

SSRO

Single Source
Regulations Office



Stakeholder engagement strategy

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Introduction

The Single Source Regulations Office (SSRO) is an executive non-departmental public body, sponsored by the Ministry of Defence (MOD).

We were established by the Defence Reform Act 2014, which also created a regulatory framework for single source, or non-competitive defence contracts, placing controls on the pricing of qualifying defence contracts and requiring greater transparency on the part of defence contractors.

Engagement is fundamental to the SSRO's evidence-based approach to our work, improving our understanding of issues within the regulatory framework and user needs, as well as achieving our vision by working closely with stakeholders. We will maintain a proactive programme of stakeholder engagement to help us deliver our statutory functions.

Our Corporate Plan 2023–2026 sets out how we will support the government's commitments contained in its Defence and Security Industrial Strategy (DSIS), as well as where we are providing significant support to preparations for implementing the changes to the single source regulatory framework as envisaged in the Procurement Bill currently before Parliament.

This refreshed engagement strategy complements the Corporate Plan and develops our stakeholder engagement to ensure that:

- we meet more stakeholders who are applying our guidance or other regulatory framework tools, to better help and support them through the changes to the regulatory framework; and
- we fully draw on and utilize our stakeholders' expertise to add to our own awareness and understanding.

As part of our goal of continuously improving our engagement, we completed a third stakeholder survey in 2022, following those undertaken in 2020 and 2018.

We will continue to repeat the survey at appropriate intervals to understand how we are performing. The survey results have informed this Stakeholder Engagement Strategy, with priority actions responding to issues raised by stakeholders in the survey.

Everyone at the SSRO has a role to play in successful engagement. We aim to achieve a purposeful, coordinated and consistent approach to our engagement, informed by this strategy.

The SSRO Board receives regular reports on our engagement activities and consider their effectiveness. We have a key performance indicator on stakeholder perceptions of our engagement, which we report on in our Annual Report and Accounts.

Corporate Plan 2023-2026

Our vision:

“Advancing value for money and fair prices in defence procurement.”

Our engagement activities help to achieve our vision by building knowledge and information which develops our expertise and informs our work at the heart of a continuously improving the regulatory framework.

We will know that we have achieved our vision when we can see that:

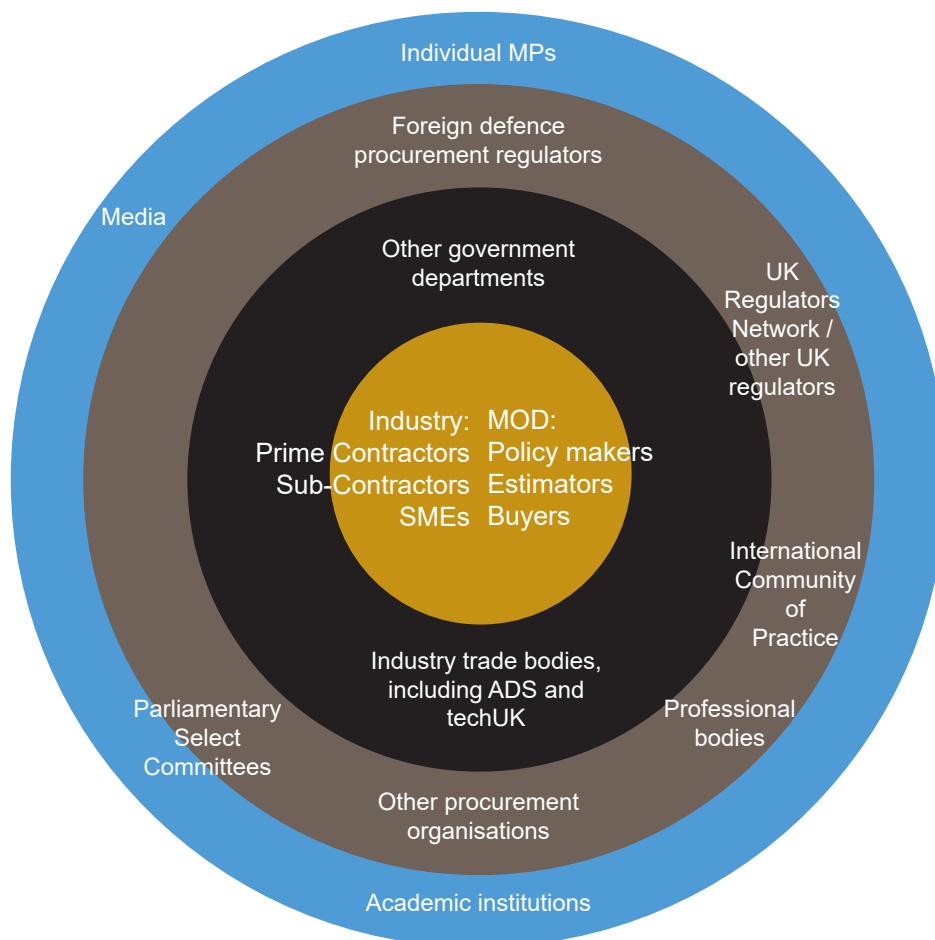
- The SSRO engages fully and appropriately with relevant parts of industry and the MOD, including actual and potential users of DefCARS data.
- Stakeholders understand the SSRO's role and believe the SSRO delivers its functions effectively and efficiently.
- Stakeholders are actively engaged with the SSRO to identify its priorities and realise the benefits of the regulatory framework.
- The SSRO uses a range of appropriate engagement methods to enable stakeholders to input to and be informed about its work.
- Stakeholders provide and receive meaningful feedback.

