

**REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 16TH APRIL 2007**

**REPORT ON: DUNDEE AIRPORT:- CAPITAL EXPENDITURE PLAN: 2007/08**

**REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT**

**REPORT NO.: 210-2007**

**1. PURPOSE OF REPORT**

1.1. As the Committee will be aware it is proposed that Dundee Airport will transfer to Highlands and Islands Airports Ltd, midway during financial year 2007/08. However the Scottish Executive has agreed to provide a capital grant to cover the cost of a programme of Capital Works carried out in financial year 2007/08. This report proposes a programme for capital investment for discussion and agreement with HIAL and the Scottish Executive.

**2. RECOMMENDATIONS**

2.1. It is recommended that the Committee should approve the terms of this report, and authorise the implementation of the 2007/08 programme subject to agreement with HIAL and the Scottish Executive.

**3. FINANCIAL IMPLICATIONS**

3.1 The cost of agreed works will be covered by a capital grant from the Scottish Executive. A mechanism will be put in place so that the unspent element of the 2007/08 grant and any works in progress can be handed on to HIAL at the date of airport transfer.

**4. SUSTAINABILITY POLICY IMPLICATIONS**

4.1. None.

**5. EQUAL OPPORTUNITIES IMPLICATIONS**

5.1. None.

**6. REPORT**

6.1 The proposals are set out as a £500,000 programme of works for the full financial year 2007/08, with a view to recommending to the Scottish Executive that they should provide a Capital Grant encompassing the programme for the full year. This is the same programme as would have been recommended to the Committee if the airport had remained in Council ownership. The programme would start to be committed by the City Council, with a handover of the works and unexpended grant at the time of transfer of the airport to HIAL. This arrangement is recommended because any attempt to achieve a neat division of spending and works around either side of the ownership transfer date would be almost impossible to achieve, and would certainly make the overall programme difficult to implement.

6.2 The 2007/08 programme includes a number of measures that relate to the Airport Fire and Rescue Service. These include the replacement and upgrading of the exhaust extraction system in the airport fire station, the replacement of the deployable life-rafts carried by the airport rescue hovercraft, the provision of an additional water main for airport rescue and fire fighting water supplies, and the refurbishment of the third major fire vehicle to improve its reliability and reduce its maintenance costs. The budget estimate for these works is £131,000.

6.3 Secondly, there is a group of measures related to small scale surfacing renewals on the runway and taxiways and to the implementation of new CAA safety standards for installations located in grass areas surrounding airport runways. The budget estimate for these works is £90,000.

- 6.4 Thirdly, there is a proposal to increase car parking capacity at the airport and reconfigure the car parking layout. Car parking at Dundee Airport is under some strain at the present time due to the growth in parking demand from air passengers, and there is a need to add extra capacity as soon as possible. The budget estimate for these works is £100,000.
- 6.5 Fourthly, an allowance of £70,000 is also proposed for the refurbishment of the airport terminal building. The building has been in use for eleven years with consequent depreciation of external and internal surfaces, finishes, and furnishings. Some upgrading of disabled access is also required to meet the latest standards. It is proposed to implement a range of small contracts to deal with these matters before the transfer to HIAL.
- 6.6 Other measures proposed for 2007/08 include a scheme to improve the currently inefficient access to the airport fuel compound; the acquisition of aircraft stairs to cope with traffic anticipated during the Open Golf Championship in July 2007; the replacement of limited sections of Security Fencing that have reached the end of their useful life; and the transfer of the airport main radios out of Tayside House. The total budget allowance for these works is £77,000.

**7. CONSULTATIONS**

- 7.1. The Chief Executive, Depute Chief Executive (Support Services), Head of Finance and the City Engineer have been consulted in the preparation of this report.

**8. BACKGROUND PAPERS**

- 8.1. None.

