

**REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 12<sup>TH</sup> FEBRUARY, 2001**  
**REPORT ON: DUNDEE AIRPORT:-**  
**FOUR YEAR CAPITAL EXPENDITURE PLAN: 2001-02 TO 2005-06**  
**REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT**  
**REPORT NO.: 78-2001**

**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 2001-02 and to set out an indicative programme for the three 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 2001-02 programme.

**3. FINANCIAL IMPLICATIONS**

3.1. The Financial implications of each proposal are considered in each of the attached subject reports. The provisional indication from the Department of Environment, Transport and the Regions is that the level of expenditure proposed in this plan is likely to be acceptable.

**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 the proposal for a specialist flight catering vehicle contains positive equal opportunities implications.

**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 four-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. It will also need to create some facilities, the absence of which is causing problems or costs.

6.4 The proposed programme of works for 2001-02 and 2003-04 is mainly composed of essential refurbishment or the provision of increased capacity in facilities which are under pressure at the moment. 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 beyond the second year of the programme 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 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.....**

<b>Dundee Airport Capital Plan 2001-02 to 2004-05</b>				
<b>Description</b>	<b>FY 2001-02</b>	<b>FY 2002-03</b>	<b>FY 2003-04</b>	<b>FY 2004-05</b>
<i>Fire Station Crew Accommodation Extension</i>	£39,000			
<i>Apron Overlay</i>	£150,000			
Annual Surfacing Repairs	£40,000			
Flight Catering Specialist Vehicle	£25,000			
Minor Works	£25,000	£30,000	£30,000	
Car Park Provision	£40,000		£100,000	
Runway Centre Section Overlay	£20,000	£750,000	£20,000	
Towbarless Pushback Vehicle	£33,000			
Standby Generator Relocation and Re-Housing	£20,000			
Passenger Terminal: Improvements to Arrival and Departure Facilities	£300,000	£10,000		
Plant and Vehicle Covered Storage and associated works		£10,000	£300,000	
Passenger Terminal: Increased Check-In Capacity and Increased Baggage Security Screening Capacity			£15,000	£300,000
Overlay for Taxiway B			£10,000	£80,000
General Aviation Apron Provision			£60,000	
Vehicle Replacement			£25,000	
Major Fire Appliance (Replacement for Rescue 2) <i>(Used Vehicle Purchase)</i>				£150,000
Sea Wall Repairs / Coastal Defences				£25,000
<b>TOTALS</b>	<b>£692,000</b>	<b>£800,000</b>	<b>£560,000</b>	<b>£555,000</b>

*Items shown in Italics represent legal commitments for the completion of contracts let in previous years*

## **Dundee Airport Capital Expenditure Programme Financial Year 2001-02**

### **Annual Surfacing Repairs**

**Background and Context:** This is the continuation of an annual programme that has been undertaken in each of the last four 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. The previous five year Airport Capital Plan that was approved by the Committee in April 2000, envisaged that the permanent overlaying of the runway centre section would take place in the summer of 2001.

However unfavourable cost experience with contracts let during financial year 2000-01 has required the Airport Capital Plan to be amended so that it will remain within its consent level. The major consequence of that has been to delay the overlaying of the centre section of the runway until the summer of 2002. The decision to delay the runway overlay followed an assessment by the Consulting Engineer that the delay will not have serious consequences for the integrity of the airport, but it will require additional expenditure on surface repairs in the summer of 2001. £40,000 will need to be spent on runway maintenance during financial year 2001-02 to keep it in sound condition until the major overlay and strengthening can be effected in the summer of 2002.

These repairs will 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: .....£40,000

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 2001-02 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 2001-02**

### **Flight Catering Specialist Vehicle**

**Background and Context:** Flight Catering Services at Dundee Airport are directly provided by the Tay Training Branch of the Economic Development Department. During the last two years a capable flight kitchen has been created at the airport and steadily upgraded, and the unit is now providing around 50,000 flight meals per annum with the prospect of continuing expansion.

**Current Issues:** The main operational problem at the present time relates to the loading and unloading of the aircraft on the apron. The vehicle presently available is a Transit Van inherited from Tayside Regional Council Education Department.

