



NATS (EN ROUTE) PLC SIP: INDEPENDENT REVIEWER REPORT

—
Opinion on SIP22 - Quarterly Update, April 2022

9 June 2022

Released to CAA

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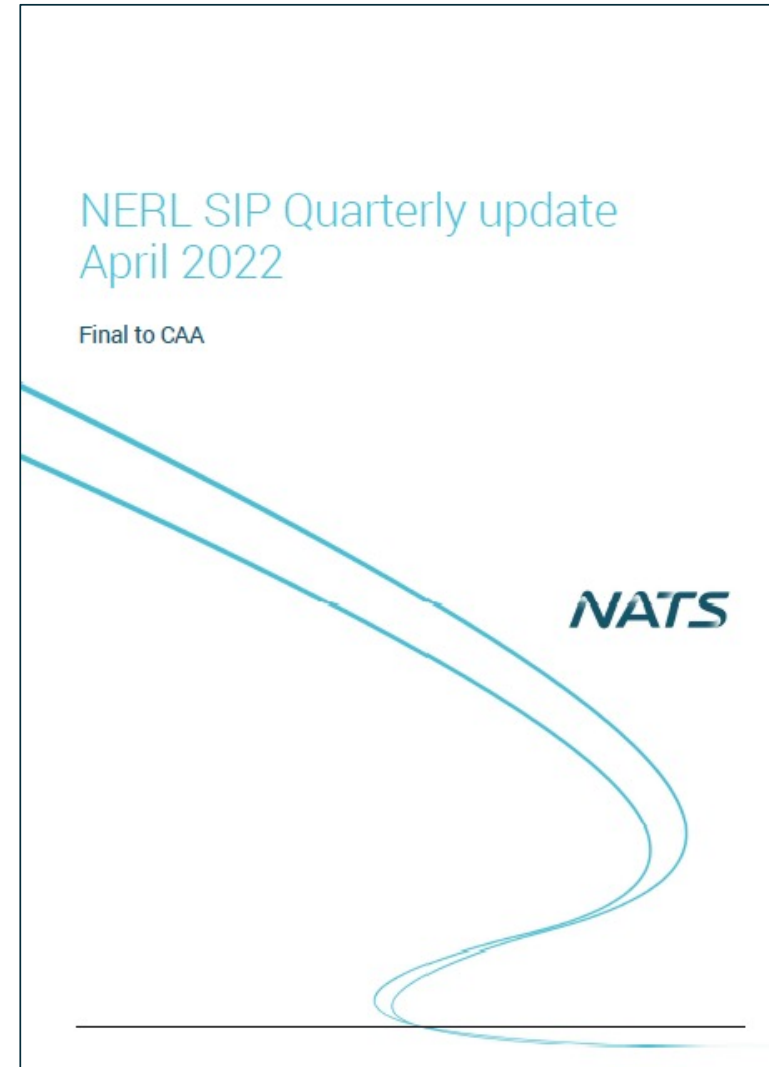
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Section 1

INTRODUCTION AND SCOPE

- Following the release of the NERL SIP Quarterly Update in April 2022, Egis, in its role as the CAA's Independent Reviewer (IR), is required to provide a high-level opinion on it.
- The SIP quarterly update follows the SIP 2022, issued in January, providing an update of NERL's investment plans, including its technology and airspace programmes for the remainder of RP3 and indicative plans for NR23.
- The review focuses on the content as well as structure and presentation of the document. It 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.



Section 2

OVERVIEW

The quarterly SIP update presents the updates since the SIP 2022. This section presents the IR's high-level comments.

Structure and presentation:

- The document structure is good, continuing the trend of improvements in SIP documentation. Previous IR comments on presentational aspects have clearly been considered and taken into account.
- In general, a good level of detail has been provided, with programme updates being clear and well presented.
- A much improved traceability to previous SIP22 forecasts and milestones has been implemented throughout the document. Any variations to the previous forecasts and milestones are well documented and adequately explained.
- The 'Take 5 review' [10] and Annex B [31] slides are welcome additions to the SIP documentation.
- Minor presentational points are:
 - NERL Service Performance KPAs have been simplified, however the safety performance graph still lacks a key/legend. It is also difficult to know if performance improved/deteriorated for 3Di and safety without an indication of what an increase/decrease means.
 - LTIP Programme overviews and anticipated benefits are welcome but not always presented in a consistent way. For example, explicit benefits are only clearly captured in [23]. We would welcome a more in depth reporting on the benefits.

