

SSRO

Single Source
Regulations Office

Compliance and Review Methodology

Consultation response

May 2026



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1. Introduction

- 1.1 The SSRO consulted on an update to its Compliance and review methodology (the ‘methodology’) from 12 November 2025 to 9 January 2026.¹ The consultation document was published on the SSRO’s website following discussions with the Ministry of Defence (MOD) and industry through working groups over the course of 2025.
- 1.2 The methodology identifies how the SSRO exercises its function, under section 36(2) of the Act, to keep under review the extent to which persons subject to reporting requirements are complying with them. It also identifies how the ongoing review and associated findings link to the SSRO’s wider functions, particularly how its duty under section 39(1) of the Act to keep under review the provision of the regulatory framework established by the Act and the Regulations may be informed by information obtained from compliance monitoring.
- 1.3 The consultation proposed amendments considering the growth of component reporting and stakeholder concerns about the “correct first time” Key Performance Indicator (KPI). Following feedback the KPI was first changed in the SSRO’s Corporate Plan 2025-26 and this consultation proposed carrying this change through to the compliance methodology.
- 1.4 We thank those who responded to the consultation for their views and continued engagement. We have summarised both the key comments raised by respondents and the SSRO’s responses to these comments in this document. Where changes have been made to the proposed methodology, Appendix 1 details those changes.

2. Responses to questions

- 2.1 We received five responses to the consultation as set out in the following table:

	Government	Industry	Trade Association
Number of responses	0	4	1

- 2.2 We have published consultation responses with permission of the respondents in a separate annex (the Response Annex).
- 2.3 The responses were generally supportive of the proposed changes or the direction proposed in the consultation, consistent with criticism we had received previously from industry regarding the existing correct first time KPI. Concerns were raised to the extent that the replacement metric has its own limitations and whether certain adjustments would be made in its calculation.
- 2.4 As discussed in this document, the SSRO recognises any one metric is imperfect, but the proposed changes are an improvement on the issues previously identified by stakeholders. We will continue to work with our stakeholders to provide a fuller picture of report quality.

¹ <https://ssro.gov.uk/wp-content/uploads/2025/11/Compliance-and-Review-Methodology-2025-consultation.pdf>

- 2.5 In Appendix 1 we will set out two revisions to the proposed methodology:
- a. clarification on timelines to review correction reports because paragraphs 3.4 and 3.5 appear slightly contradictory; and
 - b. simplification of paragraph 2.5 describing that the SSRO will assess more than just the corporate KPIs when producing analysis of report quality.

Responses to specific questions

Q1: Do you have any concerns with aligning the compliance methodology to the wording in the SSRO's corporate plan 2025-26?

Comments raised

- 2.6 No respondents had concerns aligning the KPIs in the compliance methodology to the corporate plan.
- 2.7 More general comments were raised regarding the use of an “issues outstanding” KPI. Multiple responses noted that the raising of issues is still dependent on the MOD conducting a review of the report, and that the measure would not be a complete picture of report quality. One industry respondent specifically called for a measure that would reflect the full population of reports.
- 2.8 Multiple responses also raised that the issues outstanding KPI ought to exclude circumstances where the MOD has not responded or closed an issue. Two respondents asked why these adjustments would not be described in the methodology itself.
- 2.9 One respondent also raised that when a newer report is available (e.g. when a second quarterly contract report is submitted), that only the issues on the second report should be considered in the issues outstanding metric rather than issues on both the first and second report.
- 2.10 One respondent asked whether pricing issues would be included in the KPI.

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- 2.11 We are pleased that there is a recognition that the proposed change to the KPI represents an improvement over the existing correct first time calculation.
- 2.12 The benefit of the issues outstanding KPI is that it provides the contractor a path to improvement within their control: by actioning issues that have been raised. In addition, the SSRO already has the underlying data and analysis in place to be able to report this metric over time, whereas whole population metrics need further development.
- 2.13 We also appreciate that there is not going to be a single measure that tells the complete story on report quality and we share the desire to develop metrics that cover the whole population of reports (and not just those that have received a full review). We anticipate developing these metrics through working groups with stakeholders and “thematic” reviews, but they are not yet at the point of maturity where they could be described in our methodology document.

