

Building defence for the long term

The importance of greater defence investment and engagement for national security amid the current geopolitical climate



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Foreword

Alex Baker, Member of Parliament for Aldershot and Member of the Defence Select Committee

In today's increasingly volatile geopolitical climate, the need for greater investment and engagement in defence has never been clearer.

The long-assumed peace dividend is visibly fading, and the infrastructure, systems and partnerships that underpin our national security must be strengthened and reimagined to meet new challenges.

Through my previous work engaging with infrastructure and policy, I have seen first-hand how critical resilient systems are to delivering security outcomes. Defence cannot operate in isolation. Bringing in perspectives from across the traditional defence ecosystem and beyond, across industry, finance and civil society, can unlock new ideas and approaches. In the same way that large infrastructure projects receive sustained long-term planning and investment, defence must receive the same level of strategic focus and commitment.

As MPs, we have an important role to play in championing a whole-of-society approach, ensuring the UK draws on its full breadth of expertise to strengthen our collective security. Part of this involves advocating for increased defence investment to ensure we strengthen our military facilities, rebuild our industrial capacity and achieve wider societal engagement.

The Strategic Defence Review (SDR) sets out a strong set of recommendations. By working together across government, industry and society to deliver on them, we have a real opportunity to build a more resilient, innovative and sustainable defence for the long term.

“ As MPs, we have an important role to play in championing a whole-of-society approach, ensuring the UK draws on its full breadth of expertise to strengthen our collective security.



Alexandra Baker ©House of Commons/Roger Harris

War readiness, now more than ever, requires long term investment for defence infrastructure rather than episodic spending. Without sector-wide reform, strategic intent risks outpacing operational reality.



Executive summary

This report argues that delivering the ambitions of the Strategic Defence Review requires system-wide reform, not incremental change. To translate strategy into capability, the UK must address structural and societal barriers across infrastructure, finance and culture.

While defence ambition is rising, delivery capacity is constrained by ageing infrastructure, fragmented pipelines and slow procurement. War readiness, now more than ever, requires long term investment for defence infrastructure rather than episodic spending. Critical is the publication of the Defence Investment Plan (DIP) to articulate pipeline and priorities. Without the DIP and sector-wide reform, strategic intent risks outpacing operational reality. Further, with Defence Reform targets of £900m savings per annum, achieved in part via MOD Civil Service recruitment freeze and voluntary severance, the expectation is currently “do more with less” - industry must innovate and recast to meet the challenge.



Through conducting interviews with key MOD and industry players, we have identified three priorities to build defence for the long term:

1. Position defence as critical national infrastructure

- Embed defence facilities within national resilience planning
- Shift from isolated projects to system-wide, long-term estate strategy
- Design infrastructure for adaptability, mobilisation and future conflict environments.

2. Modernise finance and delivery models

- Explore innovative funding approaches to complement public investment
- Improve long-term visibility of demand to unlock private capital and industrial investment
- Strengthen collaboration between government and industry to deliver at pace and scale.

3. Build a whole-of-society defence culture

- Address skills shortages through stronger pipelines, regional ecosystems and technical training
- Empower reservists, cadets and transition pathways to maximise existing talent, in turn, expanding civil resilience
- Reframe defence as generational investment in economic resilience and national growth, not short-term cost.



Introduction

In June 2025, the Strategic Defence Review called for greater investment and engagement with defence industry at a time that requires increased war readiness amid rising global threats. These priorities include:

- Positioning infrastructure as a pillar of capabilities
- Recapitalisation of the Estate
- Strategic base resilience
- Digitalising the Estate.

Yet these ambitions run counter to both the constraints of the current system as well as broader societal engagement, challenging fiscal caution, bureaucratic inertia and a national conversation that too often positions defence as a periodic afterthought.

The ongoing crisis in the Middle East, converging domestic and foreign policy, is likely to prompt a shift in cultural mindsets – but the work to be done to enable sector-wide reform remains immense. How do we reframe defence from being viewed in short-term political cycles to building long-term national capability? How do we shift from reactive spending to generational investment?

Gleeds, in partnership with the D Group, recently hosted a roundtable with Alex Baker MP to examine how the ambitions of the SDR can be translated into

delivery at pace. Our discussion, which received input from members across the defence ecosystem, sought to explore the structural, financial and cultural barriers that continue to impede progress and the practical steps required to overcome them in the wake of the SDR.

Following this, we continued the conversation by conducting interviews with members across the defence sector to explore further the common challenges faced and identify innovations in methodologies and improved ways of working.

This report sets out how, through deeper alignment between government and industry, and a renewed focus on affordability, productivity and pace, we can truly **build defence for the long term.**

Challenges

Achieving war readiness in a geopolitically volatile world.

The goals and ambitions of the SDR were clear: to strengthen the UK's defence capabilities, enhance resilience and ensure readiness across all domains of modern warfare. With the recommendations widely lauded as comprehensive and forward-facing, the publication signified a promising step in the right direction when it comes to meaningful defence reform. However, significant doubts remain across both government and industry about the ability to fully deliver on these objectives within the current system.

Almost a year on, the challenges associated with meeting the SDR's objectives are becoming increasingly evident. The strategic environment has shifted significantly, with a more turbulent geopolitical landscape placing additional pressure on the UK's defence posture. The current crisis in the Middle East cements the need for rapid response capabilities and adaptable defence infrastructure, highlighting that preparedness cannot be delayed.

