

REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 17TH APRIL, 2000
REPORT ON: DUNDEE AIRPORT: FIVE YEAR CAPITAL EXPENDITURE PLAN:
2000-01 TO 2005-06
REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT
REPORT NO.: 248-2000

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to propose a firm programme of capital investment at Dundee Airport for Financial Year 2000-01 and to set out an indicative programme for the four following years. If approved the programme will become a formal submission to the Department of the Environment, Transport and the Regions, for specific Capital Borrowing Consent.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Committee should approve the report and authorise its formal submission to the Department of the Environment, Transport and the Regions with a request for Capital Borrowing Consent for the FY 2000-01 programme

3. FINANCIAL IMPLICATIONS

- 3.1. The Financial implications of each proposal are considered in each of the attached subject reports

4. LOCAL AGENDA 21 IMPLICATIONS

- 4.1. There are no implications for Local Agenda 21.

5. EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1. There are no negative equal opportunities implications and there is a benefit to the prospective employment of female staff described in the subject report on Fire Station extension.

6. REPORT

- 6.1. Dundee Airport requires to carry out a programme of Capital investment in two main categories which are:

- The replacement or upgrading of facilities that have become life-expired, or inadequate for existing needs.
- Investment in new facilities which will provide the airport with enhanced performance, mainly to deal with capacity shortages.

- 6.2 At the present time the Council is midway through a staged programme to overlay the surfacing of the runway, taxiways and apron. This comprises essential replacement of deteriorating tarmac surfaces which are costing ever more to maintain, but it will also achieve improvements in bearing strength, drainage and operational flexibility.

- 6.3 However within the five year period covered by the plan, the Airport will also need to provide for the improvement of facilities which have been, or are expected to be, put under pressure by the expansion of services. (e.g. car parking, staff accommodation, flight kitchen capacity, check-in capacity, apron space, business accommodation.) It will also need to create some facilities, the absence of which is causing problems or costs. (e.g. covered storage for plant and vehicles)

- 6.4 The proposed programme of works for 2000-01 and 2001-02 is almost entirely composed of essential refurbishment, (*Apron and Runway Overlay*) or the provision of increased capacity in facilities which are under pressure at the moment (*Fire Station Accommodation, Car Parking, and Flight Catering Kitchen Equipment*). In the absence of these investments, the performance of Dundee Airport would start to deteriorate and become critical in certain aspects within a relatively short timescale.
- 6.5 The programme of works for 2002-03 and beyond is only indicative at the present time, as experience has shown that the sequence of priorities cannot be predicted with any accuracy over more than two years.
- 6.6 The appendix to this report contains a detailed report on each of the items of expenditure proposed for 2000-01 and 2001-02.

7. CONSULTATIONS

- 7.1. The Director of Finance, Director of Support Services and the Chief Executive have been consulted on the contents of this report.

8. BACKGROUND PAPERS

- 8.1. No background papers, as defined in Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

DIRECTOR OF ECONOMIC DEVELOPMENT.....Date.....