- 2.14 We also agree in principle that the metric could be improved in various ways:
- a. Not counting issues raised just before the cutoff where there is no time to respond;
 - b. Not counting issues where the next action is with a party other than the contractor (or issues awaiting being closed); and
 - c. Including issues that might be closed for procedural reasons (more than 6 months have passed) but without any response from the contractor.
- 2.15 The SSRO intends to implement these adjustments, but further development work is needed before we can implement an exact process. It is for this reason the methodology only says the SSRO may adjust the calculation and commits only to explaining any adjustments made when publishing compliance KPIs.
- 2.16 With regards to how close to the cut-off point the SSRO would exclude active issues, we currently intend to start with two weeks (half the one-month period from the last report due date to the cut-off). We expect to review this metric and adjustments in due course with stakeholders.
- 2.17 We also note that pricing issues are already excluded from our issue analysis and will continue to be excluded.
- 2.18 Regarding the response about issues outstanding on new versus previous reports, we believe looking at issues outstanding on all reports versus only the latest reports both have merit and measure different things. The KPI as worded accurately measures whether contractors responded in a timely manner to close issues. However, the SSRO will consider a “current reports” view under its wider assessment of quality set out in paragraph 2.5 of the methodology.

Q2: Do you agree with how the SSRO intends to prioritise report reviews?

Comments raised

- 2.19 There were no disagreements with the review prioritisations set out in paragraph 3.5 of the modified methodology (first reports, new contractors, follow-ups, thematic and targeted reviews).
- 2.20 Multiple responses sought an explanation for paragraph 3.4 stating “The SSRO does not currently apply review timescales to correction, component or supplier reports.”
- 2.21 One industry respondent asked whether the SSRO would publish time-to-review data for the MOD and SSRO for transparency, and why all reports would not be reviewed.

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- 2.22 We are content the responses support that the prioritisations are a sensible way of making the best impact with limited manual review time.

- 2.23 We have decided to amend paragraph 3.4 to make it clearer and as it currently appears to contradict the next paragraph. Specifically, the SSRO will highly prioritise reviewing correction reports when they are responding to issues that the SSRO has raised.
- 2.24 Paragraph 3.4 intends to set out two things:
- Supplier reports and component level information (except for component completion reports) will not be manually reviewed as a matter of routine; and
 - We aim to provide any feedback on an overall contract report submission within 30 working days.
- 2.25 The 30-working-day aim intends to count from the original submission to the first issues being raised or a “no current issues” response.
- 2.26 We think focusing on contract reports (and component completion reports) is the best use of manual review time. For component level information currently submitted separately in DefCARS, the SSRO believes effort would be better spent on thematic review or analysis for consistency with the overall contract, rather than a manual review. For supplier reports, the checks that the SSRO has done in the past have been absorbed into MOD processes and there has been a large increase in supplier report review coverage by the MOD.
- 2.27 In response to the request for review time transparency, in 2025 the SSRO published time-to-review data as part of a thematic review in the compliance bulletin.² These thematic reviews are informed by stakeholder feedback and available resource, but we would expect to publish similar data again in future reports. The driver for not reviewing all reports are resource constraints with increased reporting, and a recognition that effort would be better spent developing analytical measures that would scale better to higher reporting volumes.

Q3: Do you agree with the SSRO releasing any issues as-and-when they are noted, rather than waiting for possible MOD feedback?

- 2.28 All respondents agreed with this amendment.

Q4: Are there any other points regarding the compliance methodology you wish to raise?

Comments raised

- 2.29 Some responses to this question contained feedback we have attempted to address in related comments to earlier questions.
- 2.30 Two industry respondents requested clarification on how the “correct first time” measure would continue to be used, as referred to in paragraph 2.5 in the revised methodology.

² See [Figure 2 of Appendix 2](#) in the Annual Compliance Bulletin 2024/25.