Many stakeholders spanning the defence sector remain concerned that existing structures and processes do not provide the speed and agility required to achieve true war readiness. For one industry leader we spoke to, there are many considerations when it comes to defining war readiness, from our ability to rapidly deploy our armed forces overseas to our rail networks and undersea cables – but an overarching theme is that defence capabilities are intertwined with the country's critical national infrastructure. *“Ukraine shows how vulnerable things like our energy infrastructure can be.”*

Within the past year, the key barriers to achievement have not changed, with persistent stockpile depletion, operational stretch across military units and longstanding bureaucratic processes that slow decision-making and execution continuing to pose major obstacles.

Without addressing these limitations, there is a real risk that the ambitions of the SDR may outpace the UK's operational and delivery capacity.



Procurement and delivery challenges

From an industry perspective, particularly in defence infrastructure, delivery systems are often not designed to respond to surges in demand, and fragmented procurement pipelines significantly constrain the sector's ability to meet urgent requirements. For many stakeholders, progress in translating the ambitions of the SDR into tangible projects has been limited. One defence construction contractor we spoke to noted that despite public discussion about increased defence spending, the last six to eight months have seen a hiatus in schemes reaching contractors, leaving uncertainty over timing, scope, and funding sources.

This lack of long-term certainty inhibits investment opportunities, as companies struggle to allocate resources and expertise to projects that may take years to materialise. A longstanding and persistent challenge within the defence realm, procurement processes remain heavily encumbered by structural and bureaucratic barriers, with some projects taking several years from initial tender to market due to changes in government, procurement routes, and administrative delays. These systemic issues are reflected in industry experience. As Mark Graves, Senior Director of Energy and Defence at Gleeds, explains: ***“The basics are missing, and this is not new. Budgets are fluid, programmes are delayed or slow to reach market, and ageing infrastructure drives a ‘make do and mend’ approach within overly complicated contractual arrangements. Pace in strategic infrastructure programmes is not always there and suffers from a lack of experienced resource on both the industry and client side. Key resource is far more transient today, with international opportunities in adjacent sectors on a more commercial footing coming to market quicker and attracting talent away from defence.”***

Expanding further, Melanie Phillips, Director at Gleeds, explains ***“sequential assurance cycles from Strategic Outline Business Case (SOBC) to Outline Business Case (OBC) to Full Business Case (FBC) can add years. Business case, commercial strategy, and delivery planning can run concurrently. Requirements change post-contract because they were never standardised for common facility types, where many requirements for accommodation, training estates and storage are replicable. Delegation thresholds are often too low, escalating routine decisions to senior sign-off, which immobilises the delivery organisation. When new consortia innovate solutions that other teams in the portfolio have already produced, it erodes the ability to exploit value opportunities. Mandating a standard delivery framework across all MOD programmes would enable more dynamic procurement strategies. It would enable repeatability, and measurable learning from experience in a usable, integrated format. This would address affordability (less reinvention waste), pace (faster mobilisation), as well as skills retention and pipeline deconffliction in the supply chain.”***

With extended timelines increasing costs, reducing operational agility and constraining the sector's capacity to deliver at the speed required to address contemporary threats, the task of building long-term defence capability is a particularly challenging one within the current context. Defence can constitute a relatively small part of some businesses' operations, making early visibility of demand and clear funding signals critical for effective planning and investment.

The cyclical nature of defence spending further complicates industry engagement, while the absence of a coherent project pipeline limits the sector's ability to anticipate future requirements and make strategic investments that support sustained capability development.

Case study



I worked over an extensive period on Project Allenby/Connaught, the redevelopment of Aldershot and Salisbury Plain. Although it was a PFI project, the benefit was the scale - it allowed us to design something once and then replicate that design across the estate. That brought the advantages of standardisation and repetition, and a real understanding of both the qualitative and quantitative value of what was being built, which could then be refined and improved for the next phase.

I can't see why we aren't doing more of that. The challenge now is that, because contracts are awarded to different parties, there isn't always that continuity or dialogue to share best practice. It would be ideal to draw more effectively on the experience and capability that already exists."

Erika Gemmell, Head of Defence and Security at Scott Brownrigg

Positive demand signals

There is an issue with unclear and inconsistent demand signals from public bodies across major infrastructure programmes, including defence, energy and broader national infrastructure. Companies often struggle to anticipate where investment will flow, when programmes will launch, and which areas to prioritise for developing capabilities or digital tools. As Erika Gemmell, Director leading the Defence and Security Sector at Scott Brownrigg, explains, ***"it's confidence to be able to make these plans. And people just don't have the confidence to do it because they don't know where or how the work will come through."***

Expanding further, she explains; ***"as architects, we're right at the beginning of the process because you need us to design. So if those demand signals are not getting to us, we're the last to know, but the first to start. And that's really hard."***

Andy Ellis, Global Head of Energy at Gleeds, notes that while there have been years of positive narrative about government investment, whether in the clean energy transition or defence infrastructure, the reality is that decisions and funding often take longer to

materialise than the market expects. ***"Being able to actually pinpoint where the money's going to go, which programmes we should get behind, when we need to be ready to mobilise or invest in resources or technology, can be really difficult to predict. So to provide this increased confidence for the supply chain we'd ideally have earlier visibility, more certainty around when it's going to materialise, better transparency around what it is and where it is to allow us to go and invest and prepare for it."***

Affordability restraints

Affordability remains a central challenge in an era where threats, from cyber-attacks or sabotage of our critical national infrastructure, present a key risk. The Defence Investment Plan (DIP), initially anticipated in autumn 2025, has been repeatedly delayed amid concerns that the armed forces are facing a c£30bn shortfall over the next four years: the Department continues to face funding uncertainty.

