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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**

**Strategic industry capacity report: forecast costs of maintaining industrial capacity**

**43.**—(1) The information described in each paragraph of this regulation may be expressed either—

- (a) for each of the sites described under regulation 42(1)(b), or
- (b) for each QBU,

and is only required for those sites or QBUs (as the case may be).

(2) The strategic industry capacity report must contain—

- (a) a description of forecast costs for the five years following the last day of the designated person's accounting period, and a description of any anticipated changes in accounting policies or business practices that could have a significant effect on those costs;
- (b) a description of forecast labour requirements for those five years;
- (c) if cost recovery rates are used for any QBUs, an estimate of what those rates are likely to be for each such QBU over those five years;
- (d) a description of any policy—
  - (i) to employ apprentices or recent graduates,
  - (ii) to provide staff bonuses,
  - (iii) for training and development of personnel,and the approximate cost of that policy;
- (e) an explanation of the reasons for any material changes in the cost of maintaining industrial capacity; and
- (f) a description of any likely event or change in circumstances relating to qualifying defence contracts, qualifying sub-contracts or other defence contracts which could have a material effect on the ability of the designated person to maintain its industrial capacity.

(3) The information required by paragraph (2) must be presented in the following categories—

- (a) qualifying defence contracts or qualifying sub-contracts;
- (b) other defence contracts;
- (c) all other contracts.