

SSRO

Single Source
Regulations Office



Corporate Plan 2018-2021

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Who we are

The Single Source Regulations Office or SSRO is an executive non-departmental public body, sponsored by the Ministry of Defence (MOD). We play a key role in the regulation of single source, or non-competitive defence contracts.

The MOD spends significant amounts on single source defence contracts (approximately £8.1 billion in 2016/2017) and these contracts typically represent more than 50% of new defence contracts each year. It is vital that single source contracts efficiently deliver the goods, works and services the UK government needs for defence purposes.

The Defence Reform Act 2014 created a regulatory framework for single source defence contracts. The framework places controls on the prices of qualifying contracts and requires greater transparency on the part of defence contractors.

The SSRO is at the heart of the regulatory framework, supporting its operation. When undertaking our statutory functions we aim to ensure:

Good value for money for the taxpayer is obtained in government expenditure on qualifying defence contracts.

Persons who are parties to qualifying defence contracts are paid a fair and reasonable price under those contracts.

Our values

Independent

We occupy an important space between government and industry, speaking and operating freely in the delivery of our statutory functions.

Transparent

The SSRO operates openly and transparently, and is proactive in engaging with our stakeholders and the public. We ensure the confidentiality of sensitive information we hold is protected.

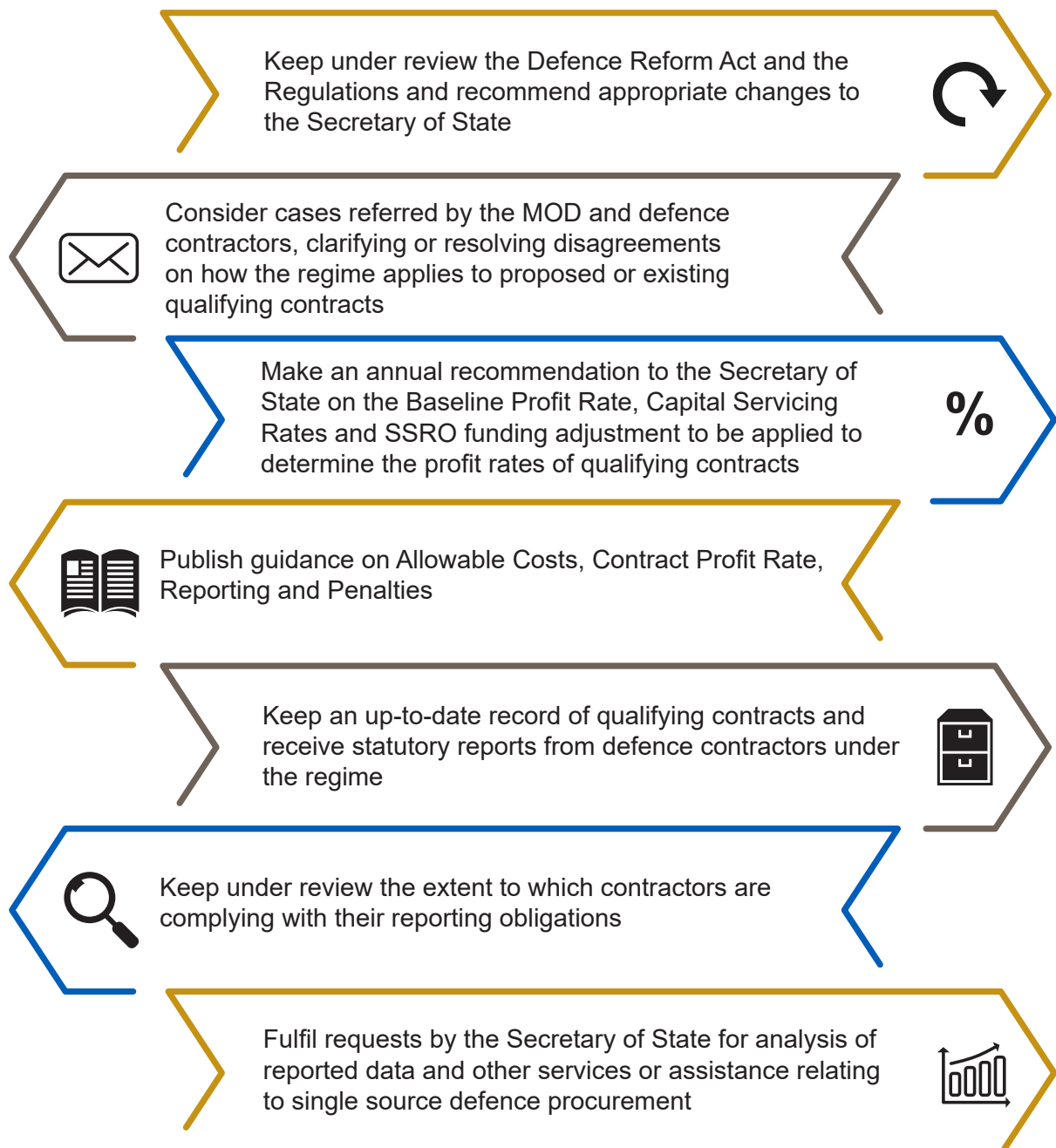
Authoritative

We use data and analysis effectively and compellingly. We seek to be authoritative and professional in the delivery of our statutory functions.