Amid the enduring challenges of budget constraints and short political cycles, defence competes with a wide range of domestic priorities, from healthcare,





education, and social services, at a time when it is often undervalued by the British public. There is a pressing need for defence spending to demonstrate clear value-for-money, whether through delivering modernised infrastructure, upgrading military hospitals or developing dual-use technology.

The consequences of delayed investment are already visible across the defence estate. One interviewee reflected that *“the accommodation I lived in 30 years ago... I can go back to now and it’s probably worse”*, reflecting the cumulative impact of underinvestment.

This underinvestment drives long-term inefficiency, with ageing accommodation and medical facilities impacting both morale and retention. As Air Vice-Marshal Ranald Munro, a Reservist and Chairman of the Greater London Reserve Forces’ and Cadets’ Association, observes, many reservist facilities are *“very old, creaking and not fit for purpose,”* with maintenance often delayed until critical failures occur. Parliamentary evidence supports this assessment: around 30% of the UK defence estate is considered to be in *“unacceptable condition,”* reflecting decades of underinvestment. The Reserve estate has recently

been brought under the Future Defence Infrastructure Service (FDIS), a contractor-led model, already in place for the regular estate, which is intended to consolidate estate management across Defence. Operational issues persist, with contractors struggling to meet maintenance demand across a large and ageing estate and bureaucratic contracting thresholds slowing the delivery of repairs and upgrades. A Defence estate that is not suitable or safe also risks undermining the aspirations for our reserves and cadets in creating the resilience pillar as set out in the Strategic Defence Review.

Examples such as this point to a wider cultural misalignment. When defence infrastructure is typically seen as a *“cost”* rather than a capability enhancer, investment decisions are less likely to focus on building long term resilience.

In an era where rising military risks span multiple domains, from sea, land and air to cyber and space, this is both a strategic vulnerability and constraint on long term national growth.



Section 1

Building the foundations of national security



Just as major infrastructure projects are supported with long-term planning and sustained investment, defence requires the same strategic focus. Strengthening the foundations of national security and building enduring defence capabilities begins with bolstering the basics - this includes modernising and securing our facilities, exploring innovative financing models and drawing upon examples of best practice to ensure resilience over the long term.

Drawing on our experience, we explore the opportunities that can help us remedy structural issues undermining defence delivery and translate strategic ambition into sustained operational capability.

Opportunities: positioning defence assets and capability as critical national infrastructure

There is a pressing need to fundamentally redesign security and resilience in an increasingly unstable environment. Without robust defence facilities, whether it's modern barracks, military hospitals or advanced training ranges, military operational effectiveness is depleted.

Yet while energy, transport, water, or telecomms are classified as critical national infrastructure, where any disruption would have immediate and far-reaching consequences, too often defence remains an afterthought.

As one leader in industry noted, *“we don't look at critical national infrastructure in the same way they do in continental Europe - we just look at it as standalone projects. Most of the ports and roads are privatised, and we don't take some of the opportunities that are there”*.

Opportunities to “harden” infrastructure for rapid military deployment, commonplace in parts of Eastern Europe, often put in place as a deterrent to the overarching threat of Russia, are largely absent in the UK. This reflects a wider issue: *“we're not joined up as a society at all around defence - it's generally not on the general public's radar that defence spending has anything to do with them”*.

This is despite the sector's critical importance to underpinning national security, economic resilience, and protecting the very infrastructure that these sectors rely upon, with the gap lying in the explicit positioning of defence infrastructure as critical for economic stability, societal resilience, and everyday national functioning. However, many large non-defence infrastructure projects, from Canary Wharf to the Thames Tideway Tunnel, have demonstrated what is possible when sustained investment and long-term capital are committed, proving that such ambition is achievable. With the current global situation forcing renewed focus on defence and security, now is the time to drive momentum into strengthening our critical defence facilities.

For members of industry like Erika Gemmill, the fact the SDR has recognised the importance of infrastructure is a meaningful breakthrough. *“Hopefully that's given us the impetus for how important it is to be able to support the UK's capabilities in defence. However, there does need to be a step change in terms of how we deliver it. And that bit of the equation hasn't yet come to fruition.”*

To achieve this, defence infrastructure should be explicitly incorporated into the UK's critical national infrastructure planning framework. Doing so would support longer-term capital investment, enable greater coordination across government and industry, and ensure that facilities are designed with resilience, adaptability and rapid mobilisation in mind. This shift would move defence infrastructure away from fragmented project delivery toward a more strategic, system-wide approach to national security.





“ We don't look at critical national infrastructure in the same way they do in continental Europe - we just look at it as standalone projects. Most of the ports and roads are privatised, and we don't take some of the opportunities that are there”

Opportunities: exploring financing models for defence infrastructure investment

The financing of defence capability and infrastructure has become a central part of the affordability challenge facing the UK. With the government committing to a 3.5% of GDP defence target by the next parliament, it is increasingly acknowledged that meeting this ambition will require smarter, more innovative approaches to investment in addition to increased public funding. Within the current climate, it is unlikely that conventional funding alone will be able to match the scale and pace of requirements across estate, equipment and readiness.