Our stakeholders

The diagram below shows the range of stakeholder groups the SSRO engages with.

We aim to engage in a proportionate way with stakeholders, having regard to their degree of involvement and interest in the regulatory framework. The frequency and depth of our engagement and the number of topics on which we engage will be greatest for stakeholders towards the centre of the diagram below, and progressively less moving outwards.

We engage frequently on many topics and in detail with some parts of the MOD (including MOD's Single Source Advisory Team [SSAT]; Directorate of Sponsorship and Organisational Policy [DSOP]; Single-Source Pricing Support [SSPS]; and the Minister for Defence Procurement) and less so with other parts of the MOD who have infrequent or peripheral involvement with the single source procurement framework. Similarly, some industry stakeholders have many qualifying defence contracts and are active participants in forums such as the OWG, and other companies only have a single QDC that forms a very minor part of their overall business.



Stakeholder survey

The SSRO completed its third stakeholder survey in 2022, which helps us to understand how we are currently perceived by stakeholders; sets our strategic direction; guides plans for stakeholder engagement; and measures the effectiveness of our stakeholder engagement. 23 senior leaders, 79 senior managers, 129 managers, 38 junior managers and officers, and 1 other completed the survey.

1,359

stakeholders invited to take part in online survey

270

stakeholders completed quantitative survey

29

second round qualitative telephone interviews

23 senior leaders, 79 senior managers, 129 managers, 38 junior managers and officers, and 1 other completed the survey

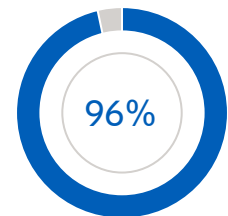
The report's findings were generally very positive. Data for three of our corporate KPIs is set out in the figures on this page. The data for the full range of our KPIs are provided in the Corporate Plan 2023–2026 and in the SSRO's Annual Report and Accounts.

23% of respondents had a more favourable opinion of the SSRO than two years ago and 90% of respondents rated the SSRO's overall performance over the past two years as good or very good. We recognise we still have more to do, and we hope planned changes will help us to continue improving our engagement.

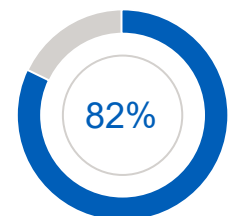
Respondents rated highly the SSRO's operational and face-to-face engagement offered through SSRO Support (e.g., SSRO Reporting Helpdesk, onboarding for new qualifying defence contractors and DefCARS users), site visits, and our stakeholder forums such as the Operational Working Group (OWG) and the Reporting and IT Sub-Group. Respondents constructively highlighted ways to improve our engagement, including:

- making the OWG meetings more engaging by inviting industry and MOD attendees to present agenda items and making the discussion of items more interactive;
- improving SSRO staff knowledge and awareness of defence contracting, from both an MOD and industry perspective and continuing to recruit staff with this experience;
- continuing to develop and broaden relationships, particularly within the MOD, with a focus on active engagement with potential and actual users of reported data;
- taking a lead in developing the regulatory framework in an agile and proactive way; further improving the usability of the Defence Contract Analysis and Reporting System (DefCARS) and how the reported data can be utilised; and
- when we consult on improving guidance we provide more feedback on the stakeholder input received and how we have responded to that.

