

Consultation

Forward Work Programme – 2026 to 2027

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We are consulting on our proposed Forward Work Programme for 2026 to 2027. We would like views from people with an interest in our proposed work programme for the year ahead. We would particularly welcome responses from industry, consumer groups, and charities. We would also welcome responses from other stakeholders and consumers.

This document outlines the scope and purpose of the consultation and how you can get involved. Once the consultation is closed, we will consider all responses. We want to be transparent in our consultations. We will publish the non-confidential responses we receive alongside a decision on next steps on [our website](#).

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Foreword from the Chair and Chief Executive

The energy sector is undergoing rapid transformation as the market builds and adapts to new forms of generation and new approaches to buying and selling our energy.

This consultation outlines our proposed Forward Work Programme for 2026 to 2027. It reflects the progress we have made, the challenges that lie ahead, and the shared ambition across government, industry and consumers to build a cleaner, fairer and more resilient energy system.

We are seeing encouraging signs of recovery in the retail market. More consumers are opting for fixed tariffs, switching rates are increasing, complaints are falling, and satisfaction levels are at their highest since the onset of the crisis. Nonetheless, we recognise that further progress is needed. We remain committed to raising standards, strengthening consumer protections, and ensuring the market is investable and fit for the future.

A key priority is enabling the infrastructure required to deliver net zero at pace. This includes reforming connection processes, accelerating investment in our networks, and supporting the deployment of low-carbon technologies, from offshore wind and hydrogen to nuclear and long-duration storage. We are working closely with the National Energy System Operator and government to deliver a coordinated strategy that unlocks investment and delivers tangible benefits for consumers.

We are helping to shape a more efficient, equitable and flexible energy system. Through reforms to wholesale pricing, improvements in cost allocation and recovery, and the advancement of consumer-led flexibility via smart meters, digitisation and innovation, we aim to create a system that reduces bills, supports consumer choice, and unlocks secure, stable, and affordable energy for all consumers.

Ofgem also continues to administer over £12 billion in low-carbon energy and social schemes on behalf of government. These programmes are helping households and businesses reduce energy demand, transition to cleaner sources, and address fuel poverty. We are focused on improving delivery, enhancing user experience, and ensuring these schemes align with the government's broader decarbonisation objectives.

Finally, we are evolving as a regulator. The Government's Review of Ofgem presents a great opportunity to simplify and clarify our remit and powers. We will continue to adapt our approach as we regulate new areas like heat networks and aggregators where a more data-driven, outcomes-based approach is essential, and we will apply those lessons to the wider retail market. We are ready to adopt a more agile, outcomes-focused approach: one that supports growth, fosters innovation, and places consumers at the heart of everything we do.

Through this consultation we are keen to hear your views. Whether you represent a consumer group, charity, industry body or are a member of the public, your feedback will

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help shape our final programme and ensure we remain focused on the right priorities. Together, we can build an energy system that delivers secure, affordable and clean power for all.

Mark McAllister, Chair
Jonathan Brearley, CEO

1. About our consultation

Consultation stages

The key stages of the consultation will progress through to get to a final decision are:

Stage 1 Consultation open: 12 December 2025

Stage 2 Consultation closes (awaiting decision). Deadline for responses: 12 February 2026

Stage 3 Final Forward Work Programme for 2026 to 27 and responses published before 01 April 2026.

How to respond

We want to hear from anyone interested in this consultation. Please send your response to the person or team named on the front page of this document.

We have asked for your feedback in each of the questions throughout. Please respond to each one as fully as you can.

We will publish non-confidential responses on our website.

Your response, data, and confidentiality

You can ask us to keep your response, or parts of your response, confidential. We will respect this, subject to obligations to disclose information. For example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations, or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we will contact you to discuss which parts of the information in your response should be kept confidential and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in domestic law following the United Kingdom's withdrawal from the European Union ("UK GDPR"), the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000. Please refer to our Privacy Notice on consultations, see Appendix 4.

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If you wish to respond confidentially, we will keep your response confidential, but we will publish the number, but not the names, of confidential responses we receive. We will not link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.

How to track the progress of a consultation

1. Find the web page for the call for input you would like to receive updates on.
2. Click 'Get emails about this page', enter your email address and click 'Submit'.
3. You will receive an email to notify you when it has changed status.

