecting business at the moment is the current Roadworks taking place as a result of University bio mass plant work. These works are adding significant time to journeys, discouraging existing customers to return and stopping passing trade.

In conclusion, the report highlights that whilst businesses, in particular those with a heavy reliance on the base personnel, have been negatively affected, business is starting to pick up but they are a long way from returning to what it was prior to RAF moving. There is hope that the Army will still bring more custom but businesses understand that they have a different culture and so have less demand for their offerings.

## **Background**

Further to the Ministry of Defence's decision to close the Leuchars RAF Base which finally ceased to be an RAF Station on 31 March 2015 and transfer control of the site to the Army, the change of personnel has been felt by the local community.

To help understand the impact felt by local businesses, the Business Gateway Fife, on behalf of Fife Economic Development, tasked K2 Marketing with carrying out an evaluation of the impact that the transition has had. Employing K2 marketing to conduct a survey of local business' ensured the project would be carried out objectively.

## **Method**

In order to obtain genuine qualitative information about the effect of the RAF base transition and the subsequent re-location of the Army to the base at Leuchars, over 30 businesses within the surrounding area including: Leuchars, Guardbridge and St Michaels were contacted by letter<sup>1</sup> to advise of the evaluation project.

A follow-up telephone call was then made to each of the businesses to ascertain if they wished to answer the survey questions to allow a better understanding of the current situation in the locality.

The survey questionnaire<sup>2</sup> was made up of half a dozen questions which would take no more than 20 minutes of the business' time.

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<sup>1</sup> Appendix 1 attached a copy of the letter posted to all local businesses.

<sup>2</sup> Appendix 2 attached a copy of the questionnaire

## Findings

From week commencing 15<sup>th</sup> February, businesses within Leuchars and the surrounding local communities were contacted.

Out of a total of 33 businesses, 20 took part and answered the questionnaire. The remaining 13 did not take part for a number of reasons varying from being uncontactable, to the belief that their business had not been impacted.

5 businesses declined due to feeling they had not been negatively impacted:

- Business A – said on phone that Army families use them so feel they have more business if anything.
- Business B – business comes from the whole of the surrounding area.
- Business C – said on phone that they had only set up 2 years ago (March 2014) so never really had a “before the transition” trading period. They don’t think the base was their market anyway as they get business from surrounding towns so, feel optimistic that they will remain unaffected and doesn’t see the point to meet.
- Business D – owner now retired but felt he was never impacted due to RAF doing their own maintenance.
- Business E – Declined to answer questionnaire as always out on jobs and does not feel the business was impacted due to RAF having their own maintenance team. Their main source of business is mainly from St Andrews, Cupar and surrounding towns and not from Leuchars.

The questionnaire responses for all 20 of the businesses who took part in the survey are summarised below:

**“How has your business been affected by the transition of the local base from Royal Air Force to British Army personnel?”**

The majority, made up 16 businesses, all reported that they had been affected to a degree. Losses reported varied from 11% down to 70% down in takings however not all losses were quantified.

Those who reported substantial losses included a taxi company, garage repair company, pubs, retailers and post office.

A fifth of respondents reported being only slightly affected however, these businesses were predominately based in Guardbridge. That is not to say that Guardbridge companies have not felt the effects – “Company F” reported a “huge financial impact” not only as an outcome of RAF personnel no longer using taxis and the Army simply not using the services, but also as a consequence of losing business from others that flew into the base. For example, they had VIP clients who used the airbase i.e. Students who would fly into Leuchars to attend University events and Golfers who also flew into the base to then commute to St Andrews for a game.

The 4 businesses who reported no affect at all included a hairdresser who advised that the RAF had their own hairdresser on the base anyway. “Company G” of St Michaels reported that, if anything, they had gained from the Army Personnel and the impact of the RAF leaving was purely a loss of staff members who were married to RAF personnel.

**How do you feel the local area has been affected during this transition and the position now?  
(Schools, community, population, footfall, property values)**

“Ghost town” was the predominate term used to describe the current situation within Leuchars. All respondents were in agreement that the schools had been badly affected. The general consensus was that it was much quieter in the area with a few stating that the houses, once a buoyant market, were now left lying empty in Leuchars. Contrary to this, the owner from “Company H” reported from their own recent experience of selling their property in Guardbridge, that the house prices were up and selling quicker.

**What support do you think could have made a difference during the transition period? (advice, communication, financial)**

Half a dozen out of 20 respondents stated that they felt Financial support during the transition period would have helped – all of which were retailers from within Leuchars. “Company I” did advise that communication was good for them and that they had managed to get a business grant with help from Business Gateway. The same company advised that there were meetings with MPs and councillors but they felt there should still be more help from the government.