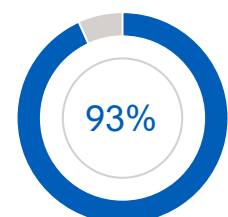
We have prioritised actions in the Corporate Plan 2023-2026 to address this feedback.



Proportion of stakeholders that are satisfied with assistance provided by the SSRO



Stakeholders solve single-source problems aided by or using the solutions identified by the SSRO



Stakeholders consider the SSRO engages well

Our engagement principles

We will communicate in a tone and style that is demonstrably open, approachable, authoritative and positive. Some of our information will be technical in nature, but we aim to communicate in ways that make it accessible for different audiences whilst still providing sufficient detail. 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 agree with a decision, but we will try to ensure they understand why the decision was taken and show how feedback has been considered.

In all our engagement with stakeholders we are guided by several principles:

- We listen. We value stakeholder input and involvement in the prioritisation of our work and their feedback is a vital part of our evidence-based approach to our work.
- We provide multiple opportunities and channels for engagement, adapting our approach to accommodate the diversity of our stakeholders and seeking effective discussions on significant issues.
- We will maintain and enhance engagement mechanisms which are working well, such as our OWG, while continuously seeking to expand and where necessary improve where our engagement could be more effective.
- In addition to face-to-face engagement, we will use targeted communications to help raise awareness of the SSRO and increase understanding among stakeholders who engage with us less frequently.
- We will use our communications channels to extend our reach and engagement ensuring that we are engaging with stakeholders on a 'one to many' and 'one to one' basis.
- We openly communicate the reasons for our decisions so stakeholders can understand what we have done and how their feedback has been considered.
- We proactively help stakeholders with the operation of the regulatory framework by providing impactful training and support. We will look to continuously improve the support we provide, which includes our helpdesk, onboarding sessions and training.
- We optimise our engagement by continuing to develop our understanding and knowledge of the defence and related sectors.
- We seek to gain maximum benefit from our stakeholders' knowledge and experience of defence contracting.
- We want all those involved in the regulatory framework to learn and gain insight from its operation, and we look to support both the MOD and industry in realising further benefits from using the framework.



Our engagement approach

All SSRO staff and Board members have a role to play in fulfilling our objectives and engaging with stakeholders. We seek to actively involve our staff and Board members and provide opportunities for them to engage.

We engage with our stakeholder organisations at multiple levels. Our Chair and Chief Executive lead engagement with Ministers, senior MOD officials and the senior leadership of defence contractors. They are supported by our Non-Executive Board Members, Panel Members, Executive Directors and our staff who maintain strong relationships with industry and MOD stakeholders at senior and working level.

We support and participate in a range of regular meetings and groups that enable us to communicate with stakeholders and obtain their feedback.

We invite stakeholders to both participate in and present discussion items at our OWG and our Reporting and IT Sub-Group, while also attending other established stakeholder groups.

We engage extensively with stakeholders in carrying out our statutory functions, including business as usual contact and involvement in specific projects. We seek to expand rather than restrict opportunities for engagement and we are committed to adapting our approach to accommodate the diversity of our stakeholders. We seek feedback from stakeholders following engagement with us, for example through

surveying the views of those who we meet, who receive training from us, or use our helpdesk.

Our tools and systems for virtual engagement proved robust and effective during the COVID-19 pandemic. In the recent stakeholder survey, there was a strong preference expressed by respondents for continuing to choose how to engage with us: either virtually or in-person. We will continue to offer both methods of engagement, and hybrid meetings, as well as continuing with contact via email, phone or through our website.

We will ensure that the information we make available through our website and updates meet the needs of stakeholders who do not engage proactively with us.

We have established working groups and communities of interest with the MOD and industry to solve difficult pricing issues and make greater use of reported data. Where stakeholders have participated in our projects, we will look to continue to foster their interest and to involve them in other relevant areas of our work.

To adopt a more agile way of working, we have introduced the use of pilots in some of our project work. This enables us to engage differently with stakeholders by actively testing and evolving an approach before it is introduced.

We will increase our presence and participation at MOD and industry conferences and events so that we can share our expertise, reach those who may need our help and receive information and insight directly from stakeholders.

Key priorities

Our engagement priorities enable us to deliver our Corporate Plan and our statutory functions, and to achieve our vision for the SSRO and the regulatory framework.

