



Ministry  
of Defence

# Integrated Procurement Model

Driving pace in the delivery of Military Capability



February 2024

### Introducing the Integrated Procurement Model

The international environment is more complex and dangerous than ever before, with new threats emerging rapidly. It is therefore imperative that we drive pace in delivery of military capability to our Armed Forces – making every day count – so that we stay ahead of our adversaries.

Our support to Ukraine has demonstrated that we can accelerate delivery. A clear focus on pace and consistent, timely delivery needs to be our new normal.

We need to procure as we fight, integrated across domains and interoperable with our allies. These factors must be embedded in our thinking from the outset. Through a holistic approach to defence exports, the convening power of British technology can secure vital industrial benefits as well as anchoring our diplomatic relationships and shaping the world around us.

The Defence Command Paper set out our strategy for achieving greater pace. The Integrated Procurement Model will embed these changes across Defence.

We cannot do this alone. Our industry partners must come on this journey with us, informing and shaping our solutions much earlier, and playing their part in driving pace.

Collectively the changes outlined in this document will ensure that we deliver the military capability that our Armed Forces need today and in the future.



**James Cartlidge MP**  
**Minister for Defence Procurement**

## Context

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The return of war to Europe demonstrates the increasingly contested and volatile environment we are living in. If we are to deter our enemies, lead our allies and defend our nation, we need to give our Armed Forces the critical military capabilities they need at greater pace than ever before. In today's rapidly changing threat environment, we must be faster and more agile, else we risk losing strategic advantage. It has therefore never been more important that our acquisition system is able to respond rapidly and adapt to changing circumstances.

In the Defence Command Paper, we made a commitment to deliver equipment programmes in a maximum of five years and digital programmes in three years. We recognise that the most complex programmes in our major projects portfolio will take longer, so we are putting in place the necessary reforms to drive increased pace.

The Integrated Procurement Model, which is part of the wider Defence Design<sup>1</sup> programme, is centred around five key features:

- A **joined up approach** – with a Defence-wide portfolio to break down organisational stovepipes and prioritise requirements at the departmental level to ensure we achieve greater effect from the available budget.
- New **checks and balances** – to challenge assumptions and ensure better, expert informed, decision making at the start of programmes, with a particular focus on integration.
- **Prioritising exportability** – upfront consideration of the potential for exports, to drive British industrial resilience.
- **Empowering industrial innovation** – through a new alliance with industry that is underpinned by greater transparency and incentives aligned around a common endeavour to protect the nation and help it prosper.
- **Spiral development by default** to drive pace. If we wait for a 100% exquisite capability solution it is likely to be too late.

We are already accelerating delivery. For example, the interim replacement of AS-90 with Archer 6x6 howitzer for the British Army. This heavy artillery gun was procured within two months of receiving the requirement from the Army. The rapid delivery of capability was only achievable through utilising novel commercial, safety and support routes, as well as a close collaborative working relationship between UK MOD, our Swedish allies and industry.

But we recognise that there are also times where things have gone wrong, such as the AJAX programme, and we are learning from experience. The Challenger 3 and Boxer programmes have actively employed the lessons of the Sheldon Review and the AJAX programme. This includes honest reporting, seeking to avoid optimism bias and routinely analysing risk in the programme as it develops. Our experience on the E-7 programme demonstrates the need to test critical assumptions made at the beginning of a programme to ensure they remain extant, and to ensure that the full impact of external challenges is clearly understood by all stakeholders. We are learning the lessons from these and other experiences, analysing both what works and what does not, and embedding them in how we operate going forward.

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<sup>1</sup> Defence Design is undertaking a fundamental review of how we deliver outcomes across the whole of Defence.

## Key Features of the Integrated Procurement Model

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The Integrated Procurement Model is a fundamental shift in the way we acquire defence capability. Its five key features are:



### A joined up approach

We are adopting a Defence-wide portfolio approach to ensure that we achieve greater effect from the available budget. This includes:

- Conducting planning and balance of investment across the whole Defence portfolio, including military capability and other projects and programmes. By prioritising requirements and debating financial choices at the departmental level, we will break down organisational stovepipes and be more efficient in our use of resources.
- Enabling informed choices based on clarity of expected outcomes, dependencies and constraints, a holistic understanding of costs, and our risk appetite.
- Considering individual programmes in the context of joined up sector strategies.
- Force Design work to look at how we respond to the increased threat and prioritise safety of the homeland and NATO warfighting.