“Company J” expressed the need for VAT concessions but advised that their application to the HMRC had been unsuccessful. Furthermore, “Company J” was also seeking Short term financial support via Fife Council and reported that MP’s / MSP’s had tried through the MOD but were told there was nothing available. Fife Council had reviewed “Company J’s” rates but the outcome of this was not in their favour.

“Company K” stated that “All businesses wanted financial help but [they] knew that was unrealistic”. Fortunately, they had been proactive and received Small Business rates help. They reported that the lack of quality information about the transition was a major issue which proved to be a barrier to planning stock, concluding that better communication would have helped. “Better communication” was cited as the most requested support in addition to a shorter transition period. As stated by “Company L”, the gap was where they suffered as business “fell off a cliff”.

The same business reported that there had been meetings with BGF and Parliament – Ming Campbell and that funding was available from Business Gateway Fife but they would have to put money in to receive it.

**What was the communications like for you from the Royal Air Force and British Army?**

It was very clear that little to no communication was provided by either the RAF or Army to the businesses surveyed. “Company M” summed it up by stating that the forces “didn’t manage expectations”.

One business had the privilege of being updated once from the army due to being a member of the rotary club. “Company N” reported getting a letter from both but he appeared to be an exception. Generally, all respondents felt there was little in the way of updates regarding timescales and numbers leaving them to rely on “hearsay” and media “spin”.

“Company O” did however state that “Council did try to help with leaflet” which they were very impressed with.

**What is your forecast for business for the future, short medium and long term?**

The majority of businesses were hopeful and optimistic for the long-term. Those that feel they have not been affected negatively by the change felt that if they picked up business from the

Army it would be an added bonus. The reality for a couple of businesses however, is that closure is a very real prospect. These businesses included "Company P" which the owner felt was less a consequence of the transition from RAF to Navy and more an impact of the closure of the paper mill which happened prior.

A couple of businesses in Guardbridge stated they were actively trying to advertise and market to a wider market including St Andrews and a couple more in Leuchars stated that they were trying to adapt. These changes range from changing their offering to considering trading online.

The general consensus was that whilst business had picked up since the arrival of the Army it was not the same as it was when the RAF were based there.

**What other external factors are affecting your business, legislation, rental values?**

16 of the 20 businesses all stated that the Roadworks were a major issue right now "Company P" advising that they were worried they would not get through the next 8 weeks due to the roadworks closing off the road.

"Company J" cited the Army having to always be combat ready as a factor affecting business due to the Army personnel not being in a position to consume a lot of alcohol. The fact that the Army are often away on training and go home at weekends was a factor raised by some respondents which "Company M" communicated as the army having a different culture to the RAF.

Licensing laws were stipulated as an issue for those in the licensing trade in addition to "Company F" who felt that people are less likely to go out if they will be driving the next day.

## Appendix 1

Dear Sir, Madam,

### **Evaluation Project: The Impact on Local Businesses from the Leuchars Air Base Personnel Transition**

To help us gather genuine qualitative information about the effect of the RAF base transition and the subsequent re location of the Army to the base at Leuchars, Business Gateway Fife on behalf of Fife Economic Development wish to ask business owners within Leuchars and surrounding communities some questions to allow a better understanding of the current situation in the locality.

To ensure the project is carried out objectively, we have asked a local marketing company to conduct the survey on our behalf. The survey should take no more than 20 minutes of your time and will provide valuable information which we can feedback to stakeholders.

We have asked a local marketing company based in Fife, K2 Marketing, to contact you personally to understand the changes you have experienced during the recent transition of military personnel in the Leuchars area.

A member of the K2 Marketing team will contact you over the next few days to agree a suitable time to meet and complete the questionnaire.

Many thanks in anticipation of your participation.

Kind regards

Brian Blackburn  
Managing Director

## Appendix 2

### **RAF Leuchars – Military Transition Questionnaire**

1. How has your business been affected by the transition of the local base from Royal Air Force to British Army personnel?
2. How do you feel the local area has been affected during this transition and the position now? (Schools, community, population, footfall, property values)
3. What support do you think could have made a difference during the transition period? (advice, communication, financial)
4. What was the communications like for you from the Royal Air Force and British Army?
5. What is your forecast for business for the future, short medium and long term? (Financial, employment)
6. What other external factors are affecting your business, legislation, rental values?