DUNDEE AIRPORT PROPOSED CAPITAL EXPENDITURE PROGRAMME 2000-2005

Item	Description	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05
	<i>Runway Overlay FY 1998-99 Provision for Disputed Claim</i>	£6,000				
	<i>Replacement ILS, Approach Lighting and NDB Hut (Retentions)</i>	£16,000				
	Annual Surfacing Repairs	£20,000				
	Flight Catering Kitchen Outfitting	£22,000				
	Apron and Taxiway overlay	£350,000	£5,000			
	Runway Centre Section Overlay: (Design, Contract Documents and Tendering only)	£50,000				
	Minor Works	£25,000	£20,000			
	Car Park Provision	£30,000	£30,000	£100,000		
	Fire Station Crew Accommodation Extension: Phase 1	£140,000	£5,000			
	Runway Centre Section Overlay: Contract Implementation		£600,000	£10,000		
	Towbarless Pushback Vehicle			£33,000		
	Fire Station Crew Accommodation Extension: Phase 2			£60,000		
	Business Accommodation: Outfitting and Refurbishment of Existing Space			£50,000	£50,000	
	General Aviation Apron Provision			£50,000		
	Terminal Public Area Extension and Equipment <i>(To Increase Check-In Capacity.)</i>			£30,000	£300,000	£10,000
	Plant and Vehicle Covered Storage		£20,000	£200,000	£5,000	
	Major Fire Appliance (Replacement for Rescue 2) <i>(Used Vehicle Purchase)</i>				£150,000	
	Sea Wall Repairs / Coastal Defences				£25,000	
	Tractor replacement					£25,000
	East Taxiway Replacement					70,000
	Terminal Extension, Airside Lounge Enlargement and Transfer Route Provision					300,000
	TOTALS	£659,000	£680,000	£533,000	£530,000	£405,000

Dundee Airport Capital Expenditure Programme Financial Year 2000-01

Annual Surfacing Repairs

Background and Context: This is the continuation of an annual programme that has been undertaken in each of the last three years

Current Issues: Both ends of the runway at Dundee Airport have been overlaid and re-profiled during the last five years, but the central part of the runway remains at its 1985 construction standard, as a result of which it requires substantial annual patching. A further £20,000 will be required to maintain the runway through 2000-01, until the major overlay and strengthening can be effected in 2001-02. These repairs will however have the effect of reducing the amount of base course repairs needed during the course of the major overlay and strengthening, so they will have a value over an extended period.

Financial Implications:

CAPITAL COST:£20,000

There are no staffing implications and no anticipated savings as a consequence of this expenditure.

Consultations: The Director of Finance has been consulted and his comments incorporated within the terms of this report.

Recommendation: That the Committee should approve this project for implementation in 2000-01 subject to the availability of Capital Allocation from the Department of Environment, Transport and the Regions in London.

Dundee Airport Capital Expenditure Programme Financial Year 2000-01Flight Catering Kitchen Outfitting

Background and Context: The Committee approved the conversion of a unit at the airport into a flight kitchen during 1999-2000. That unit is now in operation.

Current Issues: Working experience in the flight catering kitchen at Dundee Airport has identified a number of matters which require adjustment in order to allow the kitchen to work at full efficiency. In particular oven capacity needs to be increased, and air conditioning needs to be installed in the preparation area.

Financial Implications:

CAPITAL COST:£22,000

There are no staffing implications as a result of this expenditure and, the increased capability of the flight kitchen will be reflected in the level of rent charged against the commercial provision of a flight catering service.

Consultations: The Director of Finance has been consulted and his comments incorporated within the terms of this report.

Recommendation: That the Committee should approve this project for implementation in 2000-01 subject to the availability of Capital Allocation from the Department of Environment, Transport and the Regions in London.

Dundee Airport Capital Expenditure Programme Financial Year 2000-01

Apron and Taxiway Overlay

Background and Context: Since 1998 this item of proposed expenditure has been listed each year in the five year rolling programme for implementation in 2001-02.

Current Issues: The apron is the area in front of the terminal building where aircraft can park outwith the manoeuvring areas to allow passengers to board and disembark. The apron is connected to the runway by two main taxiways.

As a result of financial constraints, both the apron space and the taxiways at Dundee Airport were created by a series of small extensions over a period of 20 years. The consequence has been that these areas are now exhibiting three important defects. These are;

- That their construction strength is low and inconsistent, and due to the age of the surfaces is requiring extensive repair on an annual basis.
- That their drainage profile is unsatisfactory and areas of both the apron and the taxiways are prone to ponding.
- That the north-south dimension of the apron is inadequate to meet CAA criteria for the free manoeuvring of aircraft past each other, and this makes it difficult to use the space effectively.

It is therefore now considered essential to overlay, re-profile and re-shape the apron and taxiways, and so make them consistent with the development plan for the airport.