A consultation has three stages: 'Open', 'Closed (awaiting decision)', and 'Closed (with decision)'.

Send us your feedback

We believe that consultation is at the heart of good policy development. We are keen to receive your comments about this consultation. We would also like to get your answers to these questions:

- Do you have any comments about the quality of this document?
- Do you have any comments about its tone and content?
- Was it easy to read and understand? Or could it have been better written?
- Are its conclusions balanced?
- Did it make reasoned recommendations?
- Do you have any further comments?

[Please send us your feedback.](#)

2. Introduction

Purpose of this consultation

- 2.1 This draft Forward Work Programme sets out for consultation, the key projects that we intend to focus on during the 2026 to 2027 financial year and their objectives, as well as our ongoing routine regulatory activities, in the exercise of our functions.
- 2.2 We have set out what we propose to do and why we propose to do it. We are seeking views on whether:
 - we are proposing to tackle the right set of problems in the sector;
 - if anything, major is missing; and
 - any sense of the relative priorities between different problems.
- 2.3 While we are not consulting on them, we have summarised – for completeness – our ongoing, routine regulatory activities in section six and the low carbon energy and social schemes that we administer for government in section seven.
- 2.4 We will consider responses as we develop our business plans for 2026 to 2027, ahead of publishing a final version of our Forward Work Programme by the end of March 2026. In this, we will set out the programmes of work that we propose to prioritise, to fit within the budgets set for us by His Majesty's (HM) Treasury.
- 2.5 Importantly, we expect the Government to publish a series of documents in coming months, two of which will be the outcome of the Ofgem Review and then secondly the Government's Warm Homes Plan, which is aimed at improving energy efficiency, reducing fuel poverty, and making homes warmer and cheaper and will relate to our Delivery and Schemes function. We will need to respond to both and potentially adjust our plans and programme accordingly once published. Our final work programme may also change if we need to respond to any unforeseen challenges between now and the publication and the final full FWP by the end of March 2026.

Who we are and our principal objective

- 2.6 The Gas and Electricity Markets Authority (operating through Ofgem) is Great Britain's independent energy regulator. Our principal objective, set out in law, is to protect the interests of existing and future gas and electricity consumers. For ease, we use GEMA and Ofgem interchangeably in this document.
- 2.7 We operate in a statutory framework set by Parliament. This establishes our duties and gives us powers to achieve our objectives. The Gas and Electricity Markets Authority (GEMA), consists of non-executive and executive members, and a non-executive chair. GEMA, and its committees, determine Ofgem's strategy,

set policy priorities and make decisions on a wide range of regulatory matters, including price controls and enforcement.

- 2.8 GEMA has a statutory duty, to publish and consult on a proposed Forward Work Programme for the year ahead. The FWP must also include information on how we have had regard to the strategic priorities in the Strategy and Policy Statement (SPS) designated by the Department for Energy Security and Net Zero (DESNZ) in May 2024 in setting our strategy and planning our work for the coming year.

The HMRC Spending Review has taken place which has meant we can raise additional funding to deliver new priorities as the FWP and Strategy develops and defines our approach and direction.

Ofgem's Multiyear Strategy

- 2.9 [Ofgem's Strategy](#), published in 2024, set out five strategic priorities. These are:

- Shaping a retail market that works for consumers
- Enabling infrastructure for net zero at pace
- Establishing an efficient, fair, and flexible energy system
- Advancing decarbonisation through low carbon energy and social schemes
- Strengthening Ofgem as an organisation.

- 2.10 The Multiyear Strategy provides the structure for this Forward Work Programme and forms our strategy for helping further delivery of the policy outcomes set out in the SPS. In the sections for strategic priorities one, two and three (which broadly align with the strategic priorities under the SPS), we describe the regulatory projects and their activities, that we intend to carry out in the year ahead to implement that strategy and help further those outcomes. We also set out a summary of our ongoing, core regulatory functions that support those strategic objectives. For strategic priority four, we have provided details on the low carbon energy and social schemes that we deliver on behalf of government. The Forward Work Programme does not set out the routine activities that we carry out in the exercise of our functions for strategic priority five, 'Strengthening Ofgem as an organisation'.

