

Northern Ireland
Authority for
Utility Regulation



ANNUAL REPORT & ACCOUNTS

For the year ended 31 March 2026

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Utility 
Regulator

NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION

ANNUAL REPORT AND ACCOUNTS 2025-26

For the year ended 31 March 2026

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PERFORMANCE REPORT



OVERVIEW

The purpose of this overview is to provide a short summary of the Utility Regulator's (UR) structure, purpose, and performance during the year. It also sets out the key risks to the achievement of our objectives, providing sufficient information for readers to form a high-level understanding of our organisation and performance.



CHAIR'S FOREWORD

2025–26 has been another year of change and progress both externally and internally.

We started delivering on our 'Protecting Consumers on the way to Net Zero' corporate strategy, that was published in 2024.



Our strategy ambitiously sets out how we will meet the challenge of decarbonisation in the energy and water sectors in Northern Ireland (NI). In meeting this challenge, we support a Just Transition which ensures the principle of fairness is critical to realising the benefits of net zero.

Of course, the guiding light for everything we do is protecting consumers today and tomorrow. We recognise the daily challenges faced by households and businesses and are focused on supporting consumers through our proactive regulation. In 2026, the impact of the war in Iran has shown how consumers in Northern Ireland can be adversely affected by world events outside their control. We continue to work with government and industry to ensure that everything can be done within our powers to support and protect consumers.

Consumers deserve a reliable and secure energy and water supply, and we have continued to meet this fundamental commitment during the last year. Our proactive regulation made sure that regulated electricity and gas bills reflected costs. There was real progress on initiatives to protect consumers' interests such as extra support measures for domestic and small business consumers through our energy charters and plans to introduce a single customer care register.

Supporting the fabric of our energy and water infrastructure and investing in the future is vital. We set out our approach to the next NI Water (NIW) price control. Our work with the Department for the Economy (DfE) saw the announcement of a new policy for electricity grid connections. As part of the Single Electricity Market Committee (SEMC), 4,120 MW of generation capacity was procured from capacity auctions for the island of Ireland. It is also pleasing that SEMC made significant progress on developing a new strategy during 2025–26.

An important ingredient in the success of our work is the support of stakeholders. We continue to work with Ministers and elected representatives on energy and water issues. Collaboration with key policy departments, DfE for energy and the Department for Infrastructure (DfI) for water, is also vital. I was delighted that the Minister for the Economy, Dr Caoimhe Archibald, was present to officially open our new Millennium House offices in September.

Internally, we have made further strides on the journey to our organisational transformation. It is a measure of the commitment and dedication of everyone who works at UR that we have continued to deliver and make progress during so much change.

Finally, the UR Board has been changing too. I would like to record my thanks to Jon Carlton and Alex Wiseman who stood down from the Board after long and distinguished service, and to welcome Paul McGowan and Anthony Pygram, who joined the Board in August 2025. I would like to thank my Board colleagues for their commitment and support during the last year.

Rosamund Blomfield-Smith
Chair of Utility Regulator Board

CHIEF EXECUTIVE'S FOREWORD



Last year was another strong one for the UR, as we continued to make progress and deliver positive outcomes for consumers in Northern Ireland.

In the second year of our corporate strategy, we focused on meeting the challenges set out in our strategy objectives. Our regulation of energy prices resulted in combined regulated electricity and gas tariffs falling below those in Great Britain and Ireland. We also advanced our Consumer Protection Programme strengthening protections across our electricity, gas, and water services. During the year, we launched a major public consultation on our review of the Electricity Guaranteed Standards of Service (GSS) and Overall Standards of Performance (OSP), and we introduced enhanced protection measures for small business energy customers. We ensured 100% compliance with our 150 licence holders on the annual statement of licence compliance aspect of our compliance and monitoring framework.

We made significant progress on key price control reviews, including gas supply (SPC27), gas transmission (GT27), and gas distribution (GD29). Our approach to NIW price control (PC28), an important milestone in the next NIW price control, was also published. These reviews are central to ensuring that electricity, gas, and water companies in Northern Ireland continue to deliver best-in-class services. We also engaged with the Office of Environmental Protection's (OEP) investigation over the regulation of sewage discharges into Belfast Lough.

We further strengthened the regulatory frameworks needed to support carbon reduction. This included consulting on biomethane licence modifications to facilitate biomethane delivery. The evolving generation mix and the growth in renewables contributed to the Single Electricity Market (SEM) recording its highest ever level of solar generation in July 2025. We also advanced work on the proposed new interconnector between Northern Ireland and Scotland.

Our communication and stakeholder engagement took a significant step forward. We increased our engagement with the Northern Ireland Assembly, Westminster, and local councils. Our new communications strategy enabled us to use a wider range of channels to reach both new and existing audiences.

Throughout this year, the team at the UR has worked incredibly hard and I am proud of what we have achieved together.

Finally, I also would like to thank Jon Carlton and Alex Wiseman for their considerable contribution to the UR's Board as they stepped down in 2025, and to welcome Anthony Pygram and Paul McGowan to the Board.

John French
Chief Executive

ABOUT THE UTILITY REGULATOR

OUR ROLE

UR is a non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water, and sewerage industries.

Our work is based on statutory duties set out in various pieces of legislation including the Energy (Northern Ireland) Order 2003, and the Water and Sewerage Services Order 2006. These statutory duties include:

ELECTRICITY

To protect the interests of electricity consumers in regards to price and quality of service, by promoting effective competition where appropriate.

GAS

To promote the development and maintenance of an efficient, economic, and co-ordinated gas industry.

WATER

To protect the interests of water and sewerage consumers by promoting an efficient industry which delivers high quality services.

More details about our role and our statutory duties is provided in the Governance Statement.

OUR STRUCTURE

We are governed by a publicly appointed Board. The Board comprises six non-executive members and one executive member (Chief Executive (CEO), John French), who is also the Accounting Officer. The Senior Leadership Team (SLT), who report to the CEO, oversees the delivery of UR's functions and duties. Further detail on the membership of the Board and SLT is provided in the Governance Statement.

OUR MISSION

To protect the short and long-term interests of consumers of electricity, gas and water.

OUR VISION

To ensure value and sustainability in energy and water.

OUR VALUES

Accountable:

We take ownership of our actions.

Transparent:

Ensuring trust through openness and honesty.

Collaborative:

Connecting and working with others for a shared purpose.

Diligent:

Working with care and rigour.

Respectful:

Treating everyone with dignity and fairness.



KEY ISSUES AND RISKS

During 2025-26 the key issues facing UR were:

DELIVERING ON NET ZERO TARGETS

In June 2019, the United Kingdom (UK) Government passed legislation committing to reducing the UK's net emissions of greenhouse gases by 100%, relative to 1990 levels, by 2050. Building on this, the Northern Ireland Assembly passed the Climate Change (Northern Ireland) Act in 2022, which established statutory targets for reducing emissions. Meeting these targets will require a substantial expansion of renewables and energy efficiency measures in Northern Ireland.

In February 2025, the Northern Ireland Executive launched its Programme for Government, which included a mission around, 'Planet' focused on 'taking urgent action to reduce carbon emissions'. This commitment highlights the need for our energy system to evolve, integrating low carbon technologies while continuing to deliver a reliable and efficient supply that meets consumer needs.

