



UK public sector procurement priorities for 2026: What leaders need to anticipate

As 2026 approaches, procurement leaders across the UK public sector face a fiscal environment that remains tight, while expectations for efficiency, innovation, and impact continue to grow. The full embedding of the Procurement Act 2023 and the push for digital, data-driven delivery are reshaping procurement's role across every subsector.

Below, we outline what we believe procurement leaders across **defence, health, local government, and central government** should prioritise in 2026 – and how we believe the operating environment will differ from 2025.

Defence: Delivering capability under constraint

Procurement leaders in the defence sector enter 2026 facing a paradox – increasing demand against tightening real-terms budgets. Despite headlines of additional defence spending, funding pressures persist, and teams must deliver the same (or more) for less.

Key procurement and supply chain challenges for the defence sector

Defence supply chains were built for peacetime; scaling industrial capacity rapidly will be critical as global instability grows.

Capacity and skills remain bottlenecks, particularly in managing a mix of large, complex contracts and multiple smaller programmes.

Global shortages in raw materials and components are likely to worsen in 2026, amplifying the need for agile planning and supplier diversification.

Priorities for 2026



Drive cost efficiency and maximise value from spend.



Focus investment on activities that directly enhance warfighting capability in terms of equipment, insights, and trained personnel.



Build supply chain resilience and embed scenario planning for readiness.



Accelerate the pace of procurement to keep up with innovation cycles and reduce obsolescence risk.

What will be different for the defence sector in 2026

Procurement will increasingly focus on strategic agility – balancing innovation with reliability and anticipating material shortages before they hit operational readiness.

Health: Procurement as a driver of system transformation

By 2026, NHS procurement sits at the heart of system reform. The Procurement Act 2023 and National Procurement Policy Statement (NPPS) are fully operational, embedding transparency, lifecycle value, and social impact into every procurement decision.


Key procurement and supply chain challenges for the health sector

Escalating supply chain risks due to inflation, global instability, and reliance on limited suppliers.


Growing capability gaps, with digital fluency, data analytics, and social value measurement are now essential procurement skills.

The shift toward outcome-based and innovation-driven supplier partnerships for digital health and integrated care solutions.


Priorities for 2026




Deliver value beyond price, measuring success in lifecycle outcomes, innovation, and public benefit.




Adopt agile frameworks and shared-risk contracting to help combat rising costs and global supply disruptions.



Align procurement to the government's shift toward preventative and community-based care models.



Embed social value KPIs including environmental impact, local job creation, and SME engagement across all contracts.



Maintain full transparency and data compliance under the new legislative framework.

What will be different for the health sector in 2026

Procurement teams will increasingly use AI and predictive analytics to inform sourcing decisions and proactively manage risk. As digital care models expand, traditional asset-based procurement will give way to service and platform-based approaches. As a result, procurement leaders should re-skill teams for digital fluency, contract innovation, and supplier co-development practices. The result: a more transparent, data-led, and strategic procurement function that drives system transformation.

Local Government: Embedding reform, technology, and resilience

For local authorities, 2026 marks the normalisation of the Procurement Act 2023, with reform moving from compliance to culture. New combined authorities, mayoral structures, and devolution settlements will also reshape procurement collaboration and capability.

Key procurement and supply chain challenges for local government

Ongoing local government reform and restructuring create both disruption and a platform for shared value creation.

Financial pressures from SEND, housing, and adult social care remain the toughest constraints.

Capacity shortages in commercial skills risk slowing progress.

Priorities for 2026



Ensure Procurement and Section 151 Officers are working together as strategic partners in financial and strategic decision-making, working hand-in-glove with Section 151 Officers to shape spending choices and manage risk.



Align to local growth, housing, skills, and climate agendas.



Build shared procurement pipelines and frameworks across devolved regions.



Strengthen contract management capability through targeted professional development across negotiation, risk management, and outcome-based specification writing.



Leverage digital tools to improve efficiency and risk management.



AI and automation tools offer an opportunity to reduce administrative burden, improve consistency and design procurements around outcomes, not just compliance.

What will be different for local government in 2026

With the Procurement Act regime fully embedded, transparency, notices, debarment checks, and 30-day payment enforcement will be business-as-usual. Local government reform and devolution will mean more cross-authority collaboration. Councils that invest in talent and technology will gain strategic advantage, using procurement as a driver of resilience, local growth, and innovation.

Central Government: Aligning strategy, capability, and fiscal reality

The 2026 environment for central government procurement is shaped by the latest Spending Review – one defined by fiscal tightening, restructuring, and divergent departmental responses. Departments are facing budget reductions of 30–40%, alongside political signals of a “smaller government” whilst also having an increased focus on insourcing key services.

Key procurement and supply chain challenges for central government

Organisational restructuring and voluntary redundancies are stretching commercial capacity.

A reduction in focus on dedicated contract management capability is leading to inconsistent delivery and missed value opportunities.

Commercial Finance remains unevenly developed – with better outcomes achieved where finance and commercial functions collaborate closely.

Innovation adoption lags behind regulation – despite new procurement frameworks, uptake is low.


Priorities for 2026




Invest in capability in contract management and commercial finance, recognising both as critical levers of value.




Pursue invest-to-save strategies despite fiscal pressure – using automation, AI, and central collaboration to free capacity for strategic work.



Strengthen alignment between business and commercial leaders to improve prioritisation and delivery.



Rethink operating models – move beyond traditional category management toward total cost and user journey approaches that better reflect citizen value.



Accelerate use of the Procurement Act’s flexible procedures to enable innovation and efficiency gains.

What will be different in 2026for central government in 2026

Departments will continue to adapt unevenly: while some departments consolidate, others are moving toward transformation and capability-led delivery.

Global instability will shape central government procurement in 2026, with core departments increasingly operating in “firefighting mode” – responding to crises ranging from supply chain shocks to geopolitical and security events. This constant reactivity is absorbing capacity and forcing a shift away from strategic planning toward short-term procurement interventions.

To counter this, stronger alignment between commercial and business functions will be critical to maximising efficiency, resilience, and innovation in the years ahead.

Conclusion: Procurement’s strategic moment

Across the public sector, 2026 will test the agility and strategic influence of procurement leaders. The themes are consistent: doing more with less, building resilient supply chains, and embedding digital capability to maximise value through procurement.

Procurement leaders who invest in capability, collaboration, and data-driven decision-making will be best positioned to navigate fiscal constraint and deliver the government’s agenda for efficient, transparent, and socially responsible procurement.

How we can help

At Efficio, we have significant experience supporting public sector organisations with tackling their procurement challenges in a tightening fiscal environment. Find out how we can help you achieve your goals via our Public Sector Procurement service page.

Explore our services

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About Efficio

Efficio is a global leader in procurement and supply chain management and transformation. With a singular focus in this space, we specialise in supporting businesses to get ahead of change – combining strategic insight with hands-on support to help you navigate challenges with confidence. Whether it's adapting to cost pressures, supply chain disruptions, or regulatory shifts, our expertise ensures that organisations remain ahead of the curve.

We partner with blue-chip multinationals, private equity firms and their portfolio companies, and public sector and government organisations worldwide. We help reduce costs and improve margins, build and upskill teams, strengthen supply chain resilience, maximise sustainability improvements, and more.

Our consultants don't just advise from a distance – we work alongside your in-house team to identify, deliver, and sustain improvements, helping you unlock long-term value and elevate procurement's impact across the business.

Learn more about how we can help you achieve your business goals at [efficioconsulting.com](https://www.efficioconsulting.com).

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