Delivering our statutory functions

The SSRO works constructively with both the MOD and industry to deliver our statutory functions and improve single source defence procurement. We take an evidence-based approach that relies on extensive engagement and analysis of high quality data.

The SSRO does not itself generate savings and does not have any targets to do so. We support the regulatory framework that drives efficiencies and savings in single source contracts while also providing single source suppliers with a fair and reasonable price for their work.



The story so far

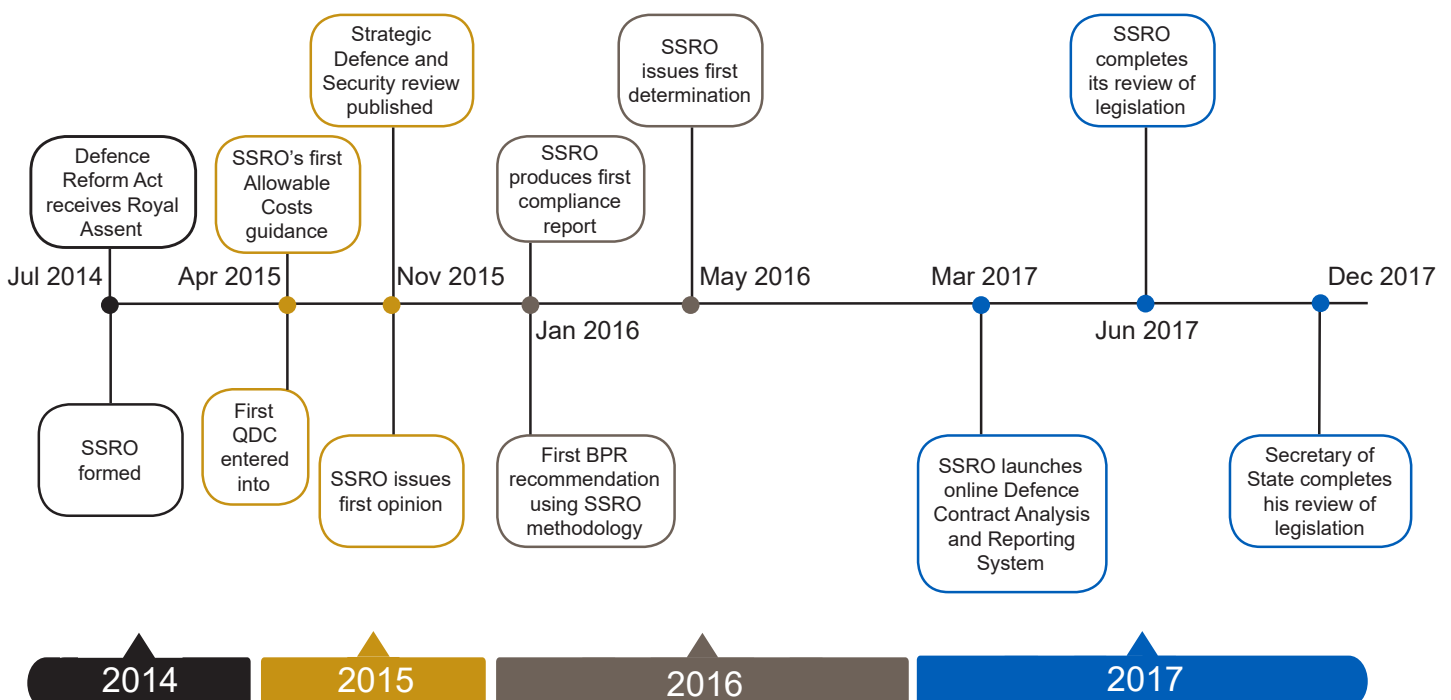
The government introduced the Defence Reform Act 2014 following a review that identified the need for improvements in single source defence contracting. The SSRO was created in July 2014 and the single source contract regulations took effect in December 2014. Since then, at 31 December 2017, 125 qualifying defence contracts (105 contracts and 20 sub-contracts) with a combined value of £24.4 billion have been brought within the single source regulatory framework and reports have been provided by contractors.

125 qualifying defence contracts with a value of £24.4 billion

£1.7 billion of savings over ten years, £637 million by 2020

The MOD published a Strategic Defence and Security Review in December 2015, which identified the need for additional capability and equipment. The MOD's current Equipment Plan relies in part for its affordability on the MOD being able to realise £1.7 billion of savings over ten years from the application of the single source regulatory framework, £637 million of these savings by 2020.

The regime continues to attract interest from parliament, government and the media. In 2017/18 the Defence Select Committee and the National Audit Office examined and reported on non-competitive defence procurement and the associated regulatory framework, and noted the important role the SSRO plays. The timeline below summarises key events since the Defence Reform Act 2014.



