

DEFENCE MONTHLY BULLETIN

FEBRUARY 2026

INTRODUCTION

Welcome to the February Defence Bulletin.

I was delighted to welcome our National Armaments Director, Rupert Pearce to our first Sector Council for 2026. Rupert shared his views and insights on the MODs transformational focus, a deliberate shift away from transactional engagement towards long-term, strategic partnerships with industry, aimed at creating a more resilient and productive defence industrial base.

On Tuesday, I chaired the recent Australia/UK Defence Industrial Dialogue (AUKDID) between MinDRI Luke Pollard and MinDI Pat Conroy with a selection of industry seniors. Our first dialogue since 2018, re-affirming commitments to deeper collaboration bi-laterally and across AUKUS. Ministers agreed to strengthen cooperation on building resilient energetics supply chains and supplying munitions and energetics to the UK. The joint statement can be found here - [Australia-UK Defence Industry Dialogue: Joint Statement - GOV.UK](#)

Last week, I had the privilege to support the launch of Wales Defence Growth Deal MOU signing, with SofS for Defence, First Minister and SofS for Wales, supported by strong industry representation. The themes of this growth deal came out of our industry engagement workshops, with industry at the heart of shaping the opportunities for economic growth in Wales, with focus on end to end Autonomy, Critical Materials, on-shoring sovereign capability in small motor manufacturing, energetics and secure FSC facilities for SMEs.

In case you missed the announcement, following an approach from their Board last year, the West of England Aerospace Forum (better known to most as WEAFA), will soon become our latest regional venture, [ADS South West](#).

ADS South West will join our Scotland and Northern Ireland offices as part of our enhanced regional offering, bringing that wider knowledge to a granular, local level, ensuring our support is available to members where they are.

On the International side, Simon Levy attended the World Defence Show alongside our International Team to support the member and key stakeholder interaction including MinDRI Luke Pollard, ACM Harv Smyth Chief of the Air Staff , Maj Gen Paul Tedman CBE, Lt Gen Simon Hamilton and CDS Richard Knighton

Next month we welcome DPRTE 2026 back to Farnborough. ADS will once again have a significant presence at the show including a larger Pavilion, running the Meet the MoD and Delivery Partners over both days and two days across the theatres delivering panels and briefings as the Supporting Content Partner. We look forward to seeing you there!

GET INVOLVED WITH ADS

Upcoming ADS Events:

1. Security and Policing 2026
2. Workshop: Introduction to MOD Procurement – PA2023 – March 2026
3. DPRTE 2026 – ADS Pavilion
4. Defence Services Asia (DSA) 2026 – United Kingdom Pavilion
5. Workshop: Fundamentals for the US Government Contracts and Subcontracts Training – April 2026
6. Conference: Connecting business to retain military advantage (UK-Denmark-Finland-Sweden) 2026

For further information about our events calendar, please consult the following link:

[UK & international events - ADS Group](#)

POLICY UPDATE

Defence Office for Small Business Growth

The Ministry of Defence [announced](#) that Defence Readiness and Industry Minister Luke Pollard MP had established the Defence Office for Small Business Growth on a visit to the National Manufacturing Institute Scotland. Samira Braund attended the launch, and ADS is engaged with the Office to see how we can support delivery.

MOD – SME Defence & Dual Use Showcase

ADS supported the MoD investment event hosted by Grant Thornton on 5 February. John Healey, Secretary of State for Defence, gave the opening remarks before handing over to Rupert Pearce, National Armaments Director, for a keynote address. 7 out of the 10 SMEs pitching to investors were ADS members: Space Forge, Hadean, ACUA Ocean, Greenjets Ltd, RevEng.AI, Vizgard and HTMS.

COMMERCIAL, OVERSEAS & EXPORT UPDATE

Defence Single Source Advisory Group

The Defence Single Source Advisory Group (DSAG) held a series of workshops with MOD and the SSRO to explore how the Single Source Regulations could be reformed to meet the aims of the SDR and DIS. The workshops were detailed and some areas were mutually identified worthwhile changes. There is still significant scope for reform and the timescale for formal MOD consultation is yet to be clarified.

Contract Amendment Guidance – The SSRO are drafting guidance on different topics with the regulations and the DSAG has consulted on the drafting of the Contract Amendment Guidance which will be issued in the spring.

Redundancy Allowable Costs – The DSAG made representations to the SSRO and MOD on challenges experienced with redundancy costs more than statutory provision disallowed. ADS has maintained that this is not a position that members should agree to. Good progress has been made in this respect and a more nuanced interpretation of allowable costs in redundancy is recognised.