Flight Catering currently involves the lifting of heavy catering trolleys, bar trolleys, and hot water containers from the kitchen into the van, from the van to the apron and then from the apron to the aircraft catering door which is about 1.5 metres above the ground and not provided with stairs. The present van also has to be reversed towards the parked aircraft, which is not regarded as good practice. A safe situation in all of these respects is currently achieved by the use of additional labour and direct supervision from the Airport Fire and Rescue Service. That in turn creates staffing problems for a Fire and Rescue Service that is also simultaneously trying to deal with baggage unloading / loading and aircraft re-fuelling.

The solution to this set of problems will be to acquire a specialist flight catering vehicle fitted with a front loading gangway, front / rear power-lifting platforms, and stabilisers. Such vehicles, which are standard in the flight catering industry, are able to eliminate lifting, and do not have to reverse towards aircraft to fulfil their function.

Once such a vehicle is available it will be able to approach the aircraft in forward gear and catering loading can, if necessary, become a safe one-person operation that does not require physical strength. This will provide benefits for Health and Safety and Equal Opportunities, and it will release members of the Fire and Rescue Service for alternative deployment at this busy point in the turnaround of each scheduled flight.

#### **Financial Implications:**

CAPITAL COST: .....£25,000

The staffing implications of this proposed expenditure are beneficial for both the airport and the flight catering unit, but the net effect will be to relieve a current stress rather than result in any staffing reductions..

**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 2001-02 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 2001-02**

**Minor 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 is proposed for 2001-02.

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 2001-02, 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 2001-02

### Car Park Provision

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

Current Issues: Increasing passenger numbers in the last two years have 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 private and public sector staff. 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 created 15 parking spaces for its Engineering staff to the west of its new hangar development. A proposal contained in the last annual capital plan to build some car parking spaces during Financial Year 2000-01 was not implemented because of the need for additional capital consent to meet the increased cost of other schemes and because monitoring of car parking demand had shown that it would be reasonable to defer further car park construction.

The car park located nearest to the terminal at Dundee Airport is regularly full and this has tended to lead to a public perception, (*revealed by the summer 2000 passenger survey*) of a shortage of parking at the airport. However the fact is that parking spaces still remain easily available in Car Park No.2 at the airport even during busy periods, and the perceived shortage is mostly related to the fact that Car Park No 2. lies in Mercury Way at about 200 metres from the terminal entrance.

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 scarce airport sites for as long as possible. But it would be imprudent not to provide for a modest increase in parking during 2001-2002 to ensure that the airport does not find itself caught out by any surge in demand that might follow the introduction of additional services.

The proposal is therefore that, during 2001-02 approximately 20 additional spaces should be created within Car Park No.2, facing the north side of Mercury Way. But to increase the popularity of this slightly more remote car park it is also proposed to provide fencing and CCTV security for all parking within the existing and expanded Mercury Way Car Park.

### Financial Implications:

CAPITAL COST: .....£40,000

There are no staffing implications as a result of this expenditure. At an 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 2001-02, 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 2001-02**

### **Runway Centre Section Overlay (Design and Costing)**

**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 patched during the last few years. The last annual Airport Capital Plan envisaged the overlaying of this runway centre section in the summer of 2001.

However pressure on the Airport Capital Expenditure Consent resulting from unfavourable tender prices within the 2000-01 programme, - plus the complexity of the operational issues involved in relaying the centre of a runway, has had the combined effect of making it necessary to defer the Runway Centre Section overlay until the Summer of 2002. This additional time is needed to spread the load upon the Capital Programme and carry out extensive pre-contract work with a view to achieving more detailed cost estimates that will fully reflect the complexity of this scheme's implementation. An inspection by the Consulting Engineer has confirmed that, subject to the implementation of the surfacing repairs described elsewhere in this report, the delay to the runway centre section overlay will not have any implications for the integrity of the runway.

Some design work commenced in 2000-01 and a further £20,000 of design and costing expenditure is proposed in 2001-02. A nominal contract cost of £750,000 for the implementation of the scheme has been included in the Capital Programme for 2002-03, but this will be amended in the next annual Capital Plan to reflect the results of design and costing studies.

