

2022-23 Baseline Profit Rate update

News story

The Baseline Profit Rate for the upcoming financial year will published in due course



Under the Defence Reform Act, the Single Source Regulations Office (SSRO) is required to make a recommendation to the Secretary of State on the Baseline Profit Rate (BPR). The three rates are used to calculate the capital servicing rates, and the adjustment to the BPR required to fund the SSRO to be used for all contracts that fall under the Single Source Contract Regulations. The Secretary of State usually makes his decision and publishes the rate for each financial year by 15 March.

This rate will apply to new contracts and amendments to existing contracts placed after 1 April that year. In making his decision, the Secretary of State has to have regard to the recommendations made by the independent SSRO.

The Secretary of State has received from the Single Source Regulations Office a recommendation on the 2022-23 base line profit rates. He is closely considering this, particularly in the context of the COVID-19 impacts, and an announcement will be made in due course.

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