

*Status: This version of this provision is prospective.*

*Changes to legislation: Defence Reform Act 2014, Section 1 is up to date with all changes known to be in force on or before 11 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*



# Defence Reform Act 2014

## 2014 CHAPTER 20

### PART 1

#### DEFENCE PROCUREMENT

##### *Defence procurement arrangements*

PROSPECTIVE

#### **1 Arrangements for providing defence procurement services**

- (1) This Part applies if the Secretary of State makes arrangements—
- (a) for a company to provide defence procurement services to the Secretary of State under contract, and
  - (b) for that or another company—
    - (i) to acquire from the Secretary of State rights in or over premises and property used for the purposes of DE&S, and
    - (ii) to become the employer of some or all of the persons who are employed in the civil service of the State in or in connection with DE&S immediately before the time the company is to become their employer,with a view to those premises, that property and the services of those employees being made available for providing the defence procurement services.
- (2) This Part also applies if—
- (a) the Secretary of State makes arrangements (“the new arrangements”) for a company to provide defence procurement services to the Secretary of State under contract, which may include arrangements for another company to make premises, property and the services of employees available for providing the defence procurement services, and

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- (b) the new arrangements are the successor to arrangements mentioned in subsection (1) or other arrangements mentioned in this subsection (“the old arrangements”).
- (3) The new arrangements are “the successor” to the old arrangements if—
  - (a) a company mentioned in subsection (2)(a) is or was a contractor under the old arrangements, or
  - (b) for the purposes of the new arrangements, property, rights or liabilities of a company which is or was a contractor under the old arrangements are to be or have been transferred, by virtue of the old arrangements or by a transfer scheme under section 10, to a company mentioned in subsection (2)(a).
- (4) The new arrangements are also “the successor” to the old arrangements if—
  - (a) property, rights or liabilities of a contractor under the old arrangements have been transferred, by virtue of those arrangements or by a transfer scheme under section 10, to the Secretary of State, and
  - (b) the new arrangements provide for a company mentioned in subsection (2)(a) —
    - (i) to acquire from the Secretary of State rights in or over premises and property used for the purposes of the departmental defence procurement undertaking, and
    - (ii) to become the employer of some or all of the persons who are employed in the civil service of the State in or in connection with that undertaking immediately before the time the company is to become their employer,
 with a view to those premises, that property and the services of those employees being made available for providing the defence procurement services.
- (5) Subsections (1)(b) and (4)(b) apply whether the arrangements provide for the company to acquire rights in or over premises and property, or to become the employer of persons, on one, or on more than one, occasion.
- (6) References to a company in subsection (2) include, in particular, a publicly owned company (and references to a company in the other provisions of this Part are to be read accordingly).
- (7) Arrangements mentioned in this section may provide for a contractor to exercise to any extent a discretion of the Secretary of State in connection with the exercise by the Secretary of State of a function involving defence procurement.
- (8) In this Part—
  - “contractor” means—
    - (a) a company—
      - (i) which provides defence procurement services to the Secretary of State under contract by virtue of arrangements mentioned in this section (“relevant arrangements”), or
      - (ii) in relation to which relevant arrangements have been made for it to provide defence procurement services but which is not yet doing so, or
    - (b) a company—

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- (i) which, by making premises, property and the services of employees available, enables defence procurement services to be provided to the Secretary of State under contract by virtue of relevant arrangements, or
- (ii) in relation to which relevant arrangements have been made for it to make premises, property and the services of employees available for enabling defence procurement services to be provided but which is not yet making those things available;

“DE&S” means the undertaking carried on by the Secretary of State and known as Defence Equipment and Support;

“defence procurement” means—

- (a) the acquisition of anything (including support or logistics services) required for defence purposes,
- (b) the management, monitoring or enforcement of contracts entered into for the acquisition of anything so required, and
- (c) related support or logistics;

“defence procurement services” means services relating to defence procurement;

“defence purposes” means—

- (a) the purposes of defence (whether or not of the United Kingdom) or policing, or
- (b) related purposes;

“the departmental defence procurement undertaking” means any undertaking carried on by the Secretary of State for the purposes of defence procurement after arrangements mentioned in subsection (1) have come to an end.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 25(8A) inserted by [2023 c. 54 Sch. 10 para. 13\(3\)](#)