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STATUTORY INSTRUMENTS

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**2014 No. 3337**

**The Single Source Contract Regulations 2014**

**PART 6**

**Reports on overheads and forward planning etc**

**QBU estimated cost analysis report**

**37.**—(1) The designated person must provide, for each relevant financial year, a QBU estimated cost analysis report for each QBU that was a QBU of the designated person in the relation to the financial year immediately preceding the relevant financial year.

(2) In the case of a pricing QBU, the report must be provided with the estimated rates claim report for that pricing QBU for that relevant financial year.

(3) In any other case, the report must be provided either—

(a) three months after either—

(i) the end of the relevant accounting period, or

(ii) the date on which the ongoing contract condition was first met in relation to the relevant financial year,

whichever is the later; or

(b) by agreement with the Secretary of State, a date within three months after the end of the period described in paragraph (a).

(4) The Secretary of State may by written notice require the designated person to provide a further QBU estimated cost analysis report for any one or more QBU for the relevant financial year.

(5) The designated person must provide a further QBU estimated cost analysis report within a month of receiving a notice under paragraph (4).

(6) The Secretary of State may only require one further QBU estimated cost analysis report for any one QBU in a relevant financial year.

(7) The report must contain the following information (“costs analysis information”) for the relevant accounting period—

(a) a quantified analysis of the total estimated operating costs for the QBU, showing the amount of each type of cost (including activity costs) and, for each type of cost, the amount attributable to each business function;

(b) an analysis of estimated staffing costs relative to business function;

(c) a quantified analysis of the total estimated revenue for the QBU, presented in the following categories—

(i) revenue from any qualifying defence contract or qualifying sub-contract;

(ii) revenue from any other defence contract;

(iii) any other revenue;

- (d) estimated values for all cost recovery bases that have been used to calculate the cost recovery rates which will be calculated for that QBU and for which it is anticipated that a claim will be made during a future relevant accounting period; and
  - (e) estimated values for the cost recovery rates.
- (8) The report must contain—
- (a) an explanation of any differences between the actual costs analysis information in relation to the financial year immediately preceding the relevant financial year and the estimated costs analysis information for the relevant financial year; and
  - (b) a description of material future initiatives that may be included in any future actual rates claim report or estimated rates claim report, and for each initiative an explanation of the estimated impact on the costs analysis information over the next five periods in respect of which financial accounting statements are expected to be produced for the QBU.