

Skyguide COVID-19: audit of the implementation of required cost savings with the "Virtual Centre"

Skyguide, Federal Finance Administration, Federal Office of Civil Aviation

Key facts

The COVID-19 pandemic had a substantial impact on Skyguide. The lockdowns and travel restrictions imposed had the effect of reducing air traffic, and therefore revenues. This led to a tight equity and liquidity situation. The Federal Council financially stabilised Skyguide with a capital increase of CHF 150 million in 2020, and with a loan of CHF 250 million with a subordination option in 2021. In return, the Federal Council expected it to make efforts to cut costs. Skyguide communicated a savings target of between CHF 120 million and CHF 130 million by means of various measures, one of which was the "Virtual Centre" programme that aimed to make efficiency gains of CHF 21 million by 2024. The objective of the Virtual Centre was to harmonise and modernise air traffic management from the technology on the ground and the operational procedures, through to airspace design. The Swiss Federal Audit Office (SFAO) audited the cost savings achieved with the Virtual Centre.

Delays are impeding the realisation of significant savings up to 2024

The SFAO was able to follow how the savings amount communicated was derived. Delays in the Virtual Centre programme mean that the efficiency gains will take effect later than planned, and that it will not be possible to make any savings up to 2024. Skyguide has informed the owner's representatives of the delays and is drawing up a plan to accelerate the implementation of individual measures.

The effective savings contribution is lower

The savings contributions achieved through the different measures are not reported individually. Instead, Skyguide calculates the total savings contribution by comparing the actual costs with the financial plan for 2020–2024 (savings tracker). This calculation method takes extraordinary effects into account that were not foreseeable when the basis was defined. These extraordinary effects are significant in proportion to the reported savings contribution. This means that the total expense is reduced to a lesser extent than the reported savings contribution. Delays in programme expenses are not taken into account either. The savings reported are therefore too high.

Skyguide's financial situation needs to be re-evaluated

The delays in the Virtual Centre are making it harder to comply with the EU's efficiency requirements in the context of the performance plan, and thus posing supervisory challenges. Skyguide's financial situation needs to be re-evaluated by its owner.

Original text in German