Key SSRO actions

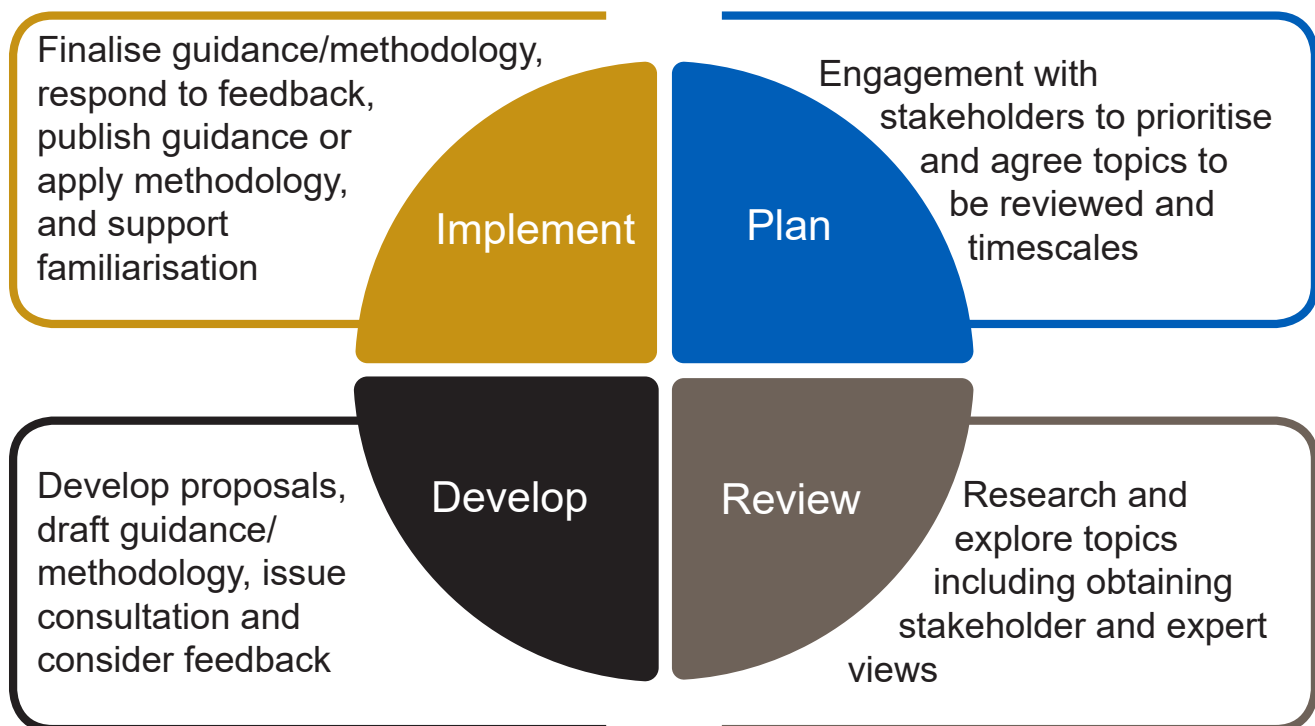
- **Statutory guidance issued** on Allowable Costs, contract profit rates, reporting and penalties, developed in consultation with stakeholders.
- **Expert opinions and a determination** issued on questions referred by the MOD and defence contractors.
- **A new more robust methodology** for establishing an annual baseline profit rate.
- **A fundamental review** of the Act and Regulations, with recommendations for change to the Secretary of State.
- **The Defence Contracts and Reporting System (DefCARS)** developed and implemented with input from defence industry and MOD users, providing an easy to use, secure means of submitting statutory reports.
- **Studies of key topics**, such as risk and incentives in single source defence contracts.
- **Three annual reports** on the effectiveness of the operation of the regulatory regime based on a methodology for reviewing the extent to which defence contractors are meeting their obligations under the regime.

Our priorities for 2018-21

This Corporate Plan includes seven objectives that are explicitly linked to the delivery of one or more of our statutory functions. The Plan includes two supporting objectives related to stakeholder engagement and resources, both of which are essential to successful delivery. To indicate our strategic intent we have included a 'What good will look like' section for each of our objectives. These sections include both items that are already in place and items that we will be working to achieve over the life of the plan.

Our emphasis on effective engagement and continuously improving how we engage will continue throughout the life of this Plan. We will prioritise our work and activities in consultation with industry and the MOD and we will use their feedback and input as a key part of the evidence base in developing the delivery of our statutory functions.

The delivery of the SSRO's statutory functions is kept under review and a standard approach adopted to development (see diagram below). Timescales for completing this cycle will vary for each project.



We will continue to develop our methodology for assessing the baseline profit rate (BPR), SSRO funding adjustment (FA) and capital servicing rates (CSRs) over the period of this Plan by reviewing aspects of it on a clear and systematic basis, engaging our stakeholders in the process.

In discussion with stakeholders we will continue to produce clear, applicable and useful guidance which supports the optimal working of the regulatory framework.

We expect other stakeholders including the National Audit Office, the House of Commons Defence Select Committee and the Public Accounts Committee to continue to take an interest in all our work.

We continually seek to increase our knowledge and understanding of the defence industry and how it operates. This will remain a focus of our work, recruitment and engagement. We will keep our skills current and relevant and review strategies to achieve this.

We expect growth in the number and complexity of the issues that will be referred to us for an opinion or determination. We will refine our processes and our resourcing model so that we can always provide high quality, timely responses to referrals.

In keeping under review how defence contractors are complying with reporting obligations, we will highlight examples of good practice that could benefit the wider industry. We will work constructively with the MOD and industry to drive up the quality of reported data and support the benefits derived from its use. Reporting requirements will be kept under review engaging with stakeholders to ensure that reports provide transparency but are not necessarily burdensome. Further development of our DefCARS online reporting system and exploiting the data it contains will also be a key element of our work.