This has driven a fresh exploration of alternative finance models, starting with a reassessment of the UK's previous experience with the Private Finance Initiative (PFI) as the original large-scale private finance model for infrastructure delivery. While PFI has had a complex relationship with the defence sector, due

to high long-term costs, contractual inflexibility and concerns over operational control, the UK government has expressed openness to all financing models given the affordability pressures on defence. In many cases, consolidated by the support of industry, PFI may provide a mechanism to deliver critical infrastructure efficiently while sharing risk and incentivising performance. As Darran Muir, Senior Director, Advisory Due Diligence Team at Gleeds, observes, ***“PFI is one of the means of getting money, getting the private sector to invest in it, and then it’s repaid over a 20-30-year contract”***.

Experience shows that certain types of defence infrastructure, such as residential, training or administrative accommodation, are particularly attractive for private investors because they involve lower, more predictable risk compared with high-tech equipment or weapon systems. Those who are failing to take advantage of this are ***“possibly missing a big trick here because it’s a tried and tested method... funders understand that. With some of the weapons and vehicles, some of the funders may have a bit more apprehension about getting involved in these types of projects.”*** Indeed, as Michael Davies, Senior

Director at Gleeds highlights, ***“hospitals and barracks are well understood in the market...there are clear delivery models already in sectors like healthcare, student accommodation and housing that could translate well into defence.”*** The predictability of such projects allows private investors to participate with confidence, while transferring some operational and maintenance risk from the public sector.

Lessons from other sectors, particularly health and education, demonstrate the importance of careful contract design and ongoing public-sector engagement. Early PFI projects often suffered when public-sector teams lost continuity, leaving private partners to manage projects alone.

Another concern was the tendency of private-sector equity investors to generate substantial profits and proceed to sell their stakes on to others, capturing additional gains. Modern adaptations, such public-private partnership (PPP) frameworks like Scotland’s Non-Profit Distribution model and Wales’ Mutual Investment Model, introduce profit caps and reinvest surplus funds into the community, embedding social value. Darran Muir notes, ***“anything over and above***



gets reinvested into the community...they can make a profit at an expected level, but anything over and above gets reinvested”.

Building on these lessons, the focus is now shifting beyond traditional PFI towards a broader concept of Private Finance (PF), encompassing more flexible, transparent and outcome-driven partnership models. These models can offer a valuable template for defence infrastructure, demonstrating how long-term public-private partnerships can balance commercial viability with societal benefit, ensuring that investment in military estate generates wider value for local communities.

The White Fraiser Report, commissioned by the UK’s Infrastructure and Projects Authority (IPA) , which is now the National Infrastructure and Service Transformation Authority (NISTA), and published in July 2023, sheds light on how PFI contracts are managed in practice and the challenges facing the PFI market. The report identifies that effective contract management and the quality of public-private relationships are critical to success across PFI projects, finding that many contracts have suffered

from under-resourced public-sector oversight and disputes that absorb time and money without necessarily improving performance. It recommends that both sides invest more in contract management, upskilling to create an intelligent client, and pursue a collaborative “reset” approach to improve outcomes and avoid adversarial behaviours.

Although the use of PFI in defence remains limited, with far fewer projects than in health or education, its legacy provides important lessons for the future application of PF models. With careful application, informed by lessons learned from previous projects and other sectors, modern Private Finance approaches represent a credible tool to accelerate delivery of critical defence infrastructure while aligning private incentives with public objectives.

Multilateral defence funding provides another potential avenue for investment. While traditional banks cannot lend to defence in the same way as other sectors, multilateral institutions have the capacity to pool capital and reduce individual national burdens. Just as the World Bank or European Investment Bank support civilian infrastructure, a defence-focused





multilateral institution could underwrite investment into shared resilience projects, joint logistics hubs or interoperable capabilities across NATO. This could also help reduce duplication across allied facilities, freeing up scarce national budgetary headroom. However, the UK's position outside the European Union introduces additional complexity in accessing emerging multilateral defence financing mechanisms. Limited alignment with EU initiatives, including the Security Action for Europe (SAFE) instrument and other newly established European defence funds, risks constraining the UK's ability to fully participate in collaborative financing models and benefit from pooled investment at scale. Spearheaded by Mark Carney and championed by Rob Murray, a former British army officer and the head of innovation at NATO, one of the most high-profile ongoing efforts in this space is the proposed Defence, Security & Resilience Bank (DSR Bank) - a new multilateral financial institution being designed to help allied countries finance defence and security investments over the long term of which the UK is being heavily encouraged to join.

The DSR Bank is being structured to provide affordable capital for governments, support smarter and faster procurement and unlock private capital for defence supply chains and capability projects. SMEs are likely to benefit significantly, as sovereign backing could allow them to borrow more than twice as much. In addition, any defence spending routed through the bank would be off the government's balance sheet, helping to manage public finances while delivering strategic capability. Michael Davies tells us, ***“there is a potential advantage if the DSRB is used to fund up front services or works to enable and de-risk projects – this should facilitate the participation of more private sector funders and funding to be secured on more favourable terms.”*** However, he cautions that the write-off and repayment arrangements would need to be clearly defined in the event of abortive projects as well as potential returns.

The exploration of diverse finance models will require bravery, as defence remains inherently risk-averse and shifting towards innovative finance prompts both cultural and procedural adjustments within

the MOD. Michael Davies reflects, ***“when funds are short, you can't insist on the same high degree of governance and control as you need to encourage innovation. There have been new models floated in other sectors which I have not seen in defence.”*** Yet by learning from past experiences and embracing new approaches, there is a real opportunity to unlock long-term investment, make infrastructure more bankable, and strengthen collaboration with private and multilateral partners.

