

NATS (EN ROUTE) PLC SIP: INDEPENDENT REVIEWER REPORT

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Opinion on SIP21 - Quarterly Update, October 2021

17 November 2021

Released to CAA

TABLE OF CONTENTS

1 Introduction and Scope

2 Quarterly SIP Update

INTRODUCTION AND SCOPE

- Following the release of the NERL Quarterly SIP Update at the end of October 2021, Egis, in its role as the CAA's Independent Reviewer (IR), is required to provide a high-level opinion on it.
- The review focuses on the content as well as structure and presentation of the document. The review assesses the accessibility of the current SIP Update to users, as its primary role will be to act as a resource for stakeholders to learn key information regarding changes to project costs, benefits, milestones and risks.



OVERVIEW

The quarterly SIP update presents the updates since the interim SIP update in July 21. This section presents high-level comments on it.

Structure and presentation:

- The structure of the document is good and follows the evolution of SIP presentational updates through 2021.
- In general, the information is at an appropriate level of detail, it is clear and well presented.
- Where there are differences between the RP3 baseline and the actuals, we recommend highlighting this, eg with an additional colour-coded line to the relevant tables. This will allow the reader to easily understand the evolution of the budget.
- Minor presentational points are:
 - We recommend expanding acronyms on first use and/or adding an acronym list, e.g. for "RAG" on page 3.
 - Whilst the reporting on programme benefits is welcome, we recommend describing the period of time benefits are realised, e.g. with reference to page 7: "OSEP 2 was successfully deployed (...) enabling 0.8kT of fuel benefit".
 - Care should be taken to ensure that the footnote font is not too small (e.g. page 18).

Technical and financial progress:

- There is a reduction in the Total RP3 forecast from £318M in iSIP 21 to £306M in this update. The RP3 C10 baseline is £315M.
- Of the 10 key milestone presented (page 4) which are not yet delivered, three are delayed and one is accelerated compared to the dates published in the baseline SIP21 addendum in April 21.

Scope:

- A transfer of scope has been undertaken, moving £20m of capex from the Facilities Management to Sustainment & Surveillance programmes. The change is to move 'hard FM' activities from FM to S&S and there was good traceability of how this change affected the costs for both programmes.
- There are now a number of small projects in the SIP report (four projects have less than £10M in Revised RP3 allocation). A better balance of the size of projects might be beneficial for NR23 and we recommend that NERL reviews the balance of programmes at that time; however, we do not recommend making any changes in RP3 reporting.

PROGRAMME SUMMARIES

This section presents comments, and in some cases recommendations, on each programme summary

DP En-Route & Voice	<p>This project has reported some delays and consequently its status is changed from amber to red. There is no impact on the overall budget. The potential delay to SVS and MVS FOS milestones is reported. SVS will be delayed from Q1 to Q2 CY22 and MVS from Q2 to Q4. Of the remaining 8 milestones in 2021/22 for this project, 6 are now delayed or pushed to the latest month in their projected delivery range.</p>
Airspace & Ops Enhancements	<p>This programme continues with important milestones of FRA deployment, SAIP AD6 and West Airspace Deployment on track. One milestone (AMAN Headbranch FOS) reports a significant delay of 6 months to avoid implementation in the summer period. The wider modernization of TMA airspace (for which NERL reports it is working with ACOG) is an important activity to stakeholders. It is recommended that NERL's contributions to ACOG are reported as milestones when they are significant to wider airspace modernisation.</p>
Sustainment & Surveillance	<p>This expanded-scope programme now includes 6 milestones transferred from Facilities Management, which relate to items such as UPS and radio/radar infrastructure. One milestone is highlighted as being significantly delayed – Swanwick UPS replacement from Jul-22 to Feb-23. Although risk of delay was previously highlighted in iSIP 21, at that time it was stated that delivery was still anticipated in 2022.</p>
Property & Facilities Management	<p>This programme has been re-titled from "Facilities Management" to "Property & Facilities Management" to reflect the change in scope described opposite. This programme now focuses on 'soft FM' activities and is small in size (reduced from £23M in RP3 to £3M). No major milestones are present and any defined milestones might be too small to be significant in the SIP. However without milestones it is not possible to track progress in the usual manner. NERL states that milestones for this programme will be consulted on in the SIP22 consultation.</p>
Information Solutions	<p>This programme relates to the provision of IT services. It remains on track with several accomplishments this quarter. There is no material change to the programme risks and the next milestone (replacement of obsolete core network components, Prestwick) is on track for Dec-2021.</p>
Simulation Transformation & Sustainment	<p>This small programme will replace end-of-life simulation systems but is at an early stage ('identify') without programme milestones. The end of the 'define' phase should be added as a milestone to give stakeholders an expectation of when this phase will be completed. Engagement with stakeholders should be planned at this time when the options and proposed strategic objectives of this programme are available.</p>
Oceanic	<p>A F&O (Feasibility and options) study has been completed with the project entering definition phase for removal of oceanic clearances. Milestone 1 (Enhanced tata analytics and reporting) is on track for Nov-21. The project remains at amber status (as previously reported) due to supplier cost risks.</p>
iTEC Collaboration	<p>This project is on track with continuing work on evaluation, roadmapping and requirements development. A Phase 2 NATS/Indra contract is planned for signature Apr-22 (TBC). It is recommended that stakeholders are engaged with regarding the collaboration agreement before signature. Specifically, the direction of travel of iTEC v3 and the benefits to stakeholders of this.</p>

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