Customer LTIP Dashboard:

- The changes to total milestones in scope for 'Airspace & Ops Enhancements' and 'Sustainment & Surveillance' are well documented in the programme updates, but [5] would also benefit from a note on these changes for traceability and clarity.

Programme updates:

- It is not always clear how the programme has progressed as some 'progress' elements are broadly the same as those reported in SIP22, such as on [16] and [18].
- Some risk updates would benefit from additional detail on the specifics and likelihood of major risks when identified, such as on [17].

Section 3

PROGRAMME SUMMARIES

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

DP En-Route & Voice	<p>The programme status remains red due to previously incurred delays, but further slips are also noted since SIP22. As a result of these, the forecast spend further decreased by £4m.</p> <p>The 'Take 5' review, which aims to review schedules and prioritise customer benefits is needed and welcomed. However, NERL should ensure that any new schedules are realistic and adequately consulted upon to reduce the risk of any further delays following such a review.</p>
Airspace & Ops Enhancements	<p>The delivery of important FRA deployment and SAIP AD6 milestones was achieved as planned and 3 other milestones are on track. The AMAN Headbranch FOS milestone still reports a delay, but has not incurred further slips since SIP22. Forecast spend remains £2m higher than the RP3 baseline.</p> <p>The Manchester TMA milestone now notes a 2-3 year delay compared to the RP3 baseline. Two additional OSEP milestones have been added, and a number have been removed from the RP3 baseline. The table presentation is confusing, as the text states there are nine RP3 milestones but there are only eight rows in the table as the 2 new OSEP milestone deployments have both been added in the same row.</p>
Sustainment & Surveillance	<p>The programme status remains amber due to previously incurred delays, with some slips also noted since SIP22. As a result of these, the forecast spend has decreased by a further £1m, bringing the total RP3 underspend to £9m.</p> <p>The NODE and DVOR milestones now report considerable delays (6 to 12 months). Three additional AIRAC deployment milestones had been previously added. The numbering of these milestones has been reverted to that of iSIP 21 following the IR comments on SIP22.</p>
Property & Facilities Management	<p>This programme and its two milestones are reportedly running to schedule, still with a £1m overspend in CY22 forecast spend due to essential Operations Asset refurbishment being bought forward from NR23. The 'progress last quarter' brief is similar to that provided in SIP22, and the wording lacks any mention of the rename of "Enabling agile working" to "Property consolidation enabling works", which can be misleading.</p>
Information Solutions	<p>This programme continues to report an amber status due to the STAR milestone which is undergoing software defect reviews with the supplier. This milestone has been delayed 9 months to Dec 2022, although positively, the ERP milestone was completed ahead of schedule. The forecast spend remains £2m lower than the baseline due to a review of SAAS accounting techniques.</p> <p>Given the expected Dec 2022 delivery of the final milestone, it is unclear how a green status is expected to be reported in Q2-2022, especially considering the associated risk noted in the 'risk update'. NERL has told us that the amber status is due to supplier delivery risk that it is hoping to mitigate.</p>
Simulation Transformation & Sustainment	<p>This programme will replace end-of-life simulation systems and is still in the 'identify' phase, which has incurred further delays since SIP22. However, this delay is not reportedly affecting the end of the 'define', which was added as a milestone in SIP22 following the IR recommendations.</p> <p>The 'progress last quarter' and 'lookahead to next quarter' briefs are similar to that provided in SIP22, making it unclear what exactly has changed since.</p>
Oceanic	<p>The programme has moved to a red status due to previously reported supplier cost risks, but more importantly due to the inability to finalise the project definition (PD) phase with NAVCANADA. An underspend of £1m in CY22 remains unchanged from that reported in SIP22.</p> <p>Currently, only a 6-9 month slip is noted. However, given the apparent lack of certainty around the PD, a programme review (similar to that carried out for DPER & Voice) may be necessary should the PD not be completed this summer.</p>
iTEC Collaboration	<p>The final milestone of the programme has slipped 2 months, although it is not entirely clear what the reasons of this delay are. Forecast spend for CY22 remains unchanged.</p> <p>As previously recommended, NERL should ensure 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>

CONTACTS

Nick McFarlane – Senior Advisor

nick.mcfarlane@egis-group.com

[**www.egis-group.com**](http://www.egis-group.com)



Maja Marciniak – Principal Consultant

maja.marciniak@egis-group.com

Will McMaster – Senior Consultant

william.mcmaster@egis-group.com