Opportunities: future-proofing our defence facilities

The most important step to building a resilient defence estate is ensuring our defence facilities are equipped for the demands of the future. Achieving this transcends simply maintaining buildings; these facilities must adapt to the evolving nature of conflict, support operational readiness and enable the full potential of the armed forces. Facilities designed for flexibility and surge are essential if the estate is to respond effectively to hybrid threats, rapid mobilisation requirements, and the increasing operational tempo demanded of both regular and reserve forces. This requires a shift from static, single-purpose buildings towards adaptable spaces capable of supporting everything from high-tech training to logistics and mobilisation at short notice, with digital integration embedded from the outset.

The estate must also reflect the human dimension of defence, supporting reserve forces, cadets, and rapid mobilisation demands that facilities are accessible, safe, and capable of sustaining high readiness levels. As Ranald Munro notes, many sites are struggling under a “fix-on-fail” maintenance culture – a culture borne of the lack of funding - where infrastructure is allowed to deteriorate until systems break entirely, often leaving buildings that are ***“not the kind of places you want to show reservist recruits and young cadets coming into.”*** Such conditions risk undermining morale and the attractiveness of the services, particularly when new personnel arrive expecting modern capabilities but encounter facilities with ***“no hot water, no heating, and paint peeling off the walls.”***



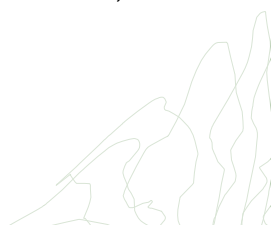
For meaningful change to take place, *“there needs to be a clear recognition of the importance of having fit-for-purpose, up-to-date and safe environments for recruiting, retention and the development of skills. That importance must be understood at both political and military levels and supported by sufficient investment. We also need to recognise the value of maintaining well-located facilities that embed the reserves and cadets within the communities they serve. And thirdly, we need the funding to make it happen.”*

With the SDR recognising that improving Service Family Accommodation and Single Living Accommodation is “essential to morale and retention” and recommending ways to support service personnel’s aspirations for home ownership, £1.5 billion has been committed to urgently improve forces family housing. This brings total planned spending on military accommodation to over £7 billion

during this Parliament. These measures represent a significant and promising step toward tackling retention challenges and improving quality of life for those who serve. Readiness is as much about people and physical capacity as it is about digital infrastructure; a modern defence facility must cultivate both. By future-proofing in this way, the UK can ensure that its defence estate remains resilient, responsive, and relevant for decades to come.

Opportunities: rebuilding industrial (and sovereign) capacity

The SDR made clear that the UK must transition from an under-resourced, post-Cold War industrial model to one capable of sustaining high-tempo operations and technological competition by 2035. Central to achieving this vision remains the need to overhaul the relationship between the Ministry of Defence and industry, moving to a more predictable,





resilient and jointly planned approach to production and supply chains.

Yet currently, progress towards achieving this ambition remains uneven. Recent reporting on delays to new munitions production facilities, including an explosives facility at Glascoed due to open in South Wales, highlights the practical challenges of translating industrial commitments into operational output amid government spending deliberations. Such delays underscore the importance of stable demand signals, clear procurement pathways and sustained industry-government coordination if the UK is to deliver production at scale.

As previously mentioned, for industry members, a core opportunity lies in creating predictable demand signals from government. For one industry participant, this stability enables investment, as *“people can invest because there’s no worry we’ll suddenly*

“ In many ways, however, the greater challenge lies not in structural change alone, but in shifting the underlying culture that shapes how decisions are made, risks are managed and priorities are set across the system.

start building them somewhere else". Without such certainty, long-term technical and skills development becomes difficult, since *"no one's going to invest in skills in a business where you may win something, you may not win something"*. The SDR's commitment to investing £1.5 billion in at least six new UK munitions and energetics factories, and to procuring up to 7,000 long-range weapons, represents one of the most tangible shifts in that direction and does and signal a move toward greater industrial continuity.

As Simon Dunn, Director, Energy and Defence, Gleeds, noted: *"We support a range of key client-side roles within the Defence Nuclear Enterprise, where it is*

clear that strong confidence in the visibility and accurate profiling of funding is vital to enabling the successful delivery of new and upgraded infrastructure for critical equipment manufacturing. Funding is the lifeblood of these major programmes, essential for maintaining progress and sustaining momentum. Publishing the DIP will clarify expectations around scope, priorities, and funding, while establishing a clear pipeline of work that enables resources to be forecast, developed, and deployed to meet demand. Positioned within the support tiers of the defence equipment industry, our role as a trusted partner is to plan, forecast, and manage these requirements, ensuring they align



with expectations on cost, schedule, and outcomes - including those of the MOD as the end customer.”

This perspective reinforces the importance of funding visibility as a structural enabler of programme progression - particularly where major infrastructure projects must move through formal approval gateways and into contract award without unnecessary delay.

The conflict in Ukraine has also offered accelerated lessons on resourcefulness and industrial responsiveness, with Erika Gemmell observing that *“Ukraine’s military efforts really helped move new warfighting capabilities forward... they’ve done a*

brilliant job at managing with what they’ve got.”

These lessons demonstrate the value of adaptability, rapid scaling and industrial resilience in sustained conflict environments. Embedding these principles into the UK’s procurement model, production pipelines and supply-chain design will be critical if industrial ambition is to translate into enduring capability.