### Checks and balances

The right checks and balances early in the process will challenge assumptions and set programmes up for success:

- Drawing on expert advice on factors such as the industrial base, integration, exportability and technology from the start to make better informed decisions on possible solutions and trade-offs. This will enable us to seize opportunities to enable exports, collaborate with allies, design supply chains for readiness and resilience and take advantage of innovations the market has to offer.
- Placing greater emphasis on integration from the outset. We must procure how we fight – integrated across and between each domain – if we are to retain operational advantage.
- Including UK industrial capability and exportability considerations in procurement evaluation criteria, where appropriate and proportionate, based on Pathfinder procurements.



## **Prioritising exportability**

We will consider export potential from the outset to drive British industrial resilience and support relationships with allies, including:

- Working ever more closely with our partners in industry to meet the exports challenge, fusing expertise and understanding towards our common objectives.
- Building an export-aware design model that makes it easier and faster to adapt platforms and systems to meet overseas customers' needs, making UK exports more attractive.
- Nurturing a mentality of 'procure to export', while ensuring appropriate technology protection.
- Requiring capability sponsors to factor in exportability and an assessment of market opportunities at key programmatic decision points.
- Sharing details of capability assessed to have export potential at an early stage with the Department for Business and Trade.



## **Empowering industrial innovation**

We are developing a new alliance with industry that includes:

- Engaging the industrial base earlier in force and capability development to help shape what we do and ensure our requirements are informed by what the markets can provide.
- Being more transparent about Defence's future acquisition pipeline to help shape markets, focus R&D efforts and build resilience into our industrial base.
- Developing a more holistic approach to supplier management that enables pace of delivery and spiral development.
- Developing a better understanding of our supply chain enabling a more strategic approach to market shaping and risk management.
- Exploiting opportunities presented by the new procurement regulations to adopt simpler and more flexible procurement approaches and policies.
- Reshaping the Defence Suppliers Forum to enable MOD and industry to collaboratively develop solutions to key strategic defence challenges.



## Spiral by default to drive pace

We are embedding a spiral development approach that enables us to be responsive and adaptable to a changing environment, ensuring advantage on the battlefield. This includes:

- Delivering a minimum deployable capability quickly, and then iterating it in the light of experience and advances in technology – rather than waiting for a 100% solution that may be too late and out of date.
- Developing new commercial pathways to increase speed and value for money. These will include enabling teams to set fixed cost and time targets and challenge industry to come up with the best solution.
- Creating the environment that supports iterative development:
  - Changing our financial process to provide the necessary financial headroom and our contractual models to make spiral work.
  - Building flexibility in our decision-making processes, whilst retaining robust governance.
  - Providing our teams with the guidance they need to exploit spiral approaches.
  - Demonstrating what's possible – using Pathfinders to show how spiral can work and taking the learning to future projects.

These five themes will be underpinned by **a cultural shift** to put greater value on pace – and making every day count. This includes:

- Encouraging our people to use their professional judgement to take risk-based decisions to drive pace.
- Creating a psychologically safe environment where our people feel “safe to challenge” the status quo and are confident in exposing risks and issues early so that they can be addressed.
- Learning from experience – embedding the lessons from programmes that have achieved greater pace in delivery.
- Moving from an adversarial approach towards collegiate collaboration with industry: we have jointly set a target with the Defence Suppliers Forum to halve the time to contract.

## The Integrated Procurement Model in action

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### **New Medium Helicopter (NMH)**

- The NMH programme will deliver a modernised Medium-Lift Helicopter capability capable of meeting the UK Defence need at home and abroad, and has been developed with UK industrial considerations and export-potential informing decisions throughout. An appropriate weighting of social value, UK industrial capability, and exportability contributions within the NMH competition will ensure that sustaining and enhancing onshore Rotary Wing design and manufacturing expertise are factored into decision making. We will use this procurement as a Pathfinder for the weighting of UK industrial capability and exportability in future procurements, where it is judged to be appropriate and proportionate.