- 2.31 Two industry respondents asked how the cutoff dates (“one month following the twelve-month reporting period”) would work.
- 2.32 There were multiple comments regarding the inclusion of component level information in the methodology, with one responding they should not be included, but another stating they ought to be included.
- 2.33 One respondent requested that issues relating to clarifications only should not be considered in our issues outstanding KPI.

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- 2.34 We have made an amendment to paragraph 2.5 to remove the reference to “correct first time” (see Appendix 1). The intent of this paragraph was not to set out a formal role for that metric but to note the SSRO will assess more metrics than just the core KPIs in building its view on report quality. We would not produce “stack-ranking” comparisons of companies based on the correct-first-time measure, after recognising the challenge of different levels of review over time.
- 2.35 Regarding cut-off dates and reporting periods, the issues-outstanding KPI was phrased to work with any 12-month period, but in annual reporting the counts would be equivalent to reporting in previous years. For example, for the 2025/26 reporting year the metric would:
- Include reports that were due between 1 May 2025 and 30 April 2026 (the twelve-month reporting period);
 - Take a snapshot of issues as of 1 June 2026 (one month following the period); and
 - At this point the issues could be adjusted as described earlier in this response (e.g. omit issues raised just before the cutoff); and
 - Count the number of reports with open issues as a proportion of all reports.
- 2.36 Our methodology will exclude the component level information from the calculation of our KPIs, except for the component completion report. This is to align with the Single Source Contract Regulations 2014, where component level information does not constitute a separate report except for the completion report. Component level information being reported separately in the system today is an artifact of the DefCARS system not being built to accommodate components. This should be addressed by future system development. As described earlier, would intend to assess component level information via analysis and thematic review.
- 2.37 For issues that were raised as clarification only, DefCARS already contains the functionality to exclude an issue where it did not require the submission of further information. Issues tagged in this way would be excluded from the issues outstanding KPI.

Comments beyond the scope of the consultation

- 2.38 Some responses commented on the additional reporting burden due to components or requested the SSRO investigate utilisation of the reported data. While these are beyond the scope of this methodology change, we expect these topics to continue to be thoroughly discussed through our ongoing stakeholder engagement.

Appendix 1 – Changes to proposed text

Proposed wording in consultation	Revised wording	Reason
<p>2.5 The SSRO has historically assessed the quality of submissions using performance indicators that are based on a 'pass or fail' assessment of whether the submission was correct in its original submission. In keeping under review the extent to which persons subject to reporting requirements are complying with them, the SSRO will also continue to consider wider metrics of data quality. This includes an analysis of 'correct first time' submissions, the level of manual review by the MOD or SSRO, and analysis of consistency and completeness of the content of reports.</p>	<p>2.5 In keeping under review the extent to which persons subject to reporting requirements are complying with them, the SSRO will consider additional metrics of report quality. In its public reporting on compliance the SSRO expects to include additional metrics, including its thematic reviews set out in Section 4.</p>	<p>This change more succinctly recognises that the SSRO publishes more than the core KPIs in its compliance reporting.</p>
<p>3.4 The SSRO aims to complete manual reviews of contract reports when 30 working days have elapsed from submission of the report. The SSRO does not currently apply review timescales to correction, component or supplier reports. Only contract reports are reviewed on a routine basis.</p> <p>3.5 The SSRO's manual review activity is resource dependent. In general, the SSRO will prioritise initial reports, new contractors, following up on prior issues, targeted and thematic reviews as set out in Section 4, or selecting reports on a sample basis.</p>	<p>3.4 The SSRO will not routinely conduct manual reviews of supplier or component level information currently submitted separately in DefCARS. The SSRO aims to complete manual reviews of contract reports and component completion reports within 30 working days from submission of the report.</p> <p>3.5 The SSRO's manual review activity is resource dependent. In general, the SSRO will prioritise initial reports, new contractors, following up on prior issues or corrections, targeted and thematic reviews as set out in Section 4, or selecting reports on a sample basis.</p>	<p>Removed the contradiction between not reviewing correction reports but prioritising follow-ups to issues raised. Phrased the scope of routine manual review more directly.</p>