The completion of the Secretary of State's review of the Act and Regulations may lead to changes, particularly in the SSRO's guidance. As the timing of legislation or other changes become clear we will take care that implementation takes place in a planned way, alongside other ongoing work, and with appropriate levels of engagement. Extensive changes could impact on the timings of our other work.

It is anticipated that there will be a Tailored Review of the SSRO before the end of this Parliament. The SSRO will actively participate in this Review and the development of any amendments to our Framework Document as and when this happens.

In prioritising our work we will consider the following:

Maximising impact: There are many interdependencies and linkages between our statutory functions (for example, objectives 5, 6 and 7). Our work on one of these will frequently contribute to the delivery of a number of our other functions. When planning the SSRO's programme, we will prioritise work that has the maximum impact on the delivery of all of our functions.

Building our evidence base: Gathering high quality data and intelligence from a range of stakeholders through visits to contractor's facilities, workshops, consultation responses, referrals, statutory reports, joint working and open source information to inform the content and timing of our work.

Building capacity: Refining our processes and skills, as well as acting on lessons learned, so that we are continually improving our capacity to undertake our work.

Our objectives

Objective 1

Provide authoritative responses to referred matters within target timeframes



The SSRO is required by the Act to consider and respond to matters referred to us by the MOD and industry in relation to proposed or existing qualifying contracts. The types of referral are varied and may involve requests for expert opinions or

determinations, or appeals against assessments made under the regime. Issues that may be raised include the appropriateness of adjustments used in calculating a contract profit rate and the extent to which a cost is allowable in a contract.

Our decisions add value by assisting contracting parties to apply the regulatory framework, providing clarity in difficult areas and helping to resolve disagreements. Referrals provide an evidence base that assists the SSRO with the conduct of its key functions, such as keeping the legislation and statutory guidance under review. The SSRO publishes information about referral decisions so that all stakeholders can learn from each case.

We are committed to completing all referrals in a professional and timely manner. We aim to complete referrals within published timeframes, but our experience suggests it is appropriate to set case-specific timeframes for each referral depending on complexity, scope and urgency.

KPIs

Final determinations and opinions are issued within the target timeframe

Target
100%



Feedback from parties to a referral is positive and indicates satisfaction



What good will look like

- Early engagement when contracting parties are considering a referral. This should facilitate a greater understanding of expectations, including timeframes and submission requirements, benefiting all parties.
- Reasonable timeframes for dealing with each referral are made clear to the contracting parties and referrals are completed within these.
- Appropriate resource levels and skills are applied to deliver decisions by expected timeframes.
- Information is published about each referral so that all stakeholders can learn from each case.
- Referral outcomes inform delivery of the SSRO's wider functions and feedback from parties is used to improve the way referrals are carried out.
- The SSRO is respected by stakeholders as a source of authoritative and expert judgements on referrals which add value.

Objective 2



Provide the Secretary of State with a recommendation of the appropriate baseline profit rate, capital servicing rates and the funding adjustment for each financial year

The SSRO is required by legislation to provide the Secretary of State with its assessment each year of the appropriate baseline profit rate (BPR) and associated adjustments and rates.

The BPR provides the starting point for determining the profit rate for each qualifying contract. The funding adjustment (FA) and the capital servicing rates (CSRs) are used in the adjustments made to the BPR to arrive at the contract profit rate.

The SSRO publishes clear and robust methodologies for assessing the BPR, FA and CSRs which it keeps under review.

Over the period of this Corporate Plan we will undertake a review of the overarching approach to determining contract profit rates on a clear and systematic basis and engaging our stakeholders in the process.

KPIs

Provide the SSRO's assessment of rates to the Secretary of State no later than 31 January preceding the financial year to which they will apply



What good will look like

- Stakeholders are clear about the methodologies the SSRO uses for calculating and assessing rates as these are transparent and replicable.
- Stakeholders are engaged in a planned and systematic way and the SSRO uses their feedback to inform development of the baseline profit rate methodology.
- External assurance on the robustness of the SSRO's methodologies and the consistency of the approach to their application, is provided.
- Appropriate information is provided to allow the Secretary of State to determine the rates.
- The rates the SSRO recommends are regarded by stakeholders as supporting value for money for the MOD and a fair and reasonable price for suppliers.
- There is greater understanding of fair and reasonable profits as the SSRO provides analysis about the actual profits earned on QDCs.

Publish appropriate information relating to the SSRO's recommendation following the Secretary of State's announcement



Objective 3

Issue guidance that supports the optimal working of the regulatory framework



We issue statutory guidance to assist the MOD and contractors to:

- determine whether costs are Allowable in qualifying contracts;
- calculate profit rates;
- prepare reports; and
- apply a penalty if contractors fail to meet their obligations.

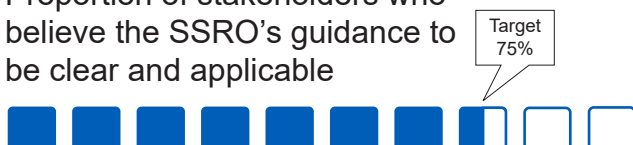
We will prioritise reviews and updates to guidance in response to legislative changes and by reference to the potential impact, following discussion with stakeholders. We will continue to improve the coherence and integration between our different guidance documents. We will apply an evidence-based approach to the development of proposed changes.