### **Mobile Fires Platform**

- The Mobile Fires Platform programme will deliver a new close support artillery capability. Early market analysis, and consideration of industrial and export opportunities is shaping its procurement strategy, with the intent of driving pace in delivery in line with the 5 year DCPR commitment.

### **Uncrewed Systems**

- We are embedding spiral development into our approach to developing, testing and adapting uncrewed systems. Our 'design philosophy' is to draw upon our leading knowledge of the latest components and software from our partnership with Ukraine and then iterating. Requiring a symbiotic partnership with industry, we can adapt to rapidly changing threat environment or technology opportunities that can be measured in a pace of weeks. We will engage with industry to help them understand our current and future capability requirements to build a resilient and thriving industrial sector and protect our ability to scale in times of conflict.

### **The UK Strategic Command Integration Design Authority (IDA)**

- The IDA will ensure that integration is at the heart of our decision making from concepts through capability development into campaigning. The IDA will inform Force Design and capability development choices to deliver integrated outcomes, as well as providing integration advice and assurance for Defence. The enterprise level view developed through the IDA will result in improved requirement setting, management of key dependencies and leveraging of industry and expert insights much earlier within the acquisition cycle.

### **CRENIC**

- CRENIC is a UK Strategic Command programme to provide protection to deployed forces from Remote Controlled IEDs. It marks a shift towards a software-enabled capability to counter the evolving threat through an agile approach. Early engagement with industry was key to developing and using open technical standards and a commercial approach that incentivised industry to work collaboratively through an ecosystem now containing over 70 suppliers including many SMEs. The approach to open standards will also benefit related projects and improve our interoperability and integration with allies and partners.



The MQ-9 Reaper, in service with the RAF since 2007, will be replaced by the world-class MQ-9B Protector.



CRENIC, providing protection to deployed forces from Remote Controlled Improvised Explosive Devices (IEDs)



## Next Steps

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Our priority now is to embed these changes across Defence, to get capability into the hands of the users more quickly. Over the coming months new programmes will begin to adopt the approaches outlined in this document.

From 8 April we expect the following key changes to be in place:

- The Integration Design Authority will be delivering the initial integration services in support of the Integrated Procurement Model.
- Direction and guidance on adopting spiral development will be published, enabling programmes to set up for success and navigate the system to drive pace.
- Decisions on major programmes in the pre-concept phase will be informed by earlier, independent advice from experts that will inform the choices and trade-offs.

By the end of 2024:

- We will undertake an assessment across the Defence portfolio to identify opportunities for the application of spiral development to both new and in-flight programmes. Spiral may not be the right approach for all programmes; we will reset to a spiral approach where this results in downstream delivery benefits.
- New Commercial Pathways will have been developed and deployed covering Spiral Development, Technology Development (Innovation) and Low Complexity Procurement. This will include decision methodology that guides users to the most appropriate Pathway.

The Defence-wide portfolio approach is being developed as part of Defence Design. It is expected to be in place to inform balance of investment decision making in the next Spending Review.

By end of 2025:

- We will test with Pathfinder programmes our approach to bringing together expert advice to inform senior level decision making, and a tool to enable programmes to consider the relative priorities of different policies. These will be embedded in our end-to-end process.
- The Integration Design Authority Advise and Assure Services will be fully operational. The integration reference frameworks will be in development to support Integrated Force Design. The Integration Industry Forum will refine the approach of early engagement with industry on thematic capability development and delivery.

The cultural shift necessary to embed these changes will take longer to achieve. Each organisation involved in Defence acquisition is developing a plan to drive behavioural change in their teams.

In parallel, we will continue to work with the Defence Suppliers Forum to achieve the commitment to pace that we have jointly made.

We are committed across the enterprise to making these changes to deliver better for our Armed Forces and better for the country.