In many ways, however, the greater challenge lies not in structural change alone, but in shifting the underlying culture that shapes how decisions are made, risks are managed and priorities are set across the system.





Section 2

Developing cultural momentum
and a whole-of-society approach

Alongside the foundational components of building defence for the long term must come a cultural shift. Establishing a robust, whole-of-society approach that the SDR advocates for can support stronger facilities and greater investment – but what is needed to enable that cultural change?

Opportunities: navigating the skills gap

Building defence for the long term requires more than simply the right financial backing. Without the right skills base, increased investment alone will struggle to translate into deliverable capability. The skills gap within the sector is no secret, with persistent shortages across engineering, digital technologies and project delivery repeatedly highlighted by industry stakeholders. While the UK has produced roughly 1.7 million graduates in engineering and computer science since 2020, defence must compete with other high-growth sectors, such as technology, energy and advanced manufacturing, that are often able to offer more attractive career pathways.

This challenge is further compounded by structural pressures within the construction and infrastructure workforce, with more individuals exiting the sector than entering it. According to ONS data, the UK construction workforce (not seasonally adjusted) shrank by more than 300,000 workers between 2005 and 2025. With 47% of apprentices dropping out of schemes before completion, long-term solutions are needed to strengthen retention, rebuild skills pipelines, and ensure that new entrants can develop the experience required to sustain delivery of complex infrastructure programmes over time.

For those supporting the infrastructure sector, challenges include adapting to:

- Physical or medical requirements that restrict entry for highly skilled candidates
- Lengthy security clearance processes that slow recruitment and deter applicants
- Limited visibility of career pathways, particularly civilian and technical roles beyond uniformed service
- Competition from high-growth sectors offering higher pay, flexibility, and faster progression
- Geographic concentration of roles in specific bases or industrial clusters
- Complex hiring and procurement processes that can deter SMEs, startups and non-traditional entrants
- Moral or ethical concerns, especially among younger talent seeking alignment with personal values.

As several industry voices noted, addressing these acute skills gaps will be critical to ensuring that future defence spending can be effectively absorbed and translated into long-term capability.

Placed-based exemplars

Importantly, skills development in defence is deeply tied to place and industrial continuity. Some of the strongest defence skills ecosystems in the UK have formed around locations where there is a “sustained pipeline of work”. Communities such as Barrow-in-Furness, Plymouth and Glasgow have developed deep specialisms precisely because industry and government have maintained long-term commitments to specific capabilities.

In Barrow, for example, the UK's submarine-building programme has created a uniquely stable environment in which companies can confidently invest in training, facilities and the local workforce. With a clear and enduring commitment to submarine production, firms know the work will remain there, allowing investment decisions to be made for both business growth and the long-term prosperity of the surrounding community.

This provides an important lesson for the wider sector. While infrastructure spending will fluctuate with political and fiscal cycles, core sovereign capabilities anchored to specific locations can provide the stability needed to cultivate specialised skills over generations. With Barrow standing as an exemplar of what can happen when long-term industrial commitments, local workforce development and national strategic priorities align, the challenge for policymakers and industry alike is how to replicate elements of this model in other areas of the defence ecosystem. However, the future of place-based investment continues to drive opportunity – just recently, it was announced that £1bn contract will see Leonardo build 23 new military helicopters for the UK Ministry of Defence (MoD) at its facility in Yeovil, Somerset, securing existing jobs but also creating up to 650 new ones, supporting the local workforce, site and airfield.

With the 2025 Defence Industrial Strategy committing a £182 million boost for the defence talent pipeline, focusing on “harnessing the skills needed for the future, from submarine engineers to specialist welders, and the cyber warfare specialists defence will need in the years to come”, as well as the establishment of five Defence Technical Excellence Colleges, the sector appears to be moving in a positive direction.

For many members of the defence ecosystem, positioning SMEs as regional anchors of talent is also seen as an effective way to draw young people into the defence sector, through initiatives such as Barrow and Plymouth. By strengthening local ecosystems around defence primes, SMEs, colleges and training institutions, these initiatives aim to ensure that skills are retained within the communities that sustain the UK's defence industrial base.

Empowering our existing workforce

Alongside formal education and training initiatives, strengthening the defence talent pipeline also requires a more deliberate effort to harness existing communities already connected to the sector.

Cadets and reservists represent an integral source of future talent, offering individuals with early exposure to defence culture, benefitting the nation more widely, and skills that can translate into careers in defence, regular or reserve. As Ranald Munro emphasised, the reserves are not a peripheral capability but a core component of the whole force delivering defence capability, providing mass and niche skills and acting as a vital connection with society: this whole-force approach recognises that capability requirements span regulars, reservists, civil servants, contractors, and the wider community. Reserves need to be seen as an investment not a cost.

Greater clarity is also needed around pathways for personnel transitioning from military or MOD roles into civilian and public-sector positions. With concerns about future job prospects after service and the need for better support, particularly in facilities, these transitions can be marked by uncertainty, risking the loss of valuable experience and institutional knowledge without structured support. There is endless value in integrating these groups into the broader defence workforce, in both addressing persistent skills shortages and helping the sector retain and build upon the expertise it has already cultivated.

During our roundtable discussion and interviews, it was suggested that the role of the private sector in addressing defence workforce and skills challenges is not yet fully integrated into current approaches. Although private industry plays a critical role in developing talent, more work is needed to facilitate movement into the public sector and to ensure that these individuals can continue contributing their skills across defence.