What good will look like

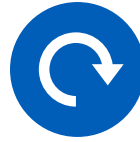
- Guidance responds to and addresses issues which have been prioritised with stakeholders.
- Stakeholders understand the SSRO's development timetable and know when and how to engage, providing evidence to support proposals.
- SSRO guidance is clear, applicable and understandable and is considered easy to use and useful by stakeholders.
- Stakeholders understand the guidance changes the SSRO has made and have been provided with a clear rationale where suggested amendments have not been made.
- Stakeholders have sufficient time to familiarise themselves with guidance changes before they are implemented.

KPI

Proportion of stakeholders who believe the SSRO's guidance to be clear and applicable



Objective 4



Conduct targeted reviews of the Act and Regulations aimed at improving the functioning of the regulatory framework

The Act requires the SSRO to keep Part 2 of the Act and Regulations under review and recommend any changes to the Secretary of State it considers appropriate. The Secretary of State must have regard to these recommendations when completing periodic reviews of the regulatory framework.

The SSRO made such recommendations to the Secretary of State in June 2017, following extensive stakeholder engagement and public consultation. The Secretary of State completed the government's first periodic review in December 2017.

We expect to work constructively with the MOD and other stakeholders to realise the benefits of the regime. We will support implementation of any changes flowing from the Secretary of State's first periodic review of the legislation. Throughout this Corporate Plan period we will monitor and prioritise issues for consideration that may inform the next periodic review.

What good will look like

- Stakeholders understand how the SSRO will implement changes it needs to make as a consequence of the Secretary of State's review and have the opportunity to engage.
- Learning from the first periodic review of the legislation informs future reviews by the SSRO, as does engagement with stakeholders.
- Consideration is given to reporting requirements, with a view to ensuring these add value, improve transparency and neither duplicate requirements nor are burdensome to produce.
- There is a clear set of priorities for change to inform the next periodic review, based on further experience of the application of the legislation.

KPI

Deliver an implementation plan for any changes required by the SSRO in response to the Secretary of State's review



Objective 5

Provide a platform that facilitates the efficient and secure submission of statutory reports



In order to receive reports in an effective and secure way and to reduce the reporting burden on contractors, the SSRO has developed the Defence Contract Analysis and Reporting System (DefCARS). This online system was launched in March 2017 and allows contractors to input data efficiently, enables auto-population and carries out a range of validation before submission.

The SSRO has established a Reporting and IT sub-group with representatives from the MOD and the defence industry so that maximum value can be obtained from DefCARS. This group is an important feedback mechanism providing the SSRO with information on the user experience which we are then able to act on to drive improvement.

What good will look like

- Contractors are able to complete and submit their reports in a timely manner via an easy to use system.
- The number of active users of DefCARS is extensive in both the MOD and contractor user base and they use the system as a valuable information tool.
- DefCARS adheres to up-to-date security standards.
- DefCARS is valued by contracting parties as a secure single repository for contract and supplier information.
- System development is value for money and prioritised in response to user feedback to support better procurement.

KPI

An increase in user satisfaction with DefCARS as the SSRO's platform for submitting reports



Objective 6

Improve data quality and the reporting of information



The SSRO produces guidance to help contractors to prepare contract and supplier reports. It has consolidated guidance on reporting with that on the use of DefCARS. As DefCARS evolves, the guidance will need to remain consistent.

We provide support to users to help them understand how to meet their reporting requirements. The SSRO will provide training for users to improve data quality. This improvement can be achieved when knowledge and experience of using DefCARS is cascaded within their own organisations by contractors and the MOD. The SSRO provides a helpdesk that supports contractors in meeting their statutory reporting obligations, backed up with face to face support where appropriate.

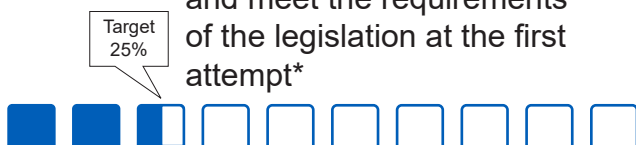
The SSRO has published its methodology, following consultation, on keeping under review the extent to which contractors are complying with reporting obligations. This monitoring aims to support increased data quality from statutory reports. Actionable feedback is provided to contractors so that they can take action. The MOD is informed of compliance issues and decides on enforcement action.

What good will look like

- Knowledge and understanding of reporting requirements grows among contractors and the timeliness of reporting and data quality improves.
- Where relevant, data has been standardised within DefCARS to increase comparability and aid benchmarking.
- Minimal enforcement action is required by the MOD as contractors understand their reporting requirements.
- The SSRO delivers impactful training to DefCARS users which increases their confidence in how to report effectively and efficiently.
- The data collated from contract and supplier reports is perceived by stakeholders to be useful and adding value.

KPIs

Proportion of contract reports submitted that are complete and meet the requirements of the legislation at the first attempt*



Proportion of contract reports submitted on time



*The SSRO seeks to help improve the accuracy of submissions, and the proportion of contract reports submitted accurately at second or subsequent attempt is considerably higher than the c.14% currently at first submission. Our goal is to move significantly beyond the KPI target through a range of measures including DefCARS.