The principle of a Just Transition, embedded in the Climate Change Act 2022, reinforces the importance of ensuring fairness across all sections of society as Northern Ireland progresses towards net zero.

ADDRESSING AFFORDABILITY CONCERNS FOR CONSUMERS

Following Russia's invasion of Ukraine, households and businesses in Northern Ireland, and across the rest of the UK and Europe, have faced significant increases and volatility in energy costs. The risk of further price shocks persists, with the recent conflict in Iran triggering renewed spikes in wholesale gas prices.

Although energy costs have since fallen from their peak, they remain elevated relative to historical norms. This has added to the broader cost pressures, including rising food and other essential expenses, which at one point pushed UK inflation to a forty year high. In this environment it is crucial that we continue to support consumers in managing affordability pressures.

ENERGY AND WATER POLICY AND STRATEGY

Northern Ireland energy and water legislation defines the role and duties of UR. In 2021, the Northern Ireland Executive published its Energy Strategy for Northern Ireland: The Path to Net Zero, setting out a pathway for energy to 2030 and a vision of achieving net zero carbon and affordable energy by 2050. The ambitions were further reinforced by the Climate Change Act



(Northern Ireland) 2022, which established a target of a reduction of at least 100% in net zero greenhouse gas emissions by 2050. The Act also introduced carbon budgets; this including a target that at least 80% of electricity consumption should be generated from renewable sources by 2030. To meet these obligations, Northern Ireland's government departments must publish plans detailing how individual sectors will contribute to emissions reduction targets.

In water, DfI is implementing its long-term strategy, 'Sustainable Water - A Long-Term Water Strategy for Northern Ireland (2015-40)', which sets a vision for a sustainable water sector in Northern Ireland that supports environmental, social and economic needs.

In February 2026, the Department for Communities (DfC) published 'Warm Healthy Homes 2026-36: A new Fuel Poverty Strategy for Northern Ireland'. The Strategy sets out a long-term cross-government approach to lift households out of fuel poverty.

SECURING ENERGY AND WATER SUPPLY

Ensuring a secure and reliable supply is one of our key statutory duties. It is a core principle of the Northern Ireland Executive's Energy Strategy, which emphasises the importance of making Northern Ireland more self-sufficient in generating and supplying its own energy and thereby reducing our reliance on other jurisdictions.

Decarbonisation adds further complexity, requiring us to facilitate the right mix of technologies to meet household and business demand as older forms of generation are phased out and replaced by new, low carbon alternatives. Attracting investment in innovative energy generation will be critical, alongside the modernisation of energy networks to ensure they can accommodate new technologies while continuing to deliver reliable service to consumers.

In electricity, the capacity arrangements in the SEM provide a basis for managing long-term security of supply risks. In gas, maintaining a reliable supply remains essential. In water, DfI's Long-Term Water Strategy sets out high-level aims to deliver sustainable and reliable water and sewerage services that meet the needs of customers across Northern Ireland.

In November 2025, the OEP commenced an investigation into DfI, the Department of Agriculture, Environment and Rural Affairs (DAERA) and the UR in relation to sewage discharges into Belfast Lough.

The investigation focuses on compliance with environmental law and corresponding link to our statutory duties. We have and will continue to fully engage with the OEP throughout the process and are committed to transparent and robust economic regulation of Northern Ireland's water and sewerage industry.



PROTECTING CONSUMERS IN ENERGY MARKETS

We continue to focus on our energy markets to ensure that businesses and households get a fair deal. As well as putting in place robust market monitoring regimes to protect consumers, we also act when required to address any market abuse.

Protecting consumers also means that we take action to protect the most vulnerable when required. This meant that, in practice, we improved customer service measures for consumers. We also worked in partnership with other organisations to put in place additional measures and protections for consumers.

OUR REGULATION

Given the amount of change that is underway to meet the net zero targets, we recognise that, as a regulator, we need to be proactive and flexible. Key to this is ensuring that our statutory powers are appropriate following the publication of the Northern Ireland Executive's Energy Strategy and the Climate Change (NI) Act 2022.

DfE launched a consultation during 2024 on enhancing our powers to support the Department around decarbonisation. We need to support the development of world-class, efficient electricity, gas and water companies, that are focused on providing the best levels of service to households and businesses and are fully compliant with their licence conditions and codes of practice. We aim to be fully transparent and accountable for our work, and we will look to constantly improve our own performance, to maximise the benefits to energy and water consumers.

ORGANISATIONAL TRANSFORMATION

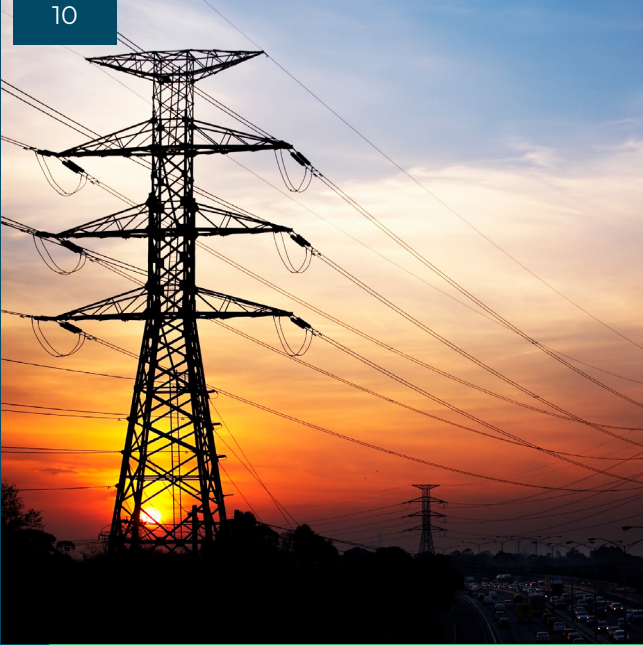
Our Corporate Strategy 2024-29 identified key enablers which are critical to the kind of organisation we aim to be. We have significantly moved forward our organisational transformation programme, 'Shaping UR for the future', which will help us deliver on the ambition set out in our new corporate strategy.

DURING 2025-26, KEY RISKS FACING UR WERE:

1. Not having the statutory powers to facilitate the implementation of existing and future energy and climate policies.
2. The delivery of the Northern Ireland Executive's Energy Strategy.
3. Electricity supply interruptions caused by insufficient generation adequacy, system services and/or system restrictions.
4. Volatility in energy prices and potential loss of confidence in UR's ability to regulate wholesale and retail markets effectively.
5. Implications of NIW budget constraints and underfunding of NIW price control 2021 (PC21) which may lead to underperformance issues and breach of legal obligations and licence conditions.
6. Market behaviours in SEM impacting the security of supply.
7. Failure to meet one or more statutory obligations as a result of not being able to maintain continuity of services.
8. Impact of cyber security attack on cross border electricity networks under the Network Code on Cyber Security.

There were also several emerging and legal related risks being monitored throughout 2025-26.





PERFORMANCE OVERVIEW



KEY DEVELOPMENTS 2025-26



Tariffs reduced

Greater Belfast customers saved

£80 per year, while Ten Towns customers saved

£94 per year.

Power NI review concluded

We completed the price control review and introduced a new cost sharing mechanism.



Record solar output

In July 2025, SEM reached **291,602 MWh**, the highest solar generation on record.



