

## Overhauling Defence Procurement as UK Moves to Reform and Accelerate Arms Acquisition

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The United Kingdom (UK) Ministry of Defence (MOD) is undertaking wide-ranging reforms to its defence procurement system to reduce delays, cut bureaucracy, and foster innovation, especially through greater participation by small and medium-sized enterprises (SMEs). These

reforms reflect a centre-right emphasis on efficiency, value for money, and strengthening sovereign industrial capacity.

A report from the Defence and Public Accounts Committees labelled the current procurement system as “broken”, plagued by red tape, lengthy timelines, cost overruns, and heavy reliance on single source contracting, where one supplier receives over £5 million contracts without competition. In 2022–23, such contracts accounted for 39% of MOD awards. The National Audit Office has repeatedly found equipment plans to be unaffordable and late.

In response, the MOD has adopted the Integrated Procurement Model, which segments acquisition into three tiers: major platforms (such as submarines, warships, and aircraft) with a two-year time-to-contract target; modular upgrades in one year; and rapid commercial exploitation projects, such as drones and digital systems, delivered in three-month cycles. The intention is to allow the MOD to procure initial capability quickly and then accelerate iterative improvements, mimicking more agile commercial models.

The appointment of a National Armaments Director (NAD), expected to earn up to £400,000 plus bonus, aims to centre procurement accountability under a single senior official responsible for delivery and supply-chain productivity. This role, supported by a revamped Defence Industrial Strategy and the Procurement Act 2023, is designed to simplify regulations and open up opportunities to SMEs under the statutory framework that replaces European Union (EU) era procurement rules.

Steps to accelerate innovation include establishing UK Defence Innovation (UKDI), allocating ring-fenced funding to fast-track dual-use

technology, artificial intelligence (AI) systems, and autonomous platforms. The MOD has committed at least 10% of its equipment procurement budget to these emerging technologies. UKDI, reporting to the NAD, is set to become operational by mid-2025.

Industry bodies and defence leaders have called for stronger collaboration with North Atlantic Treaty Organization (NATO) partners to promote economies of scale, interoperability, and export potential. Firms such as Make UK Defence and techUK highlight the benefits of shared procurement strategies, including shared trainer jets or standardised logistics platforms across allies.

From a centre-right standpoint, these reforms represent a pragmatic renewal, balancing fiscal discipline with industrial growth. They seek to reinvigorate the domestic defence base, broaden the supplier ecosystem beyond traditional contractors, and unlock innovation while preserving strategic autonomy. The success of the initiative hinges on timely legislative implementation, clear delivery metrics for the NAD, and a sustained shift toward market-driven procurement models.