Objective 7

Harness the power of data to support decision making



The SSRO seeks to derive maximum value from the data submitted to DefCARS. Since 2016, we have been regularly producing statistical bulletins which provide insight into qualifying defence contracts. We seek feedback on what information our stakeholders find most useful and valuable. As more contracts both come within the regime and then subsequently complete the information within these bulletins will improve. The SSRO will consider whether to seek to become a producer of Official Statistics, such as these statistical bulletins, during the period of this Corporate Plan.

The SSRO will also produce analysis where this is requested by the MOD. The Secretary of State may request such analysis under Section 36 and Section 37 of the Act.

The SSRO will deliver studies where they contribute to the delivery of its functions such as improvements to guidance.

What good will look like

- Statistical bulletins provide insight into qualifying defence contracts.
- The SSRO is actively sent requests for analysis and information about qualifying defence contracts which it is able to meet in a timely manner.
- DefCARS is used to provide benchmark information which can improve procurement.
- The SSRO's studies identify and provide evidence to support improvements in the regime.

KPIs

Response to requests for provision of analysis or information provided within agreed timescales

Target 100%



Increase in use of the SSRO's analysis

Target 100%



Objective 8

Maintain effective and comprehensive engagement with our stakeholders



The SSRO has a proactive programme of stakeholder engagement, which is essential to the delivery of this Plan and our statutory functions. Engagement is fundamental to the SSRO's evidence-based approach to its work which we prioritise by reference to the input we receive from stakeholders. We are continuously seeking to improve how we undertake our engagement.

We provide multiple opportunities and channels by which stakeholders can engage with us and where we provide feedback. Our first stakeholder survey will be completed in spring 2018. The results of this will inform development of our stakeholder engagement strategy and the frequency and methods by which we engage with our stakeholders. We seek to increase our understanding of the defence sector through our work and organise workshops, meetings and site visits to facilitate this.

We communicate the reasons for our decisions or actions. We recognise that there will be times because of the nature of the decisions we make, when stakeholders may not be satisfied with our decision. Where this is the case we will ensure they understand why the decision was taken.

What good will look like

- Stakeholders provide and receive feedback in a meaningful way.
- Stakeholders have access to high quality, timely, clear and accurate information provided by the SSRO.
- The SSRO is good at engaging its stakeholders in the right way as evidenced by its stakeholder survey and the impact it makes.
- The SSRO is an active member of the UK Regulators Network enabling it to share information and good practice with other regulators.
- The SSRO applies good practice in regulation.

KPI

Stakeholders consider the SSRO engages well



Objective 9

Access and use resources appropriate to the delivery of our functions



We will ensure that we have access to the knowledge, skills and tools needed to deliver our statutory functions. We will keep under review the alignment of our resources to our priorities as they develop and change.

Our primary asset is our people. We value their diversity of thinking and approach and we will be an inclusive and engaging place to work. We will ensure our people possess the required skills and experience, through fair and equitable recruitment, promotion of talent and developing our employees. This will be supported by appropriate access to technical and other experts.

What good will look like

- We recruit the right people and we maintain and invest in our, skills informed by reviewing skills against functions.
- We use external subject matter experts to supplement and build our knowledge and skills.
- We are a good employer, fulfilling our duty of care to all staff and ensuring they can give of their best, are treated fairly and are valued.
- We undertake an annual staff survey to assess employee engagement and seek their feedback on how we can do things better.
- We maintain audit-assured, high-quality, efficient and effective systems of procurement, financial management and governance.
- We meet our transparency and reporting obligations in respect of our use of resources.
- We use effective and efficient IT systems to support our work and exploit existing and new technologies to improve our work and efficiency.
- We effectively manage information, data security and systems, and retain our Cyber Essentials Plus accreditation.
- We comply with data protection laws, including the General Data Protection Regulation (GDPR).

KPIs

GDPR audit assurance substantial or moderate



Manage our financial expenditure to within 2% of our agreed corporate budget



Employee survey results for overall engagement










Target 70%

Average number of days spent per annum per person on formal training - 3



* 60% (2018/19), 65% (2019/20), 70% (2020/21)

Work programme

	Q1 - 2018/19	Q2 - 2018/19	Q3 - 2018/19	Q4 - 2018/19	2019/20 & 2020/21
Objective 1 Referrals 	Review referral procedures	Update referrals guidance	Deliver referrals as they are accepted		Continue to deliver referrals and refine guidance as appropriate
Objective 2 Rates recommendation 	Stakeholder engagement on our approach	Identify rates	Recommendation	Same cycle with refinement of the methodology if required	
Objective 3 Guidance development and maintenance 	Agree topics	Develop and issue proposals	Consult on proposals	Finalise and roll out changes	Same annual cycle but new set of topics
Objective 4 Review of Legislation 	Consider consequences of changes to legislation being made by MOD	Develop and consult on any new guidance if not dealt with under Objective 3		Develop recommendations for next Review of Legislation	
	Initial scoping of thematic review of approach to determining contract profit rate				Thematic reviews continue
	Commence thematic review of reporting requirements				
Objective 5 DefCARS provision 	Continue to maintain, develop and update DefCARS as a reporting tool for contractor and supplier reports				
Objective 6 Improve data quality and reporting 	Ongoing support to contractors and development of reporting guidance				Continue annual reporting focusing on improvements
	Develop and publish annual report on how contractors are meeting requirements				
Objective 7 Data to support decision making 	Deliver analysis including reports and bulletins in support of the regulatory framework				Strengthen analysis as more data becomes available

Objective 8 (stakeholder engagement) and Objective 9 (use of resources) enable delivery of the seven objectives above.