4,120 MW secured

SEM capacity auctions procured **4,120 MW** of generation capacity.



100% compliance return rate

Our Statement of Licence Compliance approach achieved returns from **150** licensees.



New offices opened

Our new offices were officially opened by the **Minister for the Economy** in September 2025.



Electricity standards consultation

We launched a consultation on **electricity GSS and OSP**.



PC28 approach published

We published our approach on **PC28**.



Improving consumer experience

We set out next steps to improve the non-domestic **consumer experience**.



Clearer consumer communication

We became the first UK regulator to partner with **Plain Numbers**.

Employee engagement improved

Our Best Companies survey showed very good **employee engagement**.



Network costs approach changed

We worked with **DfE** to change the approach to network connection costs.

44.2%

from renewables

The proportion of generation from renewable sources was **44.2%**.





THE YEAR IN SUMMARY 2025-26

April

We published our Power NI's 2026-29 price control review decision.



June

Our Consumer Insight tracker survey showed that the number of consumers that were struggling to pay electricity or gas bills had fallen.

We became the first regulator in the UK to partner with numbers-first communications organisation, Plain Numbers.

We launched a call for information on future gas distribution and transmission price controls in Northern Ireland.

July

A proposed approach to the next gas supply price control was published for consultation.

We set out steps to improve the non-domestic consumer experience in the market.

August

Tariff reviews for regulated gas and electricity suppliers were announced.

The Minister for Finance announced the appointment of Paul McGowan and Anthony Pygram to the UR Board.



September

Tariff reviews were concluded with reductions to regulated gas supplier bills and an increase to regulated electricity supplier bills.

The Minister for the Economy opened our new offices at Millennium House in Belfast.

October

A consultation was launched on our review of the Electricity GSS and OSP.

We announced extra support measures through Northern Ireland's Domestic and Small Business Consumer Energy Charters.





THE YEAR IN SUMMARY 2025-26

November

DfE published a decision on the increased socialisation of electricity connection costs.

We announced plans to introduce a single Customer Care Register across electricity, gas and water.



December

We published our approach to the next NIW price control review.

We launched a formal investigation into NIW Ltd.

We sought views on the need for a regulated operating revenue regime for the LirIC Interconnector Project.

January

We issued guidance on the licence conditions requiring NIE (Northern Ireland Electricity) Networks and System Operators in Northern Ireland (SONI) to digitalise and share energy system data, to demonstrate accountability.

More than thirty stakeholders attended our Forward Work Programme (FWP) consultation workshop at Millennium House.

February

We announced the outcome of regulated gas tariff reviews and further decreases in consumer bills.

We introduced new measures to strengthen protections for Northern Ireland's non domestic electricity and gas consumers.

March

We published next steps on the approach to Future Electricity Network Price Controls.



CORPORATE STRATEGY 2024-29

During 2025-26, UR's work was guided by the overarching principle and strategic objectives outlined in our five-year corporate strategy 2024-29. The corporate strategy sets out how we aim to meet our strategic objectives and the outcomes that will be achieved. These objectives align to the [Programme for Government \(PfG\) 2024-2027: 'Our Plan: Doing What Matters Most'](#) priorities 'Grow a Globally Competitive and Sustainable Economy' and 'Protect Lough Neagh and the Environment'.

The corporate strategy was published in April 2024 and is available on UR's website – [Corporate Strategy 2024-29](#). A summary of progress against corporate strategy objectives is outlined below.



STRATEGIC OBJECTIVE 1: SUPPORTING THE JUST TRANSITION TO NET ZERO

DESIRED OUTCOMES

- Updated statutory powers, which will enable us to fully support the Northern Ireland Executive departments to meet their statutory targets within the Climate Change Act (Northern Ireland) 2022 and related Government Strategic Frameworks.
- Achievement of the 80% renewables by 2030 statutory target.
- Supporting the delivery of Northern Ireland's Climate Change Act Sectoral Plans and Carbon Budgets.
- Just Transition aspects are considered within our analysis and decision-making as permitted by legislation.
- Work with Ireland's Commission for the Regulation of Utilities (CRU), through the SEM, to help deliver all-island net zero goals.

KEY ACHIEVEMENTS AND WORK UNDERTAKEN DURING 2025-26

- ✓ We participated in the Offshore Renewable Energy Action Plan (OREAP) working Group and requested further legislative provisions to facilitate better regulatory oversight of offshore delivery thereby strengthening protections for consumers.
- ✓ We have worked closely with DfE to assist in the drafting of its Smart Meter Design Plan, including the governance structure for rollout.
- ✓ We have continued to develop UR's market modelling capability and worked in collaboration with DfE and SONI through the Future Energy Modelling Group.
- ✓ We participated in SONI's 'Dispatch Down' working group which has aided progress on plans to reduce dispatch down of renewable generation.
- ✓ We modified SONI's Transmission System Operator (TSO) Licence to reflect the requirement by DfE for SONI to begin preparatory works for their designated role in the Renewable Electricity Price Guarantee (REPG) scheme.

- ✓ We have completed the regulatory amendments necessary to implement DfE's decision to socialise reinforcement costs as part of the electricity connection review.
- ✓ We have approved the necessary updates to the Statement of Connection Charges to implement NIE Networks updated cluster methodology.
- ✓ We have drafted and published an information paper concerning work about the procedures for allocating Firm Access to renewable Generators.
- ✓ We published our PC28 Final Approach which recognises that climate change resilience and contributing to net zero emissions remain key challenges for NIW for PC28.
- ✓ We report biannually to DfI on our associated Long-Term Water Strategy (LTWS) aim of 'Set targets for incentivising NIW to increase the percentage of renewable energy generated by use of its own assets and lands and contribute to achieving the Northern Ireland Executive's greenhouse gas emissions reduction target'.
- ✓ As part of our gas network price controls (GD23 and GT22) we provided further allowances in 2025-26 to support gas networks preparation for decarbonisation in line with DfE's Energy Strategy.
- ✓ We worked with DfE and Office of Gas and Electricity Markets (Ofgem) to ensure the smooth running of the Northern Ireland Renewables Obligation (NIRO) during the year. This has included the high level of administration and process that is required in each scheme year.
- ✓ The Northern Ireland Sustainable Energy Programme (NISEP) 2025-26 programme commenced as planned on 1 April 2025 and overall, 20 energy efficiency and renewable energy schemes were delivered by Primary Bidders.
- ✓ We assessed a proposal from three gas Distribution Network Operators (DNO) who are seeking to deliver a large-scale domestic heating trial. This trial will explore the benefits the technology may bring to consumers, the impact on emissions and on the DNO networks.
- ✓ We completed our benchmarking review of regulatory approaches to the Just Transition in other jurisdictions.
- ✓ We completed deliberative research to explore consumers' expectations and concerns about the transition to net zero.

- ✓ We delivered significant milestones in November 2025, with the delivery of two initiatives, Energy Storage Power Stations and Wind/Solar Dispatchability Improvements.
- ✓ We worked with CRU to provide the final determination for the Single Electricity Market Operator (SEMO) Price Control.
- ✓ We work closely with the CRU on European Union (EU) Network Codes submissions/ updates from the relevant SONI and Ireland, ensuring that our analysis and decision-making processes are aligned across the SEM.