Financial Implications:

CAPITAL COST:£355,000

There are no staffing implications as a result of this expenditure and the implementation of this work will avoid the implementation of substantial short term capital repairs to the present surfacing during the next few years, which would only have the effect of deferring major works.

Consultations: The Director of Finance has been consulted and his comments incorporated within the terms of this report.

Recommendation: That the Committee should approve this project for implementation in 2000-01 subject to the availability of Capital Allocation from the Department of Environment, Transport and the Regions in London.

Dundee Airport Capital Expenditure Programme Financial Year 2000-01

Runway Centre Section Overlay (Design and Tendering)

Background and Context: For some years the overlaying of the runway at Dundee Airport has been listed in the five year rolling programme, and the first phase of the work, comprising the overlaying and reprofiling of the east end of the runway was implemented in 1998-99.

Current Issues: The runway at Dundee Airport was initially of very light construction, and was built on reclaimed ground which is inclined to settle. Against that background the runway has performed remarkably well, but most of the construction dates from 1984 and is beginning to incur rapidly increasing annual costs of repair.

The programme of works to carry out runway re-surfacing was split into phases. In 1994-95, the runway was extended by 300 metres at its western end, and that extension was built to much improved bearing strength. The next measure was therefore to create a similarly re-profiled and strengthened area at the eastern threshold, and so 310 metres at the eastern threshold was strengthened and re-profiled in 1998. This meant that both of the landing impact zones had been re-surfaced and strengthened.

That leaves some 790 metres in the centre of the runway which is still at its low original strength, and this section has had to be increasingly heavily patched during the last few years. It is considered that the overlaying of the centre section of the runway should not be delayed beyond 2001-02. Works in the centre of a runway obviously have critical implications for the ability of the runway to remain in use during the contract period, and it is therefore essential that the design and tendering of the central runway works is all carried out in FY 2000-2001 so that methods of working can be devised to minimise the requirement for runway closure, and also so that the works can be carried out in mid-summer 2001, when traffic circumstances and weather are at their most favourable.

A cost allowance of £600,000 is being made meantime for the implementation of this work in 2001-02, but this should be regarded as nominal pending detailed design and an investigation of the costs of special working to avoid lengthy runway closure. Approval is only being sought at the moment for £50,000 to be spent on design and tendering during 2000-2001.

Financial Implications:

CAPITAL COST (of Design and Tendering only):£50,000

There are no staffing implications as a result of this expenditure. The implementation of this work will avoid the implementation of substantial short-term capital repairs to the present surfacing during the next few years, which would only have the effect of deferring major works.

Consultations: The Director of Finance has been consulted and his comments incorporated within the terms of this report.

Recommendation: That the Committee should approve this project for implementation in 2000-01 subject to the availability of Capital Allocation from the Department of Environment, Transport and the Regions in London.

Dundee Airport Capital Expenditure Programme Financial Year 2000-01Minor Works

Background and Context: There is a requirement for a small annual sum to allow minor problems to be addressed.

Current Issues: It is difficult to foresee every small scale problem that will arise due to growth at Dundee Airport, and the experience has been that small items always arise, so there needs to be a budget to allow them to be addressed. Individual items of proposed expenditure will be submitted to the Committee for approval as they arise, and an allowance of £25,000 for 2000-01 is proposed

Financial Implications:

CAPITAL COST:£25,000

Any staffing implications or potential savings as a result of this expenditure will be reported in due course when individual proposals under this heading are submitted for approval.

Consultations: The Director of Finance has been consulted and his comments incorporated within the terms of this report.

Recommendation: That the Committee should approve this project for implementation in 2000-01, subject to the availability of Capital Allocation from the Department of Environment, Transport and the Regions in London.

Dundee Airport Capital Expenditure Programme Financial Year 2000-01

Car Park Provision

Background and Context: Increasing Passenger Numbers and increasing numbers of airport based jobs are generating a gradual increase in the demand for parking spaces.

