



Defence Reform Act 2014

2014 CHAPTER 20

PART 2

SINGLE SOURCE CONTRACTS

Transparency

25 Reports on overheads and forward planning etc

- (1) Single source contract regulations must require a designated person, for a financial year in relation to which the ongoing contract condition is met, to provide the reports mentioned in subsection (2)—
 - (a) to the Secretary of State or an authorised person, and
 - (b) to the SSRO.
- (2) The reports referred to in subsection (1) are—
 - (a) reports relating to the overhead costs and forward planning of—
 - (i) a person (“P”) who is a party to one or more qualifying defence contracts, and
 - (ii) any person with whom P is associated, where that person provides anything for the purposes of any qualifying defence contract to which P is a party, and
 - (b) other reports of a specified description.
- (3) In this section, “designated person” means—
 - (a) where P is associated with one or more other persons, the ultimate parent undertaking in relation to P and those other persons, and
 - (b) otherwise, P.
- (4) A requirement imposed by virtue of subsection (1) does not apply unless—
 - (a) in a case where P is associated with other persons, P or any of those other persons is a party to at least one qualifying defence contract the value of which is of or above the amount specified in the regulations, or

Status: Point in time view as at 05/12/2014. This version of this provision has been superseded.

Changes to legislation: Defence Reform Act 2014, Section 25 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (b) in a case where P is not associated with other persons, P is a party to at least one qualifying defence contract the value of which is of or above that amount.
- (5) The “ongoing contract condition” is met in relation to a financial year if, at any time in that year, obligations relating to the supply of goods, works or services under one or more of the qualifying defence contracts referred to in subsection (4)(a) or (b) (as the case may be) are outstanding.
- (6) The regulations—
- (a) must specify the matters to be covered in reports;
 - (b) must make provision about when reports are to be provided (which may include provision for the Secretary of State or authorised person and the designated person to agree when particular reports are to be provided);
 - (c) may make provision about the form of reports (which may or may not be electronic);
 - (d) may require designated persons to have regard to guidance issued by the SSRO in preparing the reports.
- (7) The requirement to provide a report does not apply in cases specified in the regulations.
- (8) The Secretary of State may direct that a particular contract is not to be taken into account in determining whether the ongoing contract condition is met in relation to a financial year.
- (9) An undertaking is the “ultimate parent undertaking” for the purposes of subsection (3) in relation to two or more persons who are associated with each other, or in relation to itself and one or more persons who are associated with it, if the undertaking—
- (a) is a parent undertaking of those other persons, and
 - (b) is not a subsidiary undertaking in relation to another undertaking.
- “Parent undertaking” and “subsidiary undertaking” have the meanings given by section 1162 of the Companies Act 2006.

Commencement Information

- I1** S. 25 in force at 14.7.2014 for specified purposes by S.I. 2014/1751, art. 4(j)
- I2** S. 25 in force at 5.12.2014 in so far as not already in force by S.I. 2014/3162, art. 3(c)

Status:

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