

SADIS COST RECOVERY & ADMINISTRATIVE GROUP (SCRAG)

FOURTH MEETING

(Bangkok, 4th and 5th November 2003)

2002 ACTUAL SADIS COSTS

(Presented by the United Kingdom)

REFERENCES

SADIS Agreement

SCRAG/1/2/3 Reports

SADISOPSG/8 Executive Summary

1. INTRODUCTION

1.1 Article IX of the SADIS Agreement identifies that the United Kingdom shall furnish on or before 30 June of each year, a statement of the actual costs of the SADIS, expressed in pounds sterling, for the previous calendar year. These costs are identified in **TABLE 1**. Increases due to the rate of inflation, as measured by the Retail Price Index (RPI) are included 2002 and 2003.

TABLE 1: 2002 & 2003 SADIS COSTS

Table 1	2002 (1/1/02 to 31/12/02) Actual in £	2002 Estimate in £ (SCRAG/2 Report, Appendix E)	2003 (1/1/03 to 31/12/03) in £ Forecast Out-turn Including 2003 estimated RPI	2003 Estimate in £ (SCRAG/3 Report, Appendix F)
<u>ANNUAL STAFF COSTS</u>				
Help Desk	39928	38534	40926	39191
Engineer	3194	3083	3273	3135
Network Computer Eng.	31942	30827	32740	31352
Executive Officer	33807	32627	34652	33183
Support Specialist	43028	41527	44103	42234
2G Trial			43239	40000
2G+ Development			4000	
<i>SUB- TOTAL</i>	151899	146598	202933	189095
<u>SERVICES</u>				
Satellite Segment	96067	96067	96067	96067
Annual Maintenance	52000	40000	34015	52000
Message Switch	30000	30000	27300	30000
Two-Way Trial	700	0	0	0
<i>SUB TOTAL</i>	178767	166067	157382	178067
<u>COST OF DEPRECIATED CAPITAL</u>				
- existing	0	0	0	0
- Two Way	75000	90500	0	0
<i>SUB-TOTAL</i>	75000	90500	0	0
SUB-TOTAL UKMO	405666	403165	360315	367162
CAA Administration	19573	18000	20000	20000
ICAO Administration	15843	20000	20000	20000
NATS Gateway	0	0	85328	53344
TOTAL	£441082	£441165	£485643	£460506

2. DISCUSSION

2.1 Actual Costs for 2002.

2.1.1 Staff Costs.

The Met Office Annual Staff costs in Column 2 of Table 1 have been derived by taking the 2001 actual figures presented to SCRAG/3 and inflating this cost by the actual UK Retail Price Index for the period December 2001 to December 2002. The final out-turn for 2002 reflects an actual inflation rate (RPI) of 2.9% compared to the original mid-year estimate of 1.0% for 2002.

Table 2. UK Retail Price Index

Month	UK RPI	Annual Change
Dec 2000	172.2	
Jun 2001	174.4	
Dec 2001	173.4	+0.7%
Jun 2002	176.2	+1.0%
Dec 2002	178.5	+2.9%
Jun 2003	181.3	+2.9%

Source: www.statistics.gov.uk

2.1.2 Services

The *routine* maintenance costs for the service have increased to circa £44K per annum from 2001. *Additional* maintenance costs include the repair and minor modification of service infrastructure, and the rental of additional floor space at Whitehill for communications equipment. In 2002, the annual maintenance cost of £52,000 comprises £40,500 for fixed maintenance charge, £6,300 for rental of additional rack floor spacing, and £5,200 for repair of redundant equipment by Astrium.

Costs for the Satellite segment and the message switch remain unchanged.

A cost of £700 was incurred for staff time in association with the two-way trial during 2002. This comprised two days of effort at a cost of £350 per day. This compares with a Forecast Outturn of £2000 in WP4 to SCRAG/3 and reflects the reduced amount of effort on this project.

2.1.3 Depreciated Capital

There are no changes to the figures for depreciated capital approved at SCRAG/3.

2.1.4 The 2002 UK CAA actual administrative costs are made up of:

Met Technical Expert (5% of Expert)	5,800
Invoicing/Credit Control (5% of Admin post)	1,780
General Administration (5% of Manager, 5% of Admin post)	6,620
Travel Costs (SCRAG Meeting in Bracknell)	185
Bank Charges	111
Interest Payable	5,077
Total	19,573

2.1.5 The 2002 ICAO actual administrative costs are detailed in WP/5.

2.2 Forecast Outturn for 2003

2.2.1 Staff Costs

Staff Costs for 2003 have been estimated by taking the 2002 actual costs and applying an inflator of 2.5%, slightly less than the mid-year inflation rate of 2.9%.

The cost of the **2G trial** for 2003 is estimated at £43,239. The project costs will be over budget by £3,239 due to the high cost of monitoring software and the continued requirement for IP configuration development.

An additional cost of £4,000 is included for **2G+ Development**. This is the cost of an external consultant to advise on the technologies available for a 2-way, second generation facility, as approved by SADISOPSG/7.

2.2.2 Services

Costs for the **Satellite Segment** will be the same in 2003 as 2002.

In 2003, the annual **maintenance cost** is expected to be £34,015, considerably less than 2002 due to re-negotiation of the main maintenance contract. The costs comprise:-

Lease of second SADIS rack	£6,300
Astrium Maintenance Charge (1 Jan to 1 Dec 2003)	£23,625
Cable & Wireless Maintenance Charge (1 Aug to 31 Dec)	£4,090
Total Maintenance Cost for 2003	£34,015

n.b. any additional ad-hoc maintenance required by Astrium will incur extra charges

Costs for the **Message Switch** in 2003 are expected to be £27,300. This comprises:-

TROPICS Message Switch Cost (1 Jan - 31 Mar 2003)	£7,500
FROST Message Switch Cost (1 Apr - 31 Dec 2003)	£19,800
Total Message Switch Costs	£27,300

2.2.3 Other Costs

CAA and ICAO Administrative Costs are estimated at £20,000 each.

NATS Gateway costs, as provided by NATS and based on earlier than originally expected operational date of July 2003.

3 ACTION

3.1 The SCRAG/4 is requested to note the cost information provided by the United Kingdom and approve for them to be recovered from States within the Cost Recovery Scheme.