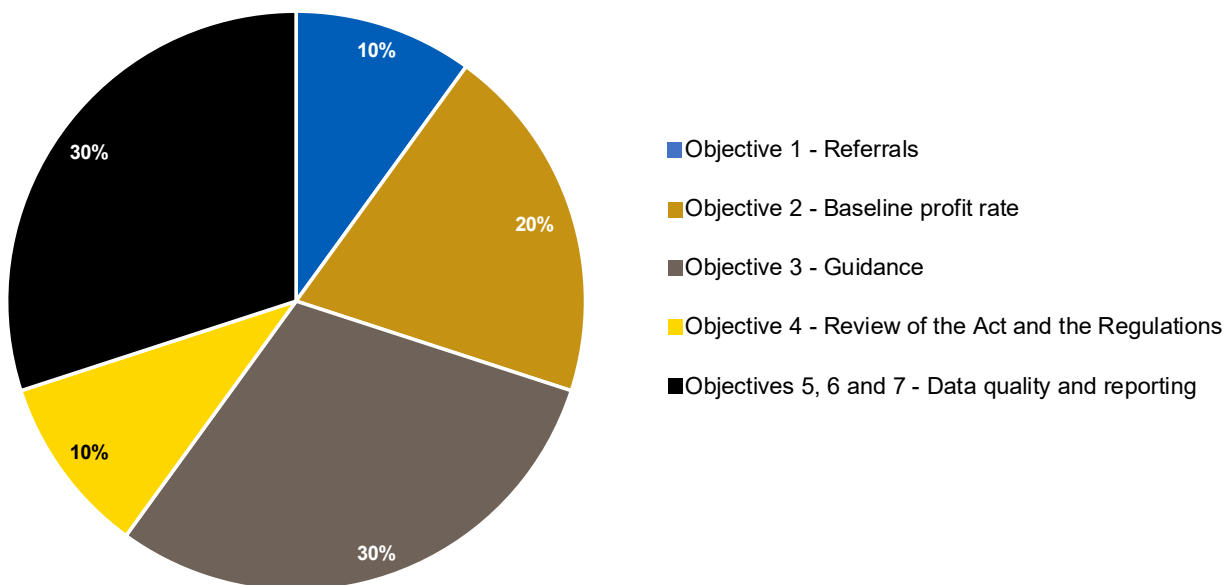
Finance

Following SSRO Board approval, the SSRO's Accounting Officer has requested and received approval for our 2018/19 budget of £6.050 million¹.

The agreed budget relates to the SSRO's objectives for 2018-21. The SSRO's costs are largely stable and recurring with less than 3 per cent of the budget unallocated to anticipated costs. The approved budget provides for continued investment in the operation of the DefCARS database agreed with the MOD.

The SSRO organises and manages its resources flexibly through matrix management to meet its core statutory objectives. The chart below shows the proportion of the SSRO's budget allocated to its statutory functions, split by objective. The SSRO is flexible with its use of resources and this allocation will be varied during the year in response to emerging priorities, for example additional resources may be allocated to support referrals as they are received.

SSRO resource allocation across statutory functions



Much of the SSRO's corporate support is outsourced (HR, payroll and financial ledger services) or procured through government framework contracts (IT managed services). The organisation continues to adopt an agile approach to the procurement and delivery of corporate back-office and support functions, including expert support on regulatory matters.

¹ The SSRO funding adjustment (step 4) in the profit rate steps, provides a contribution from industry towards the SSRO's budget.

The SSRO always seeks to ensure the most effective and efficient use of public funds. We do this in a number of ways including; internally through better ways of working; and identifying efficiencies during the renewal of contracts, through service requirement reviews and market testing; and through exploiting cost sharing opportunities with other regulators (for example with OFGEM as a provider of outsourced back office services).

During 2017/18, the SSRO re-procured several of its IT service contracts and has negotiated these key contracts to be renewed with no overall increase in cost whilst ensuring quality of service is maintained or improved. The re-procurement of the DefCARS contract, which will occur during 2018/19, brings both opportunities for realising greater efficiency and a risk of increased costs. Where these can be estimated they have been provided for in the budget and the MOD has been notified for planning purposes. On other contracts, the SSRO will liaise with the MOD on procurement outcomes as part of the annual cycle of funding approval.

The budget reflects known contractual changes and inflationary pressures. However, as the regime matures, qualifying defence contracts and associated workload volumes are likely to increase. The MOD has stated that it expects 100 per cent of new qualifying single source contracts to fall within the regime by 2019/20. The SSRO will discuss the impact of workload volume changes on budgetary requirements with the MOD.

3 year corporate budget			
Running costs	2018/19	2019/20	2020/21
Staff costs	4,026	4,063	4,101
Staff related costs	169	172	175
Accommodation	659	676	696
IT costs	671	685	699
Legal and professional fees	176	171	175
Other costs	239	244	249
Total running costs	5,940	6,011	6,095
One-off costs			
IT maintenance / developments	50	50	50
Regulatory database	60	-	-
Total one-off costs	110	50	50
Total costs	6,050	6,061	6,145

Note: Staff costs increase by an estimated 1.0 per cent year on year in line with current government guidance. Accommodation costs increase as per the lease. All other costs increase in line with projections of the consumer price index (CPI) as published by the Office for Budget Responsibility. CPI projections used are 2.0 per cent in 2019/20 and 2.0 per cent in 2020/21. The budgets for 2019/20 and 2020/21 are provisional and subject to agreement with the MOD.