Current Issues: The sharp increase in passenger numbers in the last year has seen a rise in the demand for parking at Dundee Airport. In addition there are indications of rising demand for spaces from the significant numbers of new employees, mainly private sector. However the total demand has not risen as quickly as might have been anticipated, confirming that many passengers are collected/delivered by taxi, family car, or company car, due to Dundee Airport's close proximity to the origins and destinations of most journeys.

An additional 20 spaces were created in 1999 and signposting was put in place to help drivers to find the available spaces. ScotAirways has also just created 15 parking spaces for its Engineering staff to the west of its new hangar development. Parking spaces still remain available at the airport even during busy periods. So it would not be appropriate to invest in a large car park at this stage, not least because it is important to retain flexibility in the use of airport sites for as long as possible. Equally it would be imprudent not to provide for some increase in parking during 2000-2001 to ensure that the airport does not find itself caught out by an unexpected increase in demand.

The proposal is that, during 2000-01 approximately 19 additional spaces should be created on land to the south of Dundee Air Cargo Centre. This site has been selected because it, together with an adjacent area of existing parking, can be wholly enclosed by security fencing at minimal cost. The proposed scheme will therefore provide the airport with its first physically secure parking area, although measures will also be put in hand to provide television surveillance of existing car parking at the airport.

Financial Implications:

CAPITAL COST:£30,000

There are no staffing implications as a result of this expenditure. At the appropriate point in the growth of services at Dundee Airport it will be possible to introduce car parking charges and these should eventually generate substantial revenue. In the short term the provision of free parking is considered to be an important element in the generation of air service growth.

Consultations: The Director of Finance has been consulted and his comments incorporated within the terms of this report.

Recommendation: That the Committee should approve this project for implementation in 2000-01, subject to the availability of Capital Allocation from the Department of Environment, Transport and the Regions in London.

Dundee Airport Capital Expenditure Programme Financial Year 2000-01

Fire Station Extension: Phase 1

Background and Context: Dundee Airport Fire Station was completed in 1994, when it replaced rudimentary open storage and temporary cabin accommodation.

Current Issues: A new fire station was built for Dundee in 1993-94 at a time when the future of the airport was much less certain. At that time the new building replaced some very basic small-scale accommodation and it represented a quantum leap in the standard and scale of the facilities. However the needs of the Fire and Rescue Service have evolved so quickly over the last 6 years that the available accommodation is now under considerable strain and in need of augmentation. The main causes of this have been:

- An increase in Fire Service Category: Additional Fire Crew need to be present on each shift.
- An increase in duty hours: The Airport needs to go from two-shift to three-shift working.
- The need properly to provide for female staff: The airport now has a female fire-fighter and the accommodation is marginal for mixed staff.
- The expanded role of river rescue within the service. This requires considerable amounts of extra clothing and equipment, and puts a lot of pressure on showering, changing, and clothes drying facilities.

As a result of these pressures, the issues that need priority resolution are those of changing accommodation, locker space, drying space, and mess room space.

The proposal is that these priority issues should be tackled by a first phase of investment consisting of the construction of a new accommodation block at the south-east corner of the fire station. It is proposed that this should be built in FY2000-01 at an estimated total cost of £145,000.

Once the first phase of work is complete proper provision will have been made for an increased shift staff, including both male and female firefighters. Storage and drying space for bulky clothing will also have been improved, and there will be the incidental benefit of a more effectively located Watch-Room. The improvements will be sized so that they can accept two increases in the category of fire cover at the airport without an accommodation crisis immediately resulting.

Financial Implications:

CAPITAL COST:£140,000

This expenditure is partly necessary as a consequence of increases to Fire and Rescue staffing that have already been approved. The project will generate some extra costs for heating, lighting and maintenance which can be contained within the airport budget. There will be no savings as a consequence of this scheme.

Consultations: The Director of Finance has been consulted and his comments incorporated within the terms of this report.

Recommendation: That the Committee should approve this project for implementation in 2000-01, subject to the availability of Capital Allocation from the Department of Environment, Transport and the Regions in London.