Developments since our previous Forward Work Programme

- 2.11 Since we published our previous Forward Work Programme in March 2025, the sector and Ofgem have continued to experience change. In November Ofgem celebrated 25 years as Great Britain's energy regulator. Over that time, Ofgem has remained committed to delivering secure, affordable, and clean energy for all, building on our legacy as we help shape the next era of the energy transition.

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2.12 The Clean Flexibility Roadmap for Great Britain was published on 23 July 2025 by the Department for Energy Security and Net Zero, in partnership with Ofgem and the NESO. Since its publication we have implemented a number Codification items such as adopting code modification P483 which unlocks domestic and SME flexibility by allowing aggregators to trade flexibility using asset-level metering, even before full half-hourly settlement, accelerating consumer participation and innovation in flexibility markets. We published two open letters on establishing a digital connection so that the grid is visible and access to data is streamlined as well as publishing the initial set of license conditions per the Energy Security Act of 2023 to create the aggregator market.

2.13 In December 2024 the Government launched a review of Ofgem. The Review aims to:

- Strengthen Ofgem’s role in supporting consumers and protecting households in the future energy market; and
- Continue to support growth and innovation in the sector.

2.14 Ofgem has welcomed the review and its aims and has been working closely with the Department for Energy Security and Net Zero (DESNZ). At the time of writing, the outcomes of the review have not yet been announced.

2.15 We have also progressed many important areas since our last Forward Work Programme:

- Progressed phase 1 of our Debt Relief Scheme which is under Consultation and published our Debt Strategy.
- Worked with stakeholders to develop consumer outcomes we want to deliver and consulted on how we best use these to develop our regulatory framework.
- Progressed the Cost Allocation and Recovery Review and an intervention on standing charges.
- Introduced new rules through our retail financial resilience regime, ensuring suppliers are more financially secure and prepared for future volatility. Across the sector suppliers have moved from net negative assets during the crisis to positive adjusted net assets of £7.5 billion.
- Opened our [first application window](#) for new Long Duration Electricity Storage (LDES) projects under the cap and floor regime on 08 April 2025.
- Published a suite of decisions and supporting documents to enable connections reform, collectively known as the TM04+ reform package and set out our approach to demand connection reform.

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- 2.16 To enable greater transparency and accountability towards driving value for money for consumers, we will regularly publish state of the market reports for retail and infrastructure areas, spotlighting key developments. Our commitment for driving value for money will also be complemented by our economic evaluation strategy work plan which was published in March 2025.

3. Strategic priority 1: Shaping a retail market that works for consumers

3.1 Over the next year, we will take forward work to deliver our vision for energy markets, as set out in our Markets Regulatory Vision and Strategy to 2030. We want to see energy markets that deliver for all consumers through regulation which provides confidence and protections to consumers whilst enabling innovation and investability.

Investability

3.2 Retail markets are likely to transform in the next few years, and we want to see investment in new products and services that improve customer outcomes and make it simple for consumers to engage with flexibility. We now have a financial resilience regime with £7.5bn of net assets in the supply sector so we know consumers are more protected from the risks and costs of market exit. However, we recognise challenges remain that undermine retail market investability. On investability, we will:

- 3.3 Take forward our Debt Relief Scheme to tackle high levels of debt and arrears in the market.
- Work with Government to improve how data is used to proactively identify households in vulnerable situations who need additional help, which is critical to ensuring a high standard of customer service.
 - Explore how we can control access to credit, preventing debt build-up at change of tenancy. We will also examine access to credit in the energy system and the role of different payment methods in preventing and recovering debt.
 - We will regulate domestic suppliers to ensure high quality debt management and debt standards to prevent customers getting into energy debt and support those in debt in a compassionate and sustainable way.
 - Explore other changes that may be needed to prompt payment, with the role of prepayment an important consideration. We are carefully monitoring the restart of forced prepayment and will evaluate to ensure they continue to strike the right balance between protection of the most vulnerable and suppliers' right to recover debts.
 - Incremental change in the near-term price cap to improve the predictability of returns and ensure it is fit for purpose in a world of Market-Wide Half Hourly Settlement (MHHS). In doing so, we will ensure the price cap continues to protect consumers from the loyalty penalty.

