SSRO

Single Source
Regulations Office

Reporting templates and user guides

Response to Consultation

27.03.15

Introduction

1. Background

The statutory requirement for reporting is outlined in the Defence Reform Act 2014 (the "Act") and is defined in the Single Source Contract Regulations 2014 (the "Regulations").

The SSRO will be issuing finalised report templates and user guides to assist contractors when completing the statutory required reports for qualifying defence contracts and qualifying sub-contracts. The report templates have been created as defined in the Regulations and the high level user guides are provided to assist the completion of the statutory required report templates.

It should be noted that it is the first time report templates will be used for qualifying defence contracts and qualifying sub-contracts. This new requirement, embedded within the Act, Regulations and Single Source Procurement Framework, is replacing a framework that has been in place since 1968. We therefore expect a high level of interest in any report templates produced. We are grateful to all those stakeholders who provided responses to our consultation.

2. Our Approach

In producing the report templates and user guides the following approach was taken:

- reviewing all relevant sections of the Act, Regulations and Single Source Procurement Framework and the background to these;
- commissioning a legal review to ensure consistency with Act and Regulations;
- using plain English; and
- building on the report templates that MOD and defence contractors have been discussing and inputting to over last two years

The user guides simplify and explain the report templates, while referencing the relevant item in the Regulations for context.

The Consultation

3. Consultation Process

On 26 February 2015, the SSRO issued its draft reporting templates and user guides for qualifying defence contracts and qualifying sub-contracts.

In carrying out this consultation we sought to ensure that as many people and groups as possible had the opportunity to contribute their views and publicised it on the Gov.uk website (https://www.gov.uk/government/consultations/qualifying-defence-contracts-reporting-templates-and-user-guides), and emailed our existing stakeholder contacts. To aid the consultation process, we provided a consultation response form at the same time.

In total, we invited 88 stakeholders to respond to our consultation, including; government bodies, defence industry contractors, think tanks, trade associations and regulatory bodies.

The consultation closed on 19 March 2015. This document summarises the feedback we received and the action we have taken.

4. Breakdown of Responses

In total we received 15 responses from various stakeholders, the breakdown of which can be seen in Table 1.

Whereas the majority of respondents used the consultation form provided, some elected to provide more detailed additional feedback. We have considered all the feedback received.

Table 1

	Number of Stakeholders invited to comment	Total Number of Responses received	Percentage of responses received
Government	1	1	100
Industry	68	11	16
Regulators/ Other Government Bodies	6	0	0
Trade and Professional Associations and Think Tanks	7	1	14
Research/ Academics	3	0	0
Other	0	2	N/A
Media	3	0	0
Total	88	15	17

The responses gave the SSRO an understanding of organisations' views on the draft reporting templates and user guides and suggested some alternative approaches. It has not been possible to include and respond to every comment received in this document. However, we have tried to include as many as possible by grouping together the main themes and responding to these.

5. Key issues raised by the respondents

The responses were thorough and included views both on the consultation questions we asked on the draft guidance's structure, clarity and other areas included in our report templates and user guides.

Issue	Description of Issue	Response
Security markings	To include appropriate security markings and handling instructions highlighting the criminal offence for unauthorised disclosure.	We will include the following wording: "OFFICIAL – SENSITIVE – COMMERCIAL. The disclosure of protected information included in this report in circumstances not permitted by Schedule 5 of the Defence Reform Act 2014 is a CRIMINAL OFFENCE."
Version Number	To include a strict process for version control.	We will include a version number on both the report templates and user guides. We agree that this will be useful when updates to the documents are made.
Worked example	Many respondents stated that a worked example would be useful.	We have not been able to prepare any worked examples for the completion of the report templates at this stage. Worked examples will be included in future updates to the user guides.
Currency	The reports are required in GBP. How is this to be achieved for a foreign currency entity?	It is a requirement for all contract reports to be included in sterling in accordance with Regulation 22(8) which states "Except where otherwise provided in this Part, any reference to money in a report must be expressed in sterling." The conversion should be in accordance with Regulation 5(4)(c) which states "convert any amounts payable under the contract in a foreign currency to sterling, using a rate consistent with the contracting authority's accounting policies."

Issue	Description of Issue	Response
Duplication of existing reports	Respondents replied that some of the requirements were duplications of existing reports, such as the 'SME report' that is currently submitted to the Cabinet Office, and the 'Rates Comparison Report'.	The reports included in Part 5 and 6 of the Regulations are legally required for all qualifying defence contracts.
Submission of reports	Respondents were asked if a secure online portal would be the easiest way to submit the reports.	50 per cent of the respondents agreed that this was the easiest way to submit reports. Security issues were raised by respondents. This is to be discussed at an operational working group with industry, MOD and the SSRO's outsourced secure data management supplier.
Excel reports	Respondents were asked if they thought the report templates should move away from Excel.	79 per cent of respondents wanted the templates to stay in Excel format. This is to be discussed at an operational working group with industry, MOD and the SSRO's outsourced secure data management supplier.

6. Overall response to feedback

In making its decision about whether to make any changes to the reporting templates and user guides, the SSRO considered the intention behind the Act, Regulations and Single Source Procurement Framework.

The feedback received was helpful. We have taken a balanced approach to our revised templates and user guides to ensure that future single source defence contracting is supported.

There were numerous specific clarifications requested in the consultation responses. These have been reviewed and additional clarifications will be added to the user guides as they are developed.

All comments received were considered, and those of relevance have led to amendments to the documents – especially where it was apparent that possible confusion could arise from the original wording.

Overall, we are confident that the User Guides and Report Templates are more robust documents, with clearer guidance, as a result of the consultation.

Next Steps

The reporting templates and user guides will be published as 'Final' by 31 March 2015.

The SSRO will continue to review and update the reporting templates and user guides to take into consideration any lessons learnt. We will provide supplementary guidance setting out worked examples and other issues on the reporting templates and user guides as they materialise. Any updates will be published on the SSRO's website.

In addition, we have established an operational working group with the MOD, industry representatives and our outsourced specialist secure data management partner to discuss and put into place the arrangements for the collection of the reporting data.