STRATEGIC OBJECTIVE 2: SECURING OUR ENERGY SUPPLY, AND WATER AND WASTEWATER SERVICES

DESIRED OUTCOMES

- The energy infrastructure and the market facilitate reliable energy supplies to homes and businesses.
- Greater physical market interconnection with Great Britain (GB) and Ireland.
- Efficient and resilient operation of electricity, gas and water companies in Northern Ireland.



KEY ACHIEVEMENTS AND WORK UNDERTAKEN DURING 2025-26

- ✔ We considered and consulted on SONI's 10-year Transmission Development Plan for Northern Ireland (TDPNI) which sets out its plans for developing the network to integrate increasing levels of renewables.
- ✔ A total of 503 Mega Watt (MW) of de-rated capacity was offered into the T-1 auction, all 503 MW was successful.
- ✔ We consulted on the multipliers and seasonal factors which are applied to non-annual gas entry capacity bookings. We engaged with CRU as part of this process with the aim of maintaining alignment with Ireland where possible.
- ✔ We approved the All-Island Resource Adequacy Assessment (AIRAA) 2026-35 in February 2026.
- ✔ We have led on facilitating the Fuel Security Working Group (FSWG), which seeks to explore whether secondary fuel should be mandated in NI.
- ✔ For the T-4 2029-30 auction, Successful Intermediate Length Contract Applicants secured a total of 1,371 MW of capacity across five units in the auction each on 5-year contracts, representing a combined annual cost of €212.34 million.
- ✔ We published our PC28 water price control approach in December 2025. We highlighted that the Water Resource and Supply Resilience Plan (WR&SRP) published in 2025, provides a 50-year planning horizon (2020-70) and incorporates the latest climate change predictions, and that we expect NIW to continue delivering on the proposed actions within this plan.
- ✔ We commenced discussion with Premier Transmission Limited (PTL) on extending the current Transportation Agreement (TA) between PTL and Gas Networks Ireland UK (GNI (UK)).
- ✔ We held our annual Winter Preparedness Event in October 2025.

STRATEGIC OBJECTIVE 3: ENABLING BEST IN CLASS ENERGY AND WATER COMPANIES

DESIRED OUTCOMES

- Northern Ireland energy and water companies compare to the best.
- Enabling long-term, value for money investment that benefits consumers and drives innovation.
- Energy and water companies are fully compliant with their licence obligations.

KEY ACHIEVEMENTS AND WORK UNDERTAKEN DURING 2025-26

- ✓ 100% of licensees completed and submitted their annual statement of licence compliance submission.
- ✓ During 2025-26, we conducted our sixth domestic consumer insight tracker and fourth non-domestic tracker survey. We have published the surveys which provides ongoing evidence on the experiences, behaviours and attitudes of both domestic and non-domestic energy consumers.
- ✓ We published an information and decision paper on the Best Practice Framework Customer Care Register project. The purpose of this project is to introduce a single customer care register across electricity, gas and water.
- ✓ We continue to provide our biannual update to DfI as part of its LTWS action reporting request.
- ✓ We published our GT27 Final Approach in February 2026.
- ✓ We published our Cost and Performance report for SONI in December 2025.
- ✓ We have issued two decision letters which impact on the common areas of the Grid Code, which we issued in conjunction with the CRU.
- ✓ We have worked closely with DfE to assist in the drafting of its Smart Meter Design Plan decision, and in the design of the governance structure for the rollout.
- ✓ We have worked with NIE Networks to scope a plan for letting the Kilroot adjoining lands to ensure long term value for electricity consumers.

- ✓ During 2025 we completed our first all-licensee annual Statement of Licence Compliance (SoLC) process.
- ✓ We have undertaken a range of enforcement activity across the year, with several licensees, this has included the making of two provisional orders, in the pursuit of protecting the interests of consumers.
- ✓ We have recruited a new Enforcement Panel, from which members can be selected to sit on a Settlement or Enforcement Committee. These appointments have enabled us to expand the pool of personnel from which such panels can be drawn, when required and on a case-by-case basis.



STRATEGIC OBJECTIVE 4: PROVIDING THE HIGHEST LEVEL OF CONSUMER SERVICE AND PROTECTION

DESIRED OUTCOMES

- Measurable improvement in customer service experience for consumers.
- New regulatory frameworks are in place to protect consumers in the adoption and use of new technologies.
- Increased data capabilities so that we can produce more evidence-based research to enable positive policy outcomes for current and future consumers.
- Increased reporting on consumer metrics which highlights the performance of energy and water companies.



KEY ACHIEVEMENTS AND WORK UNDERTAKEN DURING 2025-26

- ✓ The Market Monitoring Unit (MMU) team continually monitors the performance of the SEM and compliance with market rules, regularly engaging with market participants on their submissions and behaviours in the market.
- ✓ We implemented a new mandatory Code of Practice (CoP) for Customer Service.
- ✓ We conducted our sixth domestic consumer insight tracker and the fourth non-domestic tracker survey.
- ✓ We agreed customer service performance targets for NIE Networks for 2026-27 through the Consumer Engagement Advisory Panel (CEAP), chaired by UR.
- ✓ We consulted on the review of electricity GSS and OSP.
- ✓ We continue to monitor the market to ensure that domestic customers are receiving the mandatory standards of customer service from their energy provider. This includes the monitoring of new licence conditions in relation to suppliers' processes for setting fixed direct debits and processes for the return of customer credit.
- ✓ We consulted on licence modifications to all the gas conveyance license to enhance the robustness of the licence arrangements for biomethane connections.
- ✓ We continued to engage with SONI as they finalised implementation of Condition 42 of their TSO licence and agreed a new model for engagement with EirGrid.
- ✓ We have approved and worked with NIE Networks on their Managed Charging Pilot to trial innovative ways for home charging of electric vehicles.
- ✓ We developed internal datasets and Power BI reports to automate quality assurance and streamline the publication process.
- ✓ As part of the Firm Access project, we developed a data model of the current costs of Firm Access, and the potential costs of changes to how Firm Access is allocated, in Python and Power BI.
- ✓ We completed the licence modification stage to require NIE Networks and SONI to develop a joint digitalisation and action plan.

FORWARD WORK PROGRAMME (FWP) 2025-26

The FWP is our annual business plan which sets out the non-routine projects that we intend to undertake in each year, covered by the corporate strategy. The requirements to publish the FWP, before 1 April in each year, are set out in article 6 of the Energy Order, and Article 4 of the Water and Sewerage Order. Article 6(4) of the Water and Sewerage Order specifically enables UR to prepare a combined FWP covering its energy and water and sewerage functions. The FWP also includes an estimate of the overall expenditure that UR expects to incur during the year.

The FWP for 2025-26 was consulted on and published and can be accessed from our website at: [FWP – FINAL PUBLISHED.pdf](#).

In total, 83% of the non-routine projects in the FWP 2025-26 were either achieved or partially achieved, with three of the four partially achieved being multi-year projects which are in progress.

17% of the non-routine projects were not achieved during the year. This relates to three projects, two of which have been delayed due to internal resource constraints and competing work priorities, and one has been delayed due to an external dependency.



Further detail of performance against the corporate strategy indicators and FWP targets is provided in the following performance analysis section.