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- Evaluate our Financial Resilience & Controls regime to ensure it is effective and proportionate. It is the combination of all our regulation that can affect investment, so we will also be considering its interaction with other policies and regulations, such as the price cap and consumer protection rules. Consultation Forward Work Programme – 2026 to 2027
- Work through our Cost Allocation & Recovery Review (CARR) to ensure costs are recovered as fairly and efficiently as possible (more detail in Section 5).

Innovation

3.4 We want to see all consumers receive a high quality of service and good outcomes, with regulations that provide protections but also support innovation and growth by reducing the regulatory burden. We will take forward our Consumer Confidence programme to consider the best, futureproofed regulatory approach to achieving better consumer outcomes, including an outcomes-based approach. This would include:

- Consider a move to outcomes-based monitoring and KPIs, improving data collection and enhancing our data driven approach to enable us to better monitor the market.
- Implement new compliance operating principles. We are committed to working with suppliers to find issues early, fix them quickly, and compensate customers fairly.
- Consider how we can support participants to bring forward propositions to market. We need to ensure there are incentives to encourage and reward consumers to be flexible (both domestic and nondomestic).
- Review the framework for Guaranteed Standards of Performance (GSOP) to ensure it is fit for purpose as part of our wider regulatory framework.
- Continue delivery of enablers of the low-cost transition (including the full implementation of MHHS), work with Government to support the smart meter rollout and delivery of our Clean Flexibility Roadmap commitments (more detail in Section 5).
- Continue to oversee major reform to the governance of industry codes to create a simplified, agile, and forward-looking governance framework (more detail in Section 5).
- Develop new regimes for load controllers and Third-Party Intermediaries (such as energy brokers and price comparison websites).
- Go-live on consumer protection regulation for heat networks.

4. Strategic priority 2: Enabling infrastructure for net zero at pace

4.1 Alongside our consumer-focused regulation, we will continue to ensure Great Britain (GB) has the infrastructure it needs to operate a clean energy system. Expanding electricity network capacity is crucial to meeting Clean Power (CP) 2030 goals and the UK's 2050 net zero targets. Significant investment is underway – and more will be needed – across electricity transmission and distribution networks, both onshore and offshore. We will ensure timely delivery of needs case, project scope, and funding assessments, adjusting our assessment approach to support acceleration of projects crucial to decarbonisation objectives for CP 2030 and beyond.

4.2 Firstly, we will continue to regulate electricity distribution and transmission network companies through our RIIO frameworks. These companies provide an essential service to GB customers and are a key enabler of the UK's net zero targets by facilitating investment where needed. In addition to monitoring ongoing performance, we will:

- Make timely re-opener decisions under the RIIO-ED2 price control to facilitate new investments and start the RIIO-2 close-out process.
- Conclude the strategic policy development phase for RIIO-ED3 with the publication of the Sector Specific Methodology Decision in summer 2026, setting out the ambitions and focus we expect to see in DNOs' business plans, which we will begin assessing from December. The ED-3 programme will cover Distribution Network Operator (DNO) investment needs from 2028 to 2033.
- Enable timely decisions on additional investment through in-period reopeners for RIIO-ED3 while ensuring routes for accountability, bolstering the Transmission Operators' capability to deliver CP 2030.

4.3 Second, we will facilitate additional investment where it is most needed, working with others including government to establish policies and regulatory frameworks for offshore and onshore infrastructure. We will:

- Develop policy options for the long-term delivery of the offshore transmission system as envisaged by the Centralised Strategic Network Plan (CSNP), including working with government to ensure the regulatory framework can adapt for Multi-Purpose Interconnectors and develop the future delivery approach for interconnectors post CSNP.
- Continue to reform the Offshore Transmission Operators (OFTO) regime following new legislation, consulting on changes to enable end-of-life

extensions, attract new inward investment, and ensure the tender process remains effective.

4.4 Introduce regulatory enablers for offshore coordination, such as by taking decisions on anticipatory investment requests, which can unlock better coordination in the delivery of large-scale offshore wind.