Defcon Working Group

[Industry Only Working Group](#) – this Special Interest Group for industry to discuss all commercial matters (other than Single Source) is meeting on **11 March 2026**. If you would like to attend in person or remotely, please contact charlotte.davies@adsgroup.org.uk

[Defform 47 Request for Tenders](#) – Following a series of consultations the MOD have agreed revert to the original working of the DEFFORM in respect to managing validity of bis. Members should be alert to the risk within competitive RFPs that MOD have an expectation that winning bid prices are held for significant periods of time, even if the delay is not caused by a winning bidder.

[DEFCON 659 Security Measures](#) – The updated DEFCON now links compliance with Cyber

Security Model v4 to contract termination. Industry has raised concerns that CSM v4 obligations are highly challenging and impose significant contractual risk. As a result, many contractors are currently refusing contracts with this clause however, discussions with MOD are ongoing, and a workable resolution is expected.

Export Controls

Export Controls (UK):

ADS has assisted ECJU to implement the new LITE licensing system and encouraged a return to pre-October 2023 training. We are also seeking ideas from UK firms for safely expanding the Open General Licensing system, following an ECJU request last autumn.

Export Controls (US):

ADS, in collaboration with the UK MoD and the UK Embassy in Washington DC, hosted a webinar on 11 February covering US export control updates, changes to Foreign Military Sales, AUKUS, and key aspects of the latest National Defense Authorisation Act.

The popular US Export Controls Workshops, co-organised with Squire Patton Boggs and BAE Systems, will return to Oxford from 14-16 July, with further details to be announced soon. Please contact brinley.salzmann@adsgroup.org.uk for further information.

Offsets

Consultations on a UK Offsets-type policy have continued, with nine workshops taking place covering topics such as social value, international issues, innovation, economic case, and strategic considerations. Recommendations will be made to Ministers in mid-March, and if approved, a new policy based on industry feedback could be adopted by July.

DELIVERING FOR ALL BUSINESS

Defence Mid-Tier Forum

The DMF will next meet on 18 March ahead of DPRTE where on Day 2, as part of our work to champion the role and raise greater awareness of Mid-Tiers, we will be running a panel – Mid-Tiers, Enabling the Supply Chain.

Defence SME Committee

On 25 February, the DSMEC engaged with Tim Ketton-Locke, Deputy Director of the Office for Small Business Growth on priorities for 2026, and how the Committee can support in the delivery of these objectives.

North West Regional Defence & Security Cluster (NWRDSC) briefing with UKDI

On 12 February, ADS attended a briefing organised by the NWRDSC at the University of Manchester. UKDI led sessions on the latest demand signals, introducing a pilot scheme for the North West and the UKDI venture builder. This was followed by an introduction to the Defence Office for Small Business Growth and an update from DSTL.

Front-Line

Command

In February, ADS held our first @SECRET Goldfish Bowl event with the MQ-9B Protector Team looking at how can UK industry harness the momentum of the programme to deliver on the priorities of the SDR, strengthen NATO interoperability, and drive growth in the UK defence industrial base. Additionally, our first Royal Navy event took place as part of what will be an ongoing series of engagement opportunities for industry with Trident Sprint 2, with the next [RAF Goldfish Bowl](#) taking place on 4 March.

CYBER AND DIGITAL UPDATE

Since the last Defence Bulletin, the Cyber and Digital team hosted a table at the ADS Annual Dinner for cyber and AI experts, including the Defence AI Centre head. The team is collaborating with MOD and prime members on discussions about MOD's Cyber Security Model (version 4), which impacts industry significantly. They are also reviewing how US Cyber Maturity Model Certification standards may affect members and submitted an industry brief on the Cyber Security and Resilience Bill to the Bill's Committee.

Last month, Alistair Leuchars also led the first Trade Mission to Switzerland, representing defence and security technology companies. Please contact maria.sureda@adsgroup.org.uk for further engagement opportunities.

SCIENCE AND INNOVATION

UK firms pitch future technologies in first ever defence 'Dragons' Den' event

Pioneering defence firms have pitched their innovations directly to major investors in a first-of-its-kind Dragons' Den-style event, set up by the Ministry of Defence. Visit [here](#) for more

Search for Britain's next defence unicorn kicks off with new £20 million fund

New routes for small businesses into Defence with £7.5 Billion investment into the defence sector. Visit [here](#) for more

INDUSTRY UPDATE

UKDI collection page

UK Defence Innovation [launched](#) a collection page on its competitions and services, with details on open calls for innovation, themed competitions, Defence Innovation Loans, market exploration and upcoming competitions.

New Chief of Defence Intelligence

The Ministry of Defence [announced](#) that Major General Matthew Jones OBE will become Chief of Defence Intelligence this summer. He is currently Director of Intelligence, Surveillance and Reconnaissance.

LATEST BUSINESS OPPORTUNITIES



As always, we would like to hear from you, as to what you would like to see more of in these monthly bulletins. Please email [Jennifer Robinson](#), Defence Business Development Executive, with your suggestions, ideas and feedback.