Alternative scenarios and risk factors

This section sets out the most significant risks and scenarios that may affect the delivery of the SSRO's Corporate Plan and our response to these.

The SSRO manages its corporate risks through a Corporate Risk Register, which is considered at the Executive Committee and overseen by the Audit Committee. The SSRO's approach to risk management is in line with its agreed Risk Framework, which is reviewed annually by the Audit Committee. The Board retains responsibility for overseeing the SSRO's risk. The Executive Committee monitors potential risks at each meeting through ongoing performance management, which it reports to the Board.

The risks identified in the Corporate Risk Register are mitigated and this is then reflected in how we plan and prioritise our work, as set out in this document. This approach ensures we are able to adapt and work within the resources we have.

The most significant risks that may impact on the delivery of the Corporate Plan are:

- ineffective engagement with our stakeholders; and
- work required to address changes arising from the Secretary of State's recent review of the Act and Regulations.

The SSRO recognises and prioritises high quality stakeholder engagement and the value we derive from it and this is reflected throughout this Plan.

Without effective and timely two-way engagement between the SSRO and its stakeholders, there is a risk that we will not be able to deliver our statutory functions, and that industry will not be able to operate within the regulatory framework, in a way that gives best effect to the intent behind the regime.

The SSRO has a stakeholder engagement strategy in place that provides for proactive engagement with both the MOD and the defence industry including:

- through regular meetings with the Minister for Defence Procurement, senior MOD officials and senior leaders and executives within defence companies;
- our ongoing programme of meetings and site visits with contractors; attendance at meetings between the MOD and industry;
- open and multiple stage consultations including workshops to seek views; and
- hosting the Senior Stakeholder Forum and regular Operational Working Groups.

Changes may arise from the Secretary of State's review of the Act and Regulations. This may have some impact on the delivery of our Plan if there are significant changes to the character or timeframe of the SSRO's work. We are mitigating this risk through dialogue with the MOD about the detail on the proposals and timetable for implementation so that we are able to understand the impact to our work. We will then prioritise our work using the principles in this document and maintain open and transparent communication with stakeholders setting out the steps we plan to take and our timetable for doing so.



Performance in 2017/18

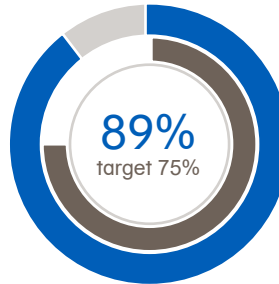
Performance for 2017/18 will be assessed according to the KPIs for the five objectives in the 2017-20 Corporate Plan and not the nine new objectives in this Plan.

Objective 1

Proportion of stakeholders who consider the SSRO engages well



Target 75%



Final determinations issued within 5 months of acceptance and opinions conducted within 40 working days of acceptance



Target 100%

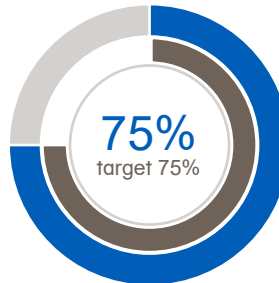


Objective 2

Proportion of stakeholders who believe the SSRO's guidance to be clear and applicable



Target 75%



Substantive responses to stakeholder questions provided within 10 working days



Target 90%



Objective 3

Number of website downloads of SSRO studies

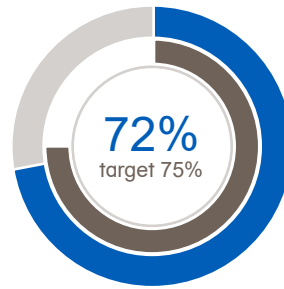


Target 400

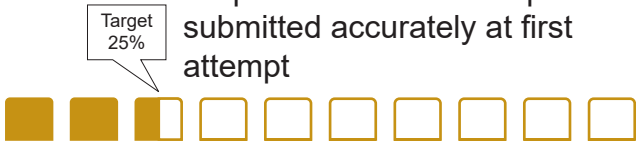


Objective 4

Proportion of contract reports submitted on time



Proportion of contract reports submitted accurately at first attempt



Objective 5

Audit assurance substantial or moderate



Target 100%



Receive an unqualified opinion on our annual accounts from C&AG and manage our financial expenditure within our agreed corporate budget¹



Target 100%



¹100% against our financial KPI relates to the unqualified audit opinion on our annual accounts for 2016/17 from the C&AG only as our accounts for 2017/18 are still subject to audit and so at this stage we cannot confirm that we have managed our financial expenditure within our budget.

Information security accreditation



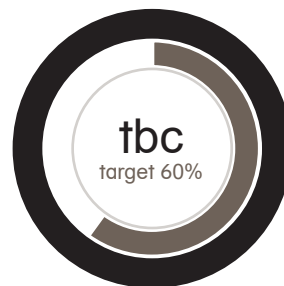
Target 100%



Employee engagement scores²



Target 60%



²Employee engagement scores for 2017/18 will be published in our Annual Report and Accounts for 2017/18.