- Finalise and introduce a pipeline of projects under the Competitively appointed transmission owner (CATO) and Offshore Transmission Owner OFTO Build frameworks.
- Review pre-construction and early construction funding and Project Assessment submissions as required for projects funded under the Accelerated Strategic Transmission Investment (ASTI) programme, ensuring consumers can benefit from the acceleration of construction activities as much as possible.
- Continue to work with developers to enable delivery of interconnector and non-standard interconnector projects approved during the Window 3 process.

4.5 Third, we will continue to oversee the implementation of connections reform for generation and storage, working to ensure a smooth transition into the new enduring gated window application process. Progress will continue on the end-to-end review of connections regulations to drive up service standards and ensure timelier connections delivery from network companies and the NESO. In addition, we will

- Curate an effective demand queue by reviewing entry, progression and milestones to ensure viable projects are able to progress towards connection
- Support Government to plan and prioritise strategic demand projects
- Connect the queue at pace by exploring greater self-build and potential ownership of high voltage connection assets, and enabling greater use of flexible connections

4.6 Fourth, to progress the deployment of low carbon technology, we will:

- Continue to regulate companies that have been awarded a CO2 transport and storage licence.
- Confirm the Final Decision List of LDES projects, award cap and floor regime to successful projects and complete the regulatory setup for the cap and floor.
- Continue to support DESNZ in developing the Hydrogen Transport Business Model and facilitating the deployment of the first UK hydrogen network.
- Formally regulate the development of Sizewell C, which, once built, will provide decades of clean, reliable electricity for around 6 million homes. We

stand ready to consider how the Nuclear Regulated Asset Base (RAB) model developed for Sizewell C under the Nuclear Energy Financing Act (NEFA) 2022 can support the future deployment of Small Modular Reactors in Great Britain.

- 4.7 Fifth, we will increase our focus on asset risk and system-wide energy resilience across all hazards and threats by:
- Establishing an Asset Health Inspectorate within Ofgem with a view to providing assurance on the condition of electricity and gas companies' critical assets, integrating regulatory data with engineering-led assessments to ensure network companies are complying with standards.
 - Supporting government in the development of an energy resilience strategy with a view to further embedding security and resilience into the design of the future energy system. We will work with government, industry and other regulators to implement the recommendations of the North Hyde Implementation Plan and engage with licence holders on their asset management systems and maintenance activities.
- 4.8 We will continue our development and review our requirements, understanding and tools to ensure we become better at assessing climate resilience investment proposals from companies and enabling regulatory decision making on climate change resilience investment.
- 4.9 Finally, we will bring into operation the RIIO-3 Price controls for gas transmission and gas distribution, which will fund the networks companies' investment between 2026 to 2031. These controls focus on ensuring the continuation of safe, secure, and reliable gas networks for households, businesses and industry. The future of gas remains uncertain and during 2026 to 2027 we will collaborate with the government's programme of work on the future of the gas system. This includes looking at how best to pay for gas infrastructure in the long-term.

5. Strategic priority 3: Establishing an efficient, fair, and flexible energy system

- 5.1 We are focused on ensuring all consumers benefit from the net zero transition. We want to support innovation, consumer protection, and market access, while maintaining legitimacy and fairness across the energy system. We will consider interventions to support both domestic and non-domestic consumers to take advantage of innovation and choice in energy markets.
- 5.2 Firstly, we will continue to tackle the crucial issue of how we can establish an energy system that appropriately balances the benefits of markets and system planning. We want to ensure that - where appropriate - network charging signals can support efficient investment and use of the system to reduce overall system costs. We also want to ensure that system costs are allocated in ways that support efficiency, fairness, net zero and economic growth.
- 5.3 The Government will publish a Reformed National Pricing Delivery Plan, including a timeline with key activities for implementing reformed national pricing. Following this, Ofgem will work on reforming network charges, expected to be delivered by 2029. As a first step we plan to publish a call for input alongside or shortly after the Governments' delivery plan. We will work with HMG and NESO to align regulatory, planning and market levers with the Strategic Spatial Energy Plan. We also plan to engage with stakeholders via a series of expert panels to aid in charging development to help shape the future of network charges.
- 5.4 Following on from our Call for Input on the Cost Allocation and Recovery Review (CARR), we will assess options for allocating and recovering energy system costs that are fair and efficient, reflecting our various duties including those to support net zero, growth and which are practical to implement. We aim to publish a policy consultation in 2026 and progress these options throughout the year towards implementation.
- 5.5 Second, we will deliver the commitments we made in the Clean Flexibility Roadmap, which we jointly published with DESNZ and NESO in July 2025. The commitments made in this roadmap will unlock barriers to consumer-led flexibility, greater flexibility capacity and a governance framework to monitor delivery, adapt, and identify new actions. We will consider what is needed to scale up consumer-led flexibility while considering the implications for our regulation of the retail market and suppliers.
- 5.6 Third, we will continue to implement the regulatory framework for code governance reform, as set out in the Energy Act 2023, in preparation for the appointment of the first code managers in late 2026. Finally, to make a more digital energy system work for consumers, we have appointed the Retail Energy Code Company (RECCo) to deliver the Consumer Consent Solution, giving