#### **Financial Implications:**

CAPITAL COST (of further design and costing during 2001- 02 only) .....£20,000

There are no staffing implications as a result 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 2001-02 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 2001-02**

### **Towbarless Push Back Vehicle**

**Background and Context:** This is a new proposal related to increasing traffic at Dundee Airport

**Current Issues:** Every airport has to make a choice between allowing aircraft to manoeuvre themselves on the apron under their own power, or alternatively using a tug/pushback vehicle to position parked aircraft. Self – manoeuvring is simple and low-cost in operational terms, because it requires little intervention by the airport, but on the other hand it does require much larger amounts of apron space to allow it to be carried out safely, which in turn has implications for capital cost. Using tugs/pushback vehicles to position aircraft requires an airport to own one or more suitable vehicles and train staff in their operation. However it also allows apron space to be used much more intensively and is highly effective when space is at a premium.

Until recently Dundee Airport carried out all aircraft movement on the ground by self-manoeuving, however that started to change with the overnight basing of the first ScotAirways aircraft at Dundee and its storage in a hangar. Because of the limited amount of space that is available the long term future of Dundee Airport will clearly require the manoeuvring of aircraft by tug/pushback vehicles to become the norm once the number of services increases, beyond a certain level.

It is considered that it would now be appropriate to acquire the first tug/pushback vehicle for manoeuvring aircraft on the ground, and the preferred type is called a towbarless electric pushback vehicle. The benefits obtainable by acquiring such a vehicle are as follows:

- It will enable the airport to accept high levels of demand on special occasions (such as Open Golf Championships or bad weather diversions from other airports) by being able to find space for many more aircraft than would otherwise be the case. This will have a beneficial effect on revenue.
- Because the pushback vehicle doubles as a mobile electrical starting unit, it will enable the airport to offer engine-starting facilities no matter where an aircraft is parked within the airport. At the present time these facilities are restricted to two stands only.
- It will reduce the cost of the long-term airport capital programme and increase the efficiency of use of scarce airport land, by reducing the need to build as much apron, or install as many ground power points, as would otherwise be required. The Capital costs of the extra apron space otherwise required would be very much greater than the pushback vehicle cost.
- It will enable Air Traffic Control to manage the apron more efficiently way by providing the means to re-position parked aircraft in accordance with changing circumstances.

### **Financial Implications:**

CAPITAL COST: .....£33,000

There are no staffing implications as a result 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 2001-02 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 2001-02**

**Standby Generator Re-location.**

Background and Context: Dundee Airport has a standby diesel generator located in the Service Block, which automatically cuts-in to maintain essential electricity supplies in the event of power failure.

Current Issues: The Services Block at Dundee Airport, located North of the Air Traffic Control Tower, is one of the original airport buildings, and as such was constructed in 1979-80 to cope with a much lower level of services than the airport currently requires.

Pressure upon space within that building has become increasingly acute. Demands upon the standby generator have also risen to a level at which it has become necessary to reorganise the airport electrical supply so as to ensure that the electrical capacity of the generator is prioritised to meet essential safety functions first.

A recommendation has been made by the Electrical Engineer that in conjunction with the proposed re-wiring, the standby generator should be removed from the Services Block and re-housed nearby, to create space in the Services Block for an expansion of the Electrical Switchroom, and especially to allow extra space for additional Current Regulators.

Financial Implications:

CAPITAL COST: .....£20,000

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 2001-02, 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 2001-02**

### **Passenger Terminal: Improvements to Arrival Facilities and Departure Lounge Capacity**

Background and Context: As passenger numbers increase at Dundee Airport, pressures upon facilities are starting to emerge and improvements to the terminal are required to keep pace with changing circumstances.

Current Issues: There is a requirement for additional space to cope with increasing demand. Passenger surveys have identified other minor problems that need to be remedied, mainly related to facilities and furnishings. Improvements to the Arrivals Hall have also been requested to make it easier for the various regulatory bodies to process passengers arriving from foreign countries.

It is considered that a project should be developed to improve the capacity and quality of the Departure Lounge and Arrivals Hall at Dundee Airport. The intention is to achieve a solution largely within the current building fabric that will enable the airport to cope with existing issues and allow modest extra capacity for anticipated further growth.

A sum of £300,000 is proposed for the implementation of such work during 2001-02.

#### Financial Implications:

CAPITAL COST: in 2001-02	£300,000
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A sum of £10,000 has been allowed for retention payments in 2002-03.

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 expenditure for implementation in 2001-02, subject to the availability of Capital Allocation from the Department of Environment, Transport and the Regions in London.