

SSRO

Single Source
Regulations Office

User Guide for Estimated Rates Claim Report

Introduction

1. Introduction

- 1.1 This document is issued by the Single Source Regulations Office (SSRO) and sets out guidance to assist contractors with statutory reporting requirements for qualifying defence contracts and qualifying sub-contracts.
- 1.2 Statutory reporting requirements are set out in the Defence Reform Act 2014 (the “Act”) and the Single Source Contract Regulations 2014 (the “Regulations”).
- 1.3 Regulation 36 requires an estimated rates claim report be provided for the qualifying defence contract.

2. Reporting Timeline

- 2.1 The report must be provided three months after either of (whichever is the later):
 - (1) The end of the relevant accounting period, or
 - (2) The date on which the ongoing contract condition was first met in relation to the relevant financial year;or
- 2.2 A date agreed between the Secretary of State and the designated person, which is within three months after the end of the period described above.

3. General Guidance for completing report templates

- 3.1 Regulation 31 (2) requires all reports under Part 6 of the Regulations are subject to section 25(4) of the Act (minimum value of the qualifying defence contract for reporting requirement to be imposed). The amount specified for the purpose of that subsection is:
 - (1) for the financial years ending on 31 March 2016 and 31 March 2017, £20,000,000;
 - (2) for subsequent financial years, £50,000,000.
- 3.2 Provide information from your own systems and submit the report in electronic form. There is no Excel template provided for this report.
- 3.3 The report must be provided to the Secretary of State and the SSRO.
- 3.4 Be sure to include all information mentioned in the guidelines below.
- 3.5 If you encounter any problems or have any questions regarding the user guide, please contact helpdesk@singlesourceregulationsoffice.gov.uk (not yet set up).

4. Report Submission Admin

Include the general report contents required under Regulation 33. This includes basic information for the contract, such as dates, individuals, and other general information or comments relevant to the estimated rates claim report, as specified under Regulations 33 and 36.

4.1 Individuals

- (1) Include the name, position and contact details of –
 - (a) the individual submitting the report; and
 - (b) the individual to be notified if any compliance notice or penalty notice is issued in relation to the contract.

4.2 Dates

- (1) Include the date the report is due.
- (2) Include the date the report is submitted.
- (3) The relevant financial year to which the report relates.

5. Reporting Business Unit - Basic Reference Data

Regulation 33 (2) requires the estimated rates claim report to provide details of the Qualifying Business Unit (QBU). The required information is detailed below.

5.1 QBU data and information

- (1) Include the name of the QBU to which the report relates.
- (2) Include the reporting business unit address. This must be the address where any correspondence relating to the report is sent.
- (3) The relevant accounting period to which the report relates.

5.2 Staffing related information

- (1) Provide the total number of employees.
- (2) Include the proportion of the cost of employing those employees recovered through cost recovery rates, and the proportion recovered through direct costs.
- (3) Include the total numbers of contractors, meaning any individual providing services under contract for the purposes of activities undertaken by a QBU, but not employed by the designated person or any person associated with the designated person.
- (4) Include the proportion of the cost of engaging those contractors recovered through cost recovery rates, and the proportion recovered through direct costs.

6. Report Content

Regulation 36 (3) requires the following information to be included in the estimated rates claim report.

6.1 Cost recovery rates and bases

- (1) Provide a list of all cost recovery rates which have been calculated for that QBU and for which it is anticipated that a claim will be made during a future relevant accounting period.
- (2) Include a list of all the cost recovery bases that have been used to calculate the cost recovery rates described above.

- (3) Describe any deviation from the relevant statutory guidance in calculating those cost recovery rates.

6.2 QBU approved internal budget

- (1) Include the QBU's budget, approved in accordance with the QBU's internal budgetary procedures, including a quantified analysis by the categories used in the QBU's financial statements and supporting accounting schedules.

6.3 Adjustment Analysis

- (1) Provide a quantified analysis of the adjustments made between the budget and costs claimed for recovery through cost recovery rates.
- (2) Provide a quantified analysis of any adjustments for costs incurred or forecast for one relevant accounting period but recovered in other relevant accounting periods.
- (3) Include a quantified analysis of QBU costs estimated to be recovered as direct costs under any qualifying defence contract, qualifying sub-contract, or other defence contract.
- (4) Include a quantified analysis of QBU estimated costs allocated to each cost recovery base listed previously.

6.4 Calculations

- (1) Provide a calculation of the estimated amount of each such recovery base.
- (2) Include a calculation for each estimated cost recovery rate, including, for each such rate:
 - (a) the total estimated cost claimed and the cost recovery base which has been used to calculate it; and
 - (b) the estimated amount of each such cost recovery rate.