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consumers greater visibility and control over who uses their energy data. This will be delivered in Winter 2027, which we will continue to oversee in the next financial year. We will also support, working alongside DESNZ, RECCo's implementation of a tariff interoperability standard to improve tariff visibility and enable greater consumer choice across both static and dynamic retail tariffs.

- 5.7 We will ensure a smooth licence handover from DCC1 to a not-for-profit DCC2 model, operating the current price control while introducing the new ex ante regime.

6. Ongoing routine regulatory activities

6.1 Alongside the proposed key reform projects set out above, we will continue to deliver our ongoing routine regulatory activities. These include:

Strategic priority 1: Shaping a retail market that works for consumers

- Setting the Price Cap.
- Operating our financial regulation regime, to ensure financial resilience across energy suppliers and network companies.
- Responding to any retail supplier failures through our Supplier of Last Resort and Special Administration Regime processes.
- Monitoring, compliance, and enforcement of standards across the market, including retail (domestic and non-domestic), wholesale markets, balancing mechanism and networks.
- Monitoring and analysing intelligence in consumer market movements and for supplier performance.

Strategic priority 2: Enabling infrastructure for net zero at pace

- Operating price controls for (monopoly) energy networks and independent distribution network operators and independent gas transporters.
- Carrying out competitive tender processes for OFTO assets and administering licences.
- Working with government and industry on winter preparedness and security of supply.
- Undertaking inspections and conducting assurance checks for compliance against the National Information Systems regulations for cybersecurity of critical national infrastructure.

Strategic priority 3: Establishing an efficient, fair and flexible energy system

- Operating the regular price control for the Data Communications Company (DCC).
- Publishing strategic direction statements to guide industry on codes evolution and make code modification decisions (including for network charging).

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- Operating our enduring regulatory framework for the NESO, to hold it to account against its licence obligations and in delivering its business plan commitments.
- Operating our industry rules and licensing regime.
- Operating our innovation programmes (including the Strategic Innovation Fund in partnership with UK Research and Innovation/Innovate UK) to identify and diffuse the best innovation and technology throughout the energy sector.
- Maintaining market capacity rules and making determination on disputes.
- Developing and implementing an ethical, proportionate and innovative regulatory approach to AI use in the energy sector.

7. Strategic priority 4: Advancing decarbonisation through low carbon energy and social schemes

- 7.1 This section is provided for information only; our role in administering the schemes is not subject to consultation.
- 7.2 Ofgem administers 12 low-carbon energy and social schemes on behalf of government, with a combined annual value of around £12 billion. These schemes are designed to advance decarbonisation and support vulnerable consumers.
- 7.3 We work to deliver three main strategic objectives:
- To increase our impact for customers ensuring our schemes are easy to interact with, contribute to the net zero ambition and reduce fuel poverty.
 - To maximise the value for taxpayers' money in public spending through efficient scheme delivery, robust assurance controls, and monitoring and compliance activities.
 - We also want to keep improving what it is like to work in Delivery and Schemes through a focus on people, alignment to Ofgem's values, and ensuring clarity of purpose
- 7.4 During 2026 to 2027, we will be delivering a number of specific areas of work aligned to the government's missions and objectives. This will, amongst other things, focus on supporting relevant parts of the government's forthcoming Warm Homes Plan, as well as the recent publication of the National Audit Office report into Energy Efficiency Installations under the Energy Company Obligation.
- 7.5 A number of schemes are now closed to new applicants or are due to close in 2026. We will work closely with government partners to ensure that these schemes continue to run effectively until they close completely.
- 7.6 We will continue to play a central role in supporting government objectives through effective scheme administration. We remain focused on delivering value, improving user experience, and ensuring alignment with Ofgem's strategic priorities. As part of this we continue to invest in our systems and infrastructure to support ongoing improvements in the efficiency and effectiveness of our scheme administration.
- 7.7 Details for all of the [low carbon energy and social schemes](#) can be found on Ofgem's website.