Existing frameworks, such as the Armed Forces Covenant Employer Recognition Scheme, already provide a model for how organisations can actively support and integrate members of the Armed Forces community into the workforce, recognising employers that go beyond baseline commitments to defence personnel. With over 12,000 organisations now signed up to the Covenant, the foundations for a more integrated defence workforce already exist.

As anyone with defence sector exposure will know, the talent in the serving military and beyond is varied and brilliant, with building a resilient defence ecosystem depending heavily on maximising this potential.

Opportunities: shaping a whole-of-society response to defence

The SDR was explicit in its advocacy for the defence realm to encourage cross-sector collaboration and engage wider society – and this is something that is required now more than ever.

As current conflicts continue to pose substantial risk to many facets of everyday life, it becomes increasingly evident that defence cannot sit solely within the MOD; responsibility must be shared across government, with every department challenged to engage meaningfully and MPs championing long-term investment.

A total government–industry approach and greater alignment is essential, with meaningful change requiring visible commitment across Whitehall. Amid budget constraints, it is important that defence infrastructure is communicated as a fundamental priority within government frameworks. One industry defence representative argues: *“industry has very good links into many departments but it’s not for us to put the pieces together. That has to come from the top.”* Part of this shift involves reframing defence capabilities from episodic crises to everyday necessities. Defence should be framed as a critical component of UK life and an everyday economic driver, not just a crisis response. While *“something like COVID shows that we can react as a nation when we need to”*, part of this effort will require sustained

attention to ensure that both government and the public continue to prioritise defence and do not lose focus – as reflected in the UK Government Resilience Action Plan 2025.

Achieving this shift also depends on overcoming a climate of public mistrust. Public attitudes towards defence spending remain a challenge, with confidence lower than in the past. While recent headlines about the US-Iran conflict may temporarily raise awareness of defence priorities, sustained leadership, clear communication and alignment between government, industry, and communities will be essential to secure long-term impact.

There must also be a continuation of targeted efforts to engage underrepresented groups with the sector. Both government and industry need to reflect the fabric of a changing society, highlighting the role that women and people from ethnic minority backgrounds continue to play in shaping the future of British resilience. Encouraging a more inclusive approach enables the sector to tap into a wider talent pool, challenge traditional norms, and better mirror the communities it serves, strengthening both workforce capability and the nation’s broader defence resilience over the long term.

Opportunities: reframing the national narrative

While the UK public generally supports the defence sector’s contributions to national security, attitudes toward increased investment remain limited – with an FGS Global study conducted last year revealing that only 5 out of 10 (51%) think the growth of the defence sector would be good for the economy.

In fact, a recent study by the British Foreign Policy Group (BFPG) found that Britons are generally feeling safer than in recent years – 31% reported feeling safe in 2025, an increase on 2024 (28%) and additionally 2021 during the Covid Pandemic, where just 19% of the population felt safe.

A key shift in repositioning the national narrative around building defence for the long term is enabling a move away from short-term political framing toward a





mindset of generational investment. Part of this entails highlighting the case for economic growth and demonstrating the real-life impact of valuable work carried out within the defence sector. Again, this is an opportunity to leverage regional examples of places where defence investment has created strong local identity and pride, with the potential to inspire future generations.

From the success of Team Barrow, which brings together industry, local government and education providers to support the submarine enterprise and strengthen the regional skills pipeline, to the growing maritime and defence innovation ecosystem emerging in Plymouth, there are countless examples of localised defence projects delivering economic growth, high-skilled employment and long-term regional investment.

Acknowledging the “fantastic work” of both these examples, one industry representative notes the ***“visible impact of the big spend on infrastructure build programme platforms has had in a place like Plymouth.”*** In terms of raising this visibility, “pulling

out the workforce from behind the wire and putting them in city centre of Plymouth is a game changer. That was really brilliant.”

This need for visibility was echoed by Randal Munro. Speaking of the reserves and cadets’ active role in the community, he argued that the ***“front of house for the whole of the military”*** requires parallel investment.

Visible initiatives demonstrate how defence can act as a powerful anchor for local economies, supporting supply chains, attracting new businesses and creating opportunities for training and apprenticeships. However, many of these success stories remain relatively under-recognised beyond their immediate regions, especially among non-defence communities. Greater national awareness of these models, showing how defence investment can translate into tangible local benefits, could help build stronger public understanding of the sector and encourage other regions to replicate similar collaborative approaches – whether this is achieved through social media campaigns, targeted public engagement programmes,



or closer partnerships between industry, local authorities and educational institutions.

Another avenue for building defence capability for the long term is early, targeted engagement with young people, starting in schools. Expanding STEM outreach programmes that specifically target schools can help expose students to the wide range of careers available across the defence sector, many of which extend far beyond traditional military roles.

By highlighting opportunities in areas such as engineering, data science, cyber security and advanced manufacturing, these initiatives can broaden awareness of the sector and attract a more diverse pipeline of future talent. For many young people, demonstrating the real-world impact of defence innovation is also important. Contemporary examples, such as emerging technologies being deployed in Ukraine, can help illustrate how cutting-edge research and technical skills are applied in practice to address urgent security challenges.

Across the globe, governments have increasingly leveraged the power of social media to communicate policy, shape public narratives and engage younger audiences in national debates. From the White House’s consistent presence on TikTok to Ukraine’s digital communications strategy during the war, there is something to be learned about the use of digital spaces to build broader public understanding of national priorities.

“ Visible initiatives demonstrate how defence can actively act as a powerful anchor for local economies, supporting supply chains and creating opportunities.