**DOUGLAS A A GRIMMOND**  
**DIRECTOR OF ECONOMIC DEVELOPMENT**

**DATE: 9TH APRIL 2007**

| Dundee Airport Capital 2006-07 and Indicative Forward Programme |   |  |                    |                    |                    |                    |
|---|---|--|--------------------|--------------------|--------------------|--------------------|
|   | Description                                   | Explanation  | 2006-07            | 2007-08            | 2008-09            | 2009-10            |
|   |   |  | All sums are £,000 | All sums are £,000 | All sums are £,000 | All sums are £,000 |
| 1   | Minor Retention Payments                      | Contractual Obligation   | 5                  | 5                  | 5                  | 5                  |
| 2   | Minor Works                                   |  | 25                 | 30                 | 30                 | 30                 |
| 3   | Fire Practice Ground, Rig, and Fire Mains     | CAA Fire Inspector Requirement for completion by 2006-07                                       | 320                | 10                 |                    |                    |
| 4   | Aerodrome Lighting Replacements/ Upgrades     | Light West Apron, and Replace Runway Guard Lamps:  | 13                 |                    |                    |                    |
| 5   | RFFS Vehicle and Equipment Investment         | Upgrade vehicles, etc, to maintain reliable operations.  | 60                 | 70                 | 250                | 150                |
| 6   | Airport Vehicle and Plant Storage Building    | Needed for reliability and reduced maintenance.  | 10                 | 100                | 90                 | 10                 |
| 7   | Surfacing / Runway Strip Works                | Upgrading of life expired surfaces   | 30                 | 30                 | 30                 |                    |
| 8   | Car Parking                                   | Improvements to Car Parking  | 50                 | 30                 |                    |                    |
| 9   | Shore Protection Works                        | Protect the southern security fence against wave erosion                                       | 20                 |                    |                    |                    |
| 10  | X-Ray and Metal Detector Replacement          | Replace Gatehouse equipment nearing life expiry  | 40                 |                    |                    |                    |
| 11  | Standby Generator and Switch Room Works       | Move generator to allow electrical switchroom upgrade  | 40                 |                    |                    |                    |
| 12  | Refurbishment of Eagle 540                    | Major rebuild as an alternative to replacement   | 25                 |                    |                    |                    |
| 13  | Runway Friction Tester Upgrade                | Upgrade the device for measuring runway grip safety  | 12                 |                    |                    |                    |
| 14  | Rationalised access to Fuel Compound          | Better Security, easier access. efficient use of scarce space.                                 |                    | 40                 |                    |                    |
| 15  | Provide new Fire Mains and Hydrants           | Rectify a weakness in replenishment and mains pressure   |                    | 50                 |                    | 50                 |
| 16  | New Non-Directional Beacon                    | Replacement of a life expired 1988 unit  |                    | 20                 |                    |                    |
| 17  | Air Traffic Control Cab Refit/ Lighting Panel | Replacement of desk and control boards to deal with space shortages and life expired equipment |                    | 30                 |                    |                    |
| 18  | Security Fence Upgrades                       | Replace Aged Sections of Security Fence  |                    | 25                 | 50                 |                    |
| 19  | Vehicle Fleet Replacements/Upgrades           | Provision for routine replacement/ upgrade of vehicles   |                    | 10                 | 20                 |                    |
| 20  | Terminal Alterations                          | Deal with deficiencies, especially baggage handling areas.                                     |                    | 30                 | 25                 |                    |
| 21  | Fuel Storage Capacity Increase                | Inadequate reserves as rate of consumption rises   |                    |                    |                    | 100                |
| 22  | Increased Apron Space and Taxiway works       | Inadequate space as demand rises.  |                    |                    |                    | 150                |
| 23  | Relocate Airport Radios from Tayside House    | Tayside House due to be demolished   |                    | 20                 |                    |                    |
| 24  | New Hovercraft                                | 1998 Craft expected to be life expired   |                    |                    |                    | 120                |
| Totals  |   |  | 650                | 500                | 500                | 615                |

|    | Description   | Explanation   | 2007-08               |
|----|---|---|-----------------------|
|    |   |   | All sums are<br>£,000 |
| 1  | Minor Retention Payments on previous capital schemes          |   | 5                     |
| 2  | Unspecified Minor Works                                       | Provides for unanticipated small issues that always arise during each year.         | 27                    |
| 3  | RFFS Vehicle Investment                                       | Refurbishment of Vehicle Improves service reliability and reduces maintenance       | 70                    |
| 4  | Replacement of deployable liferafts on hovercraft             | The age and difficulty in handling these units requires them to be replaced         | 11                    |
| 5  | Surfacing Works   | Replacement of life expired surfaces to avoid stone chip hazards                    | 30                    |
| 6  | Runway Strip Improvements to meet new CAA criteria            | Needed to address upgraded CAA standards  | 60                    |
| 7  | Car Parking   | Significant problems of car park capacity and control need prompt attention         | 100                   |
| 8  | Acquisition of Aircraft Stairs                                | Needed to meet traffic demands for the Open Golf in July 2007                       | 12                    |
| 9  | Fire Station Exhaust Extract Replacement                      | The current equipment is not wholly compatible with some vehicles                   | 25                    |
| 10 | Rationalised access to Fuel Compound                          | Greatly improves the flexibility of airport operations and improves security.       | 25                    |
| 11 | Provide new Fire Main and Hydrants                            | Needed to improve the supply of fire-fighting water in the vicinity of the terminal | 25                    |
| 12 | Security Fence: Replacement of Life Expired Sections          | Needed to maintain security   | 20                    |
| 13 | Terminal Refurbishment and Alterations                        | Essential to ensure that Dundee Airport remains a quality gateway to the City       | 70                    |
| 14 | Relocate Airport Main Radios out of Tayside House             | Tayside House is due to be demolished   | 20                    |
|    | NOTE THAT 2007-08 PRICES ARE PRE-DESIGN PROVISIONAL ESTIMATES |   | 500                   |
|    |   |   |                       |