8. Ofgem budget 2026 to 2027

- 8.1 Ofgem is primarily funded through a Levy on consumer annual household bill. This budget enables Ofgem to support delivery of the Government’s new strategic missions, progress reform initiatives outlined in this proposed Forward Work Programme and advance its wider regulatory responsibilities.
- 8.2 The June 2025 Spending Review budget confirmed Ofgem’s levy budget for 2026 to 2027. The increase reflects the growing scale and complexity of regulatory responsibilities, enabling Ofgem to deliver on new government priorities and respond to an expanding remit. This includes the regulation of Third-Party Intermediaries and aggregators, enhanced oversight of heat networks, and the continued administration of over £12 billion in low-carbon and social schemes. The increased funding supports our ability to deliver reform initiatives outlined in this FWP and ensures we are resourced to meet the evolving needs of consumers, industry, and government. Ultimately, this investment will help deliver better outcomes for consumers, through improved protections, greater access to innovation, and a more resilient, affordable energy system.

Departmental Expenditure Limits (£m)

Resource for 2026 to 2027 (excluding depreciation): £178.1 million

Capital for 2026 to 2027: £4.3 million

- 8.3 Separately Ofgem receives income for expenditure to administer low carbon energy and social schemes on behalf of government, largely from the Department for Energy Security and Net Zero. While the total budget for all schemes in 2026 to 2027 will be confirmed in Spring 2026.
- 8.4 Ofgem also receives variable income for expenditure on specific activities such as Green Gas, Offshore Transmission Owner asset tendering, the carbon capture and storage regulatory regime, and the hydrogen transport and storage regulatory regime.

Privacy policy

Personal data

The following explains your rights and gives you the information you are entitled to under the General Data Protection Regulation (GDPR).

Note that this section only refers to your personal data (your name address and anything that could be used to identify you personally) not the content of your response to the consultation.

1. The identity of the controller and contact details of our Data Protection Officer

The Gas and Electricity Markets Authority is the controller, (for ease of reference, “Ofgem”). [The Data Protection Officer can be contacted here.](#)

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

3. Our legal basis for processing your personal data

As a public authority, the GDPR makes provision for Ofgem to process personal data as necessary for the effective performance of a task carried out in the public interest. i.e. a consultation.

4. With whom we will be sharing your personal data

Information: Include here all organisations outside Ofgem who will be given all or some of the data. There is no need to include organisations that will only receive anonymised data. If different organisations, see different set of data, then make this clear. Be as specific as possible.

5. For how long we will keep your personal data, or criteria used to determine the retention period.

Your personal data will be held for (be as clear as possible but allow room for changes to programmes or policy. It is acceptable to give a relative time e.g. ‘six months after the project is closed’)

6. Your rights

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right to:

- know how we use your personal data
- access your personal data
- have personal data corrected if it is inaccurate or incomplete
- ask us to delete personal data when we no longer need it

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- ask us to restrict how we process your data
- get your data from us and re-use it across other services
- object to certain ways we use your data
- be safeguarded against risks where decisions based on your data are taken entirely automatically
- tell us if we can share your information with 3rd parties
- tell us your preferred frequency, content and format of our communications with you
- to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can [contact the ICO](#), or telephone 0303 123 1113.

7. Your personal data will not be sent overseas

We have taken all necessary precautions to ensure that your rights in term of data protection will not be compromised by this”.

8. Your personal data will not be used for any automated decision making.

9. Your personal data will be stored in a secure government IT system.

10. More information

For more information on how Ofgem processes your data, click on the link to our “[ofgem privacy promise](#)”.