1. Continue developing our relationships within the MOD and facilitate better use of DefCARS data: realising further benefits of the regulatory framework

A key benefit of the regulatory framework is greater transparency. Better use by the MOD of the data reported by contractors will help both parties agree and deliver value for money contracts and fair and reasonable prices. We will facilitate better utilisation of DefCARS data and provide insights to support procurement decisions and contract management by engaging directly with selected MOD decision making teams to identify likely users of data and their needs, engaging directly with them, providing hands-on support including on compliance and data use. We will continue to engage openly and constructively with our existing MOD stakeholders, and will look to strengthen these relationships. We will continue staff secondments with MOD and expand secondments with industry to increase SSRO staff knowledge and understanding.

2. Improve the experience of stakeholders who share their knowledge and expertise with us

Stakeholders' experience of participating in our consultations is improving. We want this to continue and for stakeholders to view it as a positive experience. We will continue to seek out and facilitate input from experienced people in the defence and related sectors.

Promoting opportunities for discussion and open exchanges of views is a priority aim. We will look to engage stakeholders during consultation periods by: issuing papers; using project pilot groups where appropriate; and holding regular group and bilateral meetings. We will provide advance notice of our plans for engagement, which will be proportionate and use an appropriate range of methods and communication channels. We will try to avoid consultations during the Summer and Christmas holiday periods or provide additional time for responses where that is not possible. We will let stakeholders know how their views have been considered and explain where we do not agree.

3. Continuously improve our mechanisms for purposeful engagement approach with industry and provision of proactive support

We will continue to purposefully engage with contractors and industry trade associations such as ADS and techUK. We will do this through SSRO's established forums, for example the OWG and the Reporting and IT Sub-Group, and through other existing industry or MOD forums, workshops, bilateral meetings and site visits. We will continue to refine how our forums operate, to maximise benefit to us and our stakeholders. This includes continuing to make the meetings more interactive by inviting attendees to present topics for discussion. SSRO Support provides a range of assistance to stakeholders to help them understand the requirements of the regulatory framework and to enable them to provide good quality data in the contract and supplier reports, including: a helpdesk for contractor queries; high-quality training sessions on the DefCARS system and reporting requirements for contractors and the MOD; in-person or virtual onboarding sessions; and extra support for Small and Medium Enterprises (SMEs) where requested.

Some of the issues raised in the stakeholder survey go beyond the scope of our engagement strategy and will be addressed through our other projects and work contained in our Corporate Plan

We will seek feedback from stakeholders after these types of engagement, to act as a pulse-check on our performance outside of the biennial Stakeholder Survey.

4. Continue exchanging ideas, information and learning

The SSRO benefits from exchanging information, developing ideas, and sharing good practice with organisations with similar functions. Through our membership of the International Community of Practice we will engage with government organisations in other countries who play a part in supporting frameworks for effective single source defence procurement.

Through the UK Regulators Network we continue to engage with and share best practice tools and techniques with UK organisations with similar regulatory functions. We will continue to maintain and add to these relationships where they help us to carry out our statutory functions.

We will increase our presence, visibility and participation at MOD and industry conferences and events. This helps us to undertake our statutory functions and our Corporate Plan, increases our understanding of the defence and related sectors, and allows us to use our expertise to help keyholders and participate in discussion about how the regulatory framework is operating. We will continue to visit defence industry sites across the U.K to facilitate contact and discussion between the defence industry and the SSRO's leadership, Non-Executive Board Members, and our staff. We will ensure that the information we make available through our website and updates meet the needs of stakeholders who do not engage proactively with us.

5. Continue developing our people to enhance our skills for effective engagement, and support them in their engagement with the right tools and technology

We will build on the findings from the capability review and continue to recognise that we need to maintain a range of skills, including commercial procurement, and we will persist in building on these. We will provide any necessary training and development to our staff, including ensuring that we are effective in listening to and engaging with our stakeholders and staff. We will in 2023 implement the SSRO Commercial Training Pathway and arrange short placements at the MOD and industry for new and current staff to enhance and maintain our team's knowledge and understanding of commercial practices in defence contracting within the MOD and industry.

We will continue to appropriately manage information about our stakeholders and our engagement with them, including in accordance with data protection requirements, and to make this information efficiently available to those who need to know within the SSRO. We will use systems that are proportionate to our needs and help effectively manage this information. We will continue to use appropriate tools such as Microsoft Teams to facilitate effective hybrid and virtual engagement with stakeholders.