ORGANISATIONAL PERFORMANCE OVERVIEW

Other key organisation performance elements during the year included:

Our Silver Award Investors in People (IIP) reaccreditation was awarded in February 2024. Progress on our next IIP accreditation was positively endorsed by our IIP assessor in our 24-month review in February 2026.

Best Companies 'One Star Very Good Company to Work For' accreditation and engagement score of 661.3.

FINANCIAL PERFORMANCE

In terms of financial performance, in 2025-26, we reported a net resource outturn position of £354k (2024-25 £376k). The net expenditure includes a small amount of public expenditure funding to cover the cost of administering the Renewable Energy Guarantee of Origin scheme (REGO) and depreciation costs, as most of our income comes from electricity, gas and water licence holders. In terms of gross expenditure in 2025-26, UR outturn was within the Department of Finance (DoF) and Northern Ireland Assembly approved budget position. Further detail on financial performance is contained within the financial review section of the performance analysis.





PERFORMANCE ANALYSIS

This section provides an analysis of how performance is monitored and measured within UR and gives a detailed assessment of performance during 2025-26.



MONITORING ORGANISATIONAL PERFORMANCE

An organisational framework is in place to monitor UR performance.

At the strategic level, progress against corporate strategy objectives is assessed through reporting on key performance indicators. The FWP contributes to the achievement of corporate strategy objectives and progress against each FWP project is also monitored and reported.

REPORTING AGAINST PERFORMANCE

Performance is also assessed on an ongoing basis throughout the year. Specifically, performance is monitored regularly and reported through finance and performance papers at each meeting of the Board and Audit and Risk Committee (ARC). SLT also regularly reviews performance against targets and these form part of discussions and periodic formal reviews between the CEO, Executive Directors, and individual directors. UR monitors its financial position on an ongoing basis to ensure that it operates within Board and DoF approved limits. An internal financial controls framework is in place, and effective delegation arrangements operate through a Scheme of Delegation (SoD) which delegates authority from the Board for financial approvals to the appropriate levels across the organisation.

A summary of organisational performance against the Corporate Strategy 2024-29 objectives and 2025-26 FWP targets is detailed below, together with a financial review and reporting against sustainability.

Details on key risks in delivering against the corporate strategy objectives are provided in the Governance Statement, page 81.

Performance against Corporate Strategy 2024-29 objectives

STRATEGIC OBJECTIVE 1: SUPPORTING THE JUST TRANSITION TO NET ZERO

DESIRED OUTCOME

Updated statutory powers, which will enable us to fully support the Northern Ireland Executive departments to meet their statutory targets within the Climate Change Act 2022 and related Government Strategic Frameworks.

ACHIEVEMENTS AND WORK UNDERTAKEN

Heat Networks

DfE is developing new powers for UR to regulate heat networks in NI. Engagement is ongoing with DfE to understand the scope of any new powers and when they will commence.

Offshore

We participated in the OREAP working Group. We wrote to DfE on 5 February to request further legislative provisions. Introduction of these measures could facilitate better regulatory oversight of offshore delivery processes thereby strengthening protections for consumers.

Smart Meters

We have worked closely with DfE to assist in the drafting of its Smart Meter Design Plan decision, and in the design of the governance structure for the rollout. We are also in the process of procuring a programme management office consultant to support the development of a detailed programme plan, and to provide programme management support to UR in its governance role as part of the smart meter rollout.

DESIRED OUTCOME

Achievement of the 80% renewables by 2030 statutory target.

ACHIEVEMENTS AND WORK UNDERTAKEN

Participation in Future Energy Modelling Group

We have continued to develop UR's market modelling capability and worked in collaboration with DfE and SONI through the Future Energy Modelling Group.

We have participated in SONI's Dispatch Down working group which has aided progress on plans to reduce dispatch down of renewable generation.

Renewable Electricity Price Guarantee (REPG) scheme

We modified SONI's TSO licence to reflect the requirement by DfE for SONI to begin preparatory works for their designated role in the REPG scheme. The modification ensures SONI can carry out preparatory works and recover the cost of these in the period before new regulations are made by DfE to facilitate the scheme.

UR has also provided ongoing support to DfE to deliver the REPG scheme, in particular UR's role as auction monitor and in Tier 2 dispute resolution.

Socialisation of Connection Charges

We have completed the regulatory amendments necessary to implement DfE's decision to socialise reinforcement costs as part the electricity connection review. This should facilitate more use of low carbon technologies and greater investment in renewables, particularly in rural areas.

Statement of Connection Charges

We have approved the necessary updates to the Statement of Connection Charges to implement NIE Networks' updated cluster methodology, enabling earlier cluster designation, enhanced capacity through second-transformer installations, and more equitable charging arrangements.

These changes will help streamline connection pathways, reduce delays, and ensure that network capacity is available in the right locations at the right time. Collectively, this will facilitate faster and more efficient renewable generation connections, helping to unlock additional investment and supporting Northern Ireland's statutory target of achieving 80% renewables by 2030.

Firm Access

We have drafted and published an information paper concerning work about the procedures for allocating Firm Access to renewable generators. Thanks to the work we have conducted on this, we now have a much better idea of where constraints are impacting among generators and on the network, and how this links to network development.

This will provide a base for moving on with a consultation that emphasises the importance of network development and reducing dispatch down to integrating renewables on the system.



DESIRED OUTCOME

Supporting the delivery of Northern Ireland's Climate Change Act Sectoral Plans and Carbon Budgets.

ACHIEVEMENTS AND WORK UNDERTAKEN

PC28 Price Control

We published our PC28 Final Approach in December 2025. Our approach recognises that climate change resilience and contributing to net zero emissions remain key challenges for NIW for PC28. We continue to engage with our key delivery partners, including through our PC28 working groups on environmental quality.

NI Water Cost and Performance Report

We published our NIW Cost and Performance report 2022–24 on 29 April 2026. We monitor against various targets relating to greenhouse gas emission savings and renewable energy (for example, power derived from renewable sources) and sustainable solutions (for example, number of sustainable wastewater treatment works solutions).

We also monitor against NIW's progress in developing its capability for the long-term development of the services through development outputs, many of which relate to environmental and sustainable outcomes.

Long Term Water Strategy (LTWS)

We continue to report biannually to DfI on our associated LTWS aim of 'Set targets for incentivising NIW to increase the percentage of renewable energy generated by use of its own assets and lands and contribute to achieving the Northern Ireland Executive's greenhouse gas emissions reduction target'.

We are also developing our approach to the next price control and have set up working groups on environmental quality to inform the approach.

GD23 and GT22 Price Controls

As part of our gas network price controls (GD23 and GT22) we provided further allowances in 2025–26 to support gas networks preparation for decarbonisation in line with DfE's Energy Strategy.

GT27 Price Control

We published our GT27 Final Approach in February 2026. This took account of the consultation feedback related to decarbonisation issues associated to DfE's Energy Strategy that we received from the Future of Gas Networks Price Controls call for information published in June 2025.

Regulatory Approach to future Electricity Price Controls

We published our findings and next steps on Regulatory Approach to Future Electricity Price Controls on 26 March 2026.

SONI

In December 2025, we published our Cost and Performance report for SONI which covers the period October 2020 to September 2024.

Northern Ireland Renewables Obligation (NIRO)

We worked with DfE and Ofgem to ensure the smooth running of the NIRO during the year. This has included the high level of administration and process that is required in each scheme year. We established with DfE and Department for Energy Security and Net Zero (DESNZ) that the GB Renewable Obligation scheme and NIRO will be moving to a Fixed Price Certificate regime from 1 April 2028.

We have been liaising with DESNZ on the implications for the scheme regarding this change and specifically how it will operate in GB given the unique metering arrangements in NI.

We also assisted DfE with understanding how the NIRO operates and how historical figures regarding obligation levels and buy out prices could help with the development of the new DfE scheme.

Northern Ireland Sustainable Energy Programme (NISEP)

The 2025–26 programme commenced as planned on 1 April 2025 and 20 energy efficiency and renewable energy schemes were delivered by Primary Bidders. Measures installed under NISEP will improve the warmth and comfort of homes, deliver lower energy bills and reduce carbon emissions.

We have also facilitated the injection of £2 million by DfE for NISEP 2025–26. This was split by 3 Primary Bidders delivering insulation only schemes (Loft and Cavity Wall) and will result in approximately 1,000 low-income households receiving insulation measures. This followed a £2.5 million DfE injection in 2024–25 which provided insulation measures to just over 1,200 homes and £1 million facilitated in 2023–24 which provided insulation to c.500 homes.

As 2026–27 is the second year of the two-year programme (2025–27), we have also developed an addendum to the NISEP Framework Document for 2026–27 and issued to all Primary Bidders operating approved schemes for the upcoming second year. An audit of all 2024–25 schemes was also undertaken by Smith Williamson and Partners in 2025–26; this included evaluation of post implementation reports, and we are currently in the process of closing out the 2024–25 NISEP year.

Additionally, we undertook work towards the extension of NISEP for 2027–29. As DfE are continuing to develop a successor programme for NISEP and to ensure there is no gap in the provision of energy efficiency schemes for Northern Ireland's consumers, UR Board has agreed to extend NISEP for a further two years for 2027–29. However, we have inserted a break clause which allows the programme to close after the first year (year ending March 2028) should the DfE successor scheme be operational. The announcement of this extension was made at the beginning of April 2026.

Hybrid Heat Pump Trial

We assessed a proposal from the three gas DNOs, Phoenix Energy, Kinecx Energy, and Evolve are seeking to deliver a large-scale, domestic hybrid heating trial to explore the benefits from this technology to consumers, the impact on emissions and on the DNO's networks. Hybrid heat pumps, which combine an air source heat pump with a gas boiler, could represent a cost-effective, low-carbon heating option with potential to contribute to the decarbonisation of heat in homes. We worked closely with DfE to understand how the information produced by the trial could assist in policy development. The DNOs will launch the trial in 2026–27.

Offshore Renewable Energy Action Plan (OREAP)

As members of the OREAP group, we have been working through the steps required to establish a regulatory framework to facilitate the Energy Strategy Action Plan target of 1 gigawatt (GW) of offshore wind from 2030.

Our focus is on ensuring the framework delivers robust regulatory oversight and places NI customers at the centre of any arrangements introduced.

DESIRED OUTCOME

Just Transition principles are inbuilt within our analysis and decision making.

ACHIEVEMENTS AND WORK UNDERTAKEN

Just Transition

We conducted deliberative research engaging with consumers to explore their expectations and concerns about the transition to net zero, their understanding of the principle of a Just Transition and how it could be achieved. A deliberative approach was chosen for this research due to the complex nature of the topic.

We further developed our thinking around regulating for a Just Transition to net zero building on our benchmarking exercise of different regulatory and jurisdictional approaches. This provided valuable insight into what UR can do to support the long-term interests of consumers and the Just Transition to net zero.

The findings of our research and benchmarking exercise will support UR to develop its work in line with its statutory requirements and the expectations of its stakeholders including consumers.

We assessed the NIE Networks' Statement of Connection Charges to implement the revised cluster methodology to ensure that Just Transition principles are embedded within our analysis and decision-making. By moving to more equitable charging arrangements for second transformers and enabling earlier, more efficient cluster development, the changes avoid placing disproportionate upfront costs on individual renewable developers while also protecting consumers from unnecessary or premature investment. The emphasis on flexible weighting factors and future-proofing clusters ensures that network upgrades are delivered only where suitable, thereby minimising the risk of stranded assets and safeguarding consumer interests.

Socialisation of reinforcement costs

In the regulatory amendments to implement the socialisation of reinforcement costs, we required the use of a high-cost cap which will limit the impact of the socialised costs on the wider consumer base.

Offshore

We have carried out initial high-level analysis on the impact of transmission asset ownership. This is scenario based comparing several investment options with varying costs of capital over 40 years. We have provided this to DfE in February 2026.

DESIRED OUTCOME

Work with Ireland's CRU, through the SEM, to help deliver all-island net zero goals.

ACHIEVEMENTS AND WORK UNDERTAKEN

Strategic Markets Programme

Reintegration of SEM into the Internal Energy Market, Balancing Market Reform, and SEM-GB arrangements the Strategic Markets Programme is a substantial, multi-year programme of work to deliver new cross border treatments at the SEM-France and SEM-GB borders, to facilitate the entry into operation of the 'Celtic Interconnector' and post-Brexit trading arrangements respectively. It also includes significant updates to the SEM balancing market arrangements targeted at facilitation of renewables and the flexible resources (e.g. storage and demand response) needed to enable their effective utilisation.

Dispatchable Consumption

We have also progressed work in several areas including rulesets and processes for dispatchable consumption, energy storage, cross border balancing, interconnector capacity calculation, re-coupling with EU via Single Day Ahead Coupling, introduction of Single Intraday Coupling, long term transmission rights etc.

We have also worked to identify several potential external dependencies and compliance considerations which will be worked through in parallel e.g. compliance with the Electricity Balancing Guideline and interaction with other changes to market design stemming from EU regulations.

Transmission System Operator (TSO)

Along with works associated with various design activities, we have also been engaged with the TSOs in a replanning exercise, to account for changes in timing and scope due to a variety of factors. This will culminate in the production of a new set of planning and design materials, and the processing of a financing request to take the programme through to delivery.

We have also continued to interact with relevant EU implementation groups on the Core region processes for cross border capacity calculation etc.

Scheduling and Dispatch programme

Clean energy package and update on programme EirGrid and SONI are progressing the Scheduling and Dispatch Programme which is a programme of works developed by the TSOs. It proposes six initiatives aiming to enhance the scheduling and dispatch approach for intermittent renewable generation and energy storage, and to introduce approaches for non-priority dispatch renewables, synchronous condensers, fast frequency response and reserve service providers.

Energy Storage and Wind/Solar Dispatchability Improvements

Significant milestones were delivered in November 2025, with the delivery of two initiatives (1) Energy Storage Power Stations and (2) Wind / Solar Dispatchability Improvements. The Clean Energy Package compliance plan work continues, with ongoing engagement with the TSOs. Work to be further progressed in 2026 includes an ongoing review of priority dispatch, the implementation of a redispatch priority dispatch hierarchy and delivery of the synchronous condenser's initiative.

Future Arrangements for System Services (FASS)

Operational changes to develop markets to integrate low carbon sources of system services. Work continues on putting in place requirements to procure ancillary services through market-based methods on a short-term basis, to the extent possible and in the most economic manner possible (in line with the Electricity Balancing Guidelines and the Clean Energy Package).

Day Ahead System Services Auction (DASSA)

The move from a tariff model to a competitive based market approach will include a DASSA, a secondary market, layered procurement framework and other associated mechanisms in development and subject to industry consultation.

Throughout the year, the market design phase concluded, with the publication of the DASSA Top-Up Mechanism, and DASSA Parameters and Scalars Decision papers. The focus of this programme is now on implementation, with the TSOs working closely with their vendors and CRU/UR to deliver go-live. The Regulatory Authorities hosted multiple project meetings, with valuable input and feedback received from industry representatives.

Work also progressed in relation to the governance arrangements, with multiple System Services Code Working Groups taking place and the TSOs progressing work on their plain English version of the proposed System Services Code.

SEMO Price Control

We worked with CRU to provide the final determination for the SEMO price control covering the period 1 October 2024 to 30 September 2029. The adjustments made in this price control period are expected to facilitate SEMO's ability to adapt to changes in the electricity market, particularly with the increasing share of renewable energy resources.

Offshore Renewables

We have been working with CRU to devise an offshore regulatory regime that is aligned with CRU. The team have advised us of what went well, what didn't and lessons learned in devising a regime in Ireland. Once DfE confirms policy direction for offshore transmission we will collaborate with CRU to ensure SEM cost recovery is fair transparent and in line with Ireland's offshore principles.

EU Network Codes

We work closely with the CRU on EU Network Codes submissions/updates from the relevant System Operators in NI and Ireland, ensuring that our analysis and decision-making processes are aligned across the SEM. This helps ensure that network arrangements evolve in a harmonised way that benefits consumers and maintains system security. We have issued two decision letters which impact on the common areas of the grid code, which we issued in conjunction with the CRU. We also have attended four grid code meetings and attending pre-meetings with CRU as part of this.

STRATEGIC OBJECTIVE 2: SECURING OUR ENERGY SUPPLY, AND WATER AND WASTEWATER SERVICES

DESIRED OUTCOME

The energy infrastructure and the market facilitate reliable energy supplies to homes and businesses.

ACHIEVEMENTS AND WORK UNDERTAKEN

Capacity Renumeration Mechanism (CRM) Operations – Auctions T-1 2025-26 and T-4 2029-30.

A total of 503 MW of de-rated capacity was offered into the T-1 auction, all 503 MW was successful. 464 MW was existing capacity and 38 MW was new. The average price of awarded capacity was €95,545 €/MW per year or £86,029 £/MW per year, this led to a total cost of €48million for the auction. Taking into account previous auctions, the total capacity procured, net of terminations at this time, for 2025-26 to 8423 MW.

The T-4 auction concluded on 31 March 2026, with provisional results published on 14 April 2026 and final results on 5 May 2026. A total of 3862 MW was successful in the T-4 2029-30 auction. 3656 MW was existing capacity, while 206 MW was new. The Auction Clearing Price was €135,500 €/MW per year or £125,338 £/MW per year, this led to a total cost of €583 million for the auction. Taking into account previous auctions, the total capacity procured, net of terminations at this time, for 2029-30 is now 9,531 MW, 117 MW more than 2028-29.

Network Resilience

We have worked with the gas and electricity network operators to ensure network resilience. This has included detailed studies into some of the most critical sections of the gas network to ensure risk mitigations are being considered.

Electricity Network

In relation to the electricity network, we requested SONI and NIE Networks to provide a report assessing any concerns they had relating to existing electricity Critical National Infrastructure and the mitigations in place to reduce any potential resilience risks. The system operators made several recommendations, which we will continue to monitor and engage with them on.

Renewable Generation Liaison Group (RGLG)

We are engaging with the system operators to reinstate the RGLG meetings and revise the terms of reference (ToR). It is expected that the membership will broaden to include offshore representatives.

SONI's 10-year Transmission Development Plan for Northern Ireland (TDPNI)

We considered and consulted on SONI's 10-year TDPNI which sets out its plans for developing the network to integrate increasing levels of renewables.

DESIRED OUTCOME

Greater physical market interconnection with GB and Ireland.

ACHIEVEMENTS AND WORK UNDERTAKEN

LirIC

LirIC is a major infrastructure project (700 MW HVDC link) with a proposed completion date of 2032. As part of Transmission Investment's transmission licence application, it requested a regulated Cap and Floor revenue regime arrangement, in line with the process implemented by Ofgem. This is the first such request received by UR for a prospective interconnector development project. We have adopted a pragmatic two-step approach for the progression of TI's licence application, step one of which concluded in December 2024 following the UR's grant of transmission licence to Transmission Investment without any conditions pertaining to a regulated revenue regime.

The work required under step two is now underway and includes UR's assessment on the needs case for a regulated operating revenue regime in respect of the prospective LirIC interconnector project. The assessment will include consideration of Transmission Investment's request for a regulated Cap and Floor regime as well as wider interconnector revenue arrangements. We are working closely with DfE who are due to publish a report on the impact of additional interconnection and storage in NI later in 2026.

Seasonal Multipliers

We are required to consult annually on the multipliers and seasonal factors which are applied to non-annual gas entry capacity bookings. The consultation was published in March 2026, and we engaged with CRU as part of this process with the aim of maintaining alignment with Ireland where possible.

DESIRED OUTCOME

Efficient and resilient operation of electricity, gas and water companies in NI.

ACHIEVEMENTS AND WORK UNDERTAKEN

All-Island Resource Adequacy Assessment (AIRAA)

We approved the AIRAA 2026–35 in February 2026. This followed extensive engagement over the course of approximately 10 months between the UR, CRU and both TSOs. This engagement included monthly working level meetings and several director level workshops to facilitate understanding and involved a robust review of the proposed methodology and inputs and assumptions for the assessment.

Fuel Security Working Group (FSWG)

UR have led facilitation of the FSWG, which seeks to explore whether secondary fuel should be mandated in NI. The FSWG have developed evidence and analysis to establish whether thermal generators should be mandated to hold such fuel.

Security of Supply (SoS)

During 2025, NI's transmission system encountered several challenges, including extended periods of outages with thermal generators. Ballylumford power station suffered significant damage during storm Darragh in December 2024, and a large unit (C30) at Coolkeeragh took a prolonged six-month outage in 2025. During this time, UR worked closely with DfE, SONI and power station owners to ensure security of NI's electricity supply.

UR issued provision of information requests to the three main thermal generators to seek reassurance that all maintenance programmes were up to date.

Intermediate Length Contracts

SEMC introduced Intermediate Length Contracts in 2024, this was to reduce the risk of investment for existing capacity by allowing them to recover investment costs over a multiyear contract up to five years. Intermediate Length Contracts extend the life of existing Combined Cycle Gas Turbines (CCGT) and should help to avoid locking in new fossil fuel units in future years.

For the T-4 2029–30 auction, Successful Intermediate Length Contract Applicants secured a total of 1,371 MW of capacity across five units in the auction each on 5-year contracts, representing a combined annual cost of €212.34 million.

Cross-Border Participation

A consultation closed on 6 March 2026 (SEM 25 071) on developing the framework for explicit cross-border participation in the CRM, setting out high-level principles to enable participation of foreign capacity in line with EU requirements. The consultation focused on practical implementation considerations (including roles/responsibilities for TSOs and high-level timelines) and explores auction design options for how foreign units could participate.

Decarbonisation of the existing CRM design

A consultation closed on 27 February 2026 (SEM-25-070) on near-term options to decarbonise the CRM, reflecting evolving policy expectations and climate targets.

Upcoming Auction Options

A consultation recently on 24 February 2026 (SEM-26-003) on adjusting the timing of upcoming CRM auctions to provide longer lead times for New Capacity, considering short-term options and also gathering views on a potential move to T-5 auctions in the longer term, with inputs feeding into the CRM Development Programme.

PC28 Price Control

We published our PC28 water price control approach in December 2025. We highlighted that the WR&SRP published in 2025, provides a 50-year planning horizon (2020-70) and incorporates the latest climate change predictions, and that we expect NI Water to continue delivering on the proposed actions within this plan.

GT27 Price Control

We published our GT27 approach in February 2026. In doing so we set out our approach to ensure our price control takes account of issues such as supporting the coordination between sectors (gas and electricity) and to reflect changing and integrated use of energy and energy infrastructure NI.

Regulatory Approach to Future Electricity Network Price Controls

We published our findings and next steps on Regulatory Approach to Future Electricity Network Price Controls in March 2026. This enables workstreams such as smart metering to be integrated into the next approach phase of the Regulatory Period 8 (RP8) Price Control and its alignment to support the delivery of the government's statutory climate change targets.

Transportation Agreement (TA)

We commenced discussion with PTL on extending the current TA between PTL and GNI (UK). This agreement was previously extended in 2021 and is due to come to an end in 2036. The TA underpins NI's direct access to the GB gas market so early planning and early discussion on the terms for its renewal are essential.

Gas Transmission Outlook (GTO)

The gas TSOs are required to produce an annual document which includes a forecast of anticipated natural gas demand and the ability of the network to physically flow the gas to meet that demand every day for the next 10 years, and during all seasons. In previous years this was called the NI Gas Capacity Statement (NIGCS). In 2024-25, we approved a proposal from the TSOs to transform the NIGCS reflecting the need for gas network planning that complements whole system energy planning and enhanced collaboration, particularly with SONI.

The enhanced NIGCS has been rebranded as the GTO and was published in March 2026.

Winter Preparedness Event

We held our annual Winter Preparedness Event in October 2025, which brought together representatives from electricity, gas and water network operators to discuss the challenges facing NI's utilities in the winter and the preparations being made to ensure continuity of supply.

Dispatch Down

Through the Dispatch Down Action Plan, SONI and NIE Networks are trialling several operational changes to seek to reduce dispatch down while maintaining security of supply.

STRATEGIC OBJECTIVE 3: ENABLING BEST IN CLASS ENERGY AND WATER COMPANIES

DESIRED OUTCOME

NI energy and water companies compare to the best.

ACHIEVEMENTS AND WORK UNDERTAKEN

Domestic and Non-domestic Consumer Insight Tracker Surveys

In 2025, the latest Domestic and Non-domestic Consumer Insight Tracker surveys were published. They provide ongoing evidence on the experiences, behaviours and attitudes of both domestic and non-domestic energy consumers. This includes tracking levels of satisfaction, affordability and engagement over time. They also enable comparison with the GB energy market.

Best Practice Framework Customer Care Register

In November 2025 we published an information and decision paper on the Best Practice Framework customer care register project. The purpose of this project is to introduce a single register across electricity, gas and water. The project is a core output of our Best Practice Framework programme to better identify, support and protect consumers in vulnerable circumstances. The overarching objective for the project is to create a single utility register across electricity, gas and water that meets the needs of vulnerable consumers so that they can overcome any barriers to accessing, using and benefiting from these essential services. The first phase of this project will be the implementation of a single electricity and gas register for energy, alongside the water register.

NI Water performance

We continue to provide our biannual update to DfI as part of its LTWS action reporting request. This relates to our actions to 'put in place an effective system of benchmarking NIW's performance against other utilities' and 'continue to regulate NIW to improve operational efficiency and close efficiency gap with water and sewerage companies in the UK'.

We are also in the process of requesting the introduction of OSS for NIW from DfI, having engaged with stakeholders.

We also undertook work to approve NIW's tariffs for 2026-27 which were approved in February 2026. We also completed the approach to PC28 to support efficient outcomes for consumers, in December 2025.

GT27 Price Control

We published our GT27 Final Approach in February 2026, and we are preparing our GD29 approach which we plan to publish in 2026, so that we can take account of the issues which may affect consumers as part of these future gas price controls.

Cost and Performance report for SONI

We published our Cost and Performance report for SONI in December 2025. This report, covering the period from October 2020 – September 2024, provides our assessment of SONI, the electricity TSO, performance during the first four years of their current price control, that we refer to as SONI Review of Prices 2020 (SRP20).

Common areas of the Grid Code

We have issued two decision letters which impact on the common areas of the grid code, which we issued in conjunction with the CRU. There are currently three grid code modifications in the pipeline under consideration. We also have attended four grid code meetings, attending pre-meetings with CRU as part of this work.

We had processed one derogation to a grid code requirement, which was withdrawn by the applicant before final decision.

Transmission Interface Agreement (TIA)

We engaged with the system operators intensely on revisions of the TIA and await a new submission from them on modifications.

NIE Networks Licence Modifications

Two NIE Networks licence modifications were enacted. The addition of a new requirement on digitalisation strategy and modifications to implement DfE decision on the socialisation of reinforcement cost in connections. We supported price control colleagues in proposing modifications as part of the Regulatory Period 7 (RP7) licence clean up.

DESIRED OUTCOME

Enabling long-term, value for money investment that benefits consumers and drives innovation.

ACHIEVEMENTS AND WORK UNDERTAKEN

Statement of Connection Charges

In updating the Statement of Connection Charges to implement the revised cluster methodology, we have ensured that long term, value for money investment remains central to our approach. By embedding Just Transition principles throughout our analysis and decision making, the updated arrangements provide more equitable charging for second transformers and support earlier, more efficient cluster development. This avoids placing disproportionate upfront costs on individual renewable developers while also protecting consumers from unnecessary or premature investment.

The introduction of flexible weighting factors and future proofed cluster design ensures that network upgrades proceed only where justified, minimising the risk of stranded assets and safeguarding consumer interests over the long term. Our approval of NIE Networks updated methodology enables earlier cluster designation, expanded capacity through second transformer installations, and fairer cost allocation.

Alongside this, regulatory amendments to implement the socialisation of reinforcement costs now include a high-cost cap to limit the impact on consumers, balancing affordability with the strategic need for timely network development.

Smart Meters

We have worked closely with DfE to assist in the drafting of its Smart Meter Design Plan decision, and in the design of the governance structure for the rollout. We have established the process for developing the Programme Plan and to ensure strong programme management governance.

Offshore

We have carried out initial high-level analysis on the impact of transmission asset ownership. This is scenario based comparing several investment options with varying costs of capital over 40 years. We provided this to DfE in February 2026.

NIE Networks Land Bank

We have worked with NIE Networks to scope a plan for letting the Kilroot adjoining lands to ensure long term value for electricity consumers.

DESIRED OUTCOME

Energy and water companies are fully compliant