Our recommendations

1. Position defence as critical national infrastructure

- **Change the strategic tone** - establish a holistic MOD Defence Infrastructure Suppliers Forum, akin to Tier One Equipment Suppliers able to workshop challenges and make recommendations
- **Promote integration** with non-MOD bodies and client teams providing critical national infrastructure: energy, communications, food distribution, water and health systems
- **Support better outcomes** - supplement client monitoring of major projects/ programmes via independent, non-sector assurance and/ or NISTA tools and techniques
- **Adopt programmatic approaches** - drive attractiveness, investment and sustainability of defence infrastructure market. Establish long-term collaborative delivery models that allocate appropriate risk, drive multi-party engagements with appropriate profits linked to outcomes and consistent performance.

2. Modernise finance and delivery models

- **Reduce waste** by recommending and adopting a simple suite of procurement/ delivery/operations and maintenance strategies, eliminating bespoke approaches and avoiding high-cost consultancy-led operating model design
- **Enable deliverability** and collaboration - normalise early contractor Involvement to drive the most collaborative forms of contract and work behaviours
- **Promote partnering and alliances** – encourage industry to form long term partnerships, with clients and/ or organisations potentially viewed as competitors where complementary objectives and capabilities secure right outcomes
- **Support development of Intelligent Client partners** through coach/ critical friend relationships, to demonstrate simplification of decision making through business case, delegation, procurement and assurance processes
- **Minimise unintended consequences** - demonstrate alternatives to traditional risk-based forms of contracting that have previously sought to allocate inappropriate risk transfer to parties not best placed to manage and mitigate that risk, which in turn drives adversarial behaviours and commercial protectionism
- **Improve cost predictability** - help clients adopt a playbook of common standards and specifications, challenging Joint Service Publication (JSP) norms
- **Drive pace** – enable the wider adoption of innovative construction practices including further adoption of off-site manufacture.

3. Build a whole-of-society defence culture

- **Demonstrate master-planning techniques** which consider infrastructure assets for dual-use with local communities, third sector and/ or civil defence
- **Convert Social Value commitments** to developing whole-of-society resilience as part of the National Resilience Plan
- **Use UK-wide Regional Defence & Security Cluster** networks to respond to challenges and unlock opportunities
- **Build industry skills resilience** - extend Armed Forces “Gap Year” Foundation Scheme to industry and prioritise infrastructure.





Conclusion

Suzanne Tearle, Head of Defence, Gleeds

The reasoning set out in this report points to a clear and necessary shift in how defence infrastructure is understood, planned and delivered. If the UK is to achieve the ambitions articulated in the SDR, defence spending can no longer be treated as reactive expenditure driven by crisis nor as a standalone policy domain. It must be recognised as investment, a core component of the nation's critical infrastructure, fundamental to economic stability, societal resilience and national security.

Industry takes seriously its role in this vital sector, where many of us have worked for much of our careers: in shaping our recommendations above, we have carefully considered how we can improve, to attract others to vest their interests in creating good and necessary outcomes for defence.

From modernising the defence estate to strengthening industrial capacity, the challenges are systemic and long term. They require a sustained strategic coordination across government, industry and delivery partners. At Gleeds, we see first-hand how complex infrastructure programmes succeed when they are underpinned by clarity of vision, consistent governance, robust programme management and long-term commitment. We often remind ourselves, *“remember what we are trying to achieve.”* Where major project falter as a result of an incomplete client or maturing organisation, it is our role to check ourselves, and support the client in succeeding. It is increasingly important that the learning and principles that enable successful delivery in other major infrastructure sectors, predictability, standardisation, transparency and partnership, are consistently applied to defence.

Across the UK and internationally, there are exemplars that demonstrate what is possible when defence infrastructure is treated as strategic national assets rather than isolated projects.

Where long-term planning frameworks are adopted, where supply chains are engaged early, and where delivery architecture is standardised and transparent, waste is avoided, outcomes improve, risks reduce, and value grows over time. These examples reflect best practice in major capital programmes: continuity of pipeline, alignment of stakeholders, and disciplined execution.

Where possible, simplicity and repeatability must become the norm.

To enable a more resilient and secure society, defence infrastructure, including estates, facilities, industrial capacity and supporting systems, must be prioritised and adequately funded alongside other forms of critical national infrastructure such as energy, transport and digital networks.

This is therefore a moment for collective action. Government must continue to provide stable demand signals, multi-year commitments and a delivery framework that enables consistency across programmes. Industry must continue to respond with investment, innovation and partnership.

Now is the time to move from episodic response to sustained commitment - and to truly **build defence for the long term.**

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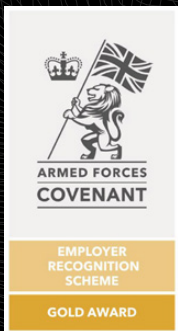
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Gleeds is an international property and construction consultancy with over 150 years' experience in the property and construction industry. With nearly 3000 dedicated staff across six continents and 78 offices, Gleeds prides itself on being a global business that is structured to act and think locally. Working with clients in almost every sector, Gleeds services the entire project lifecycle and categorises its offering into the following core areas: programme and project management, commercial and contract management, property and asset management and advisory.

Gleeds has worked in support of MOD and the UK defence industry for more than 30 years, with expertise in delivery of major projects in all domains, particularly across the Defence Nuclear Enterprise. Gleeds' service is synonymous with quality and reliability, and as an independent business, advice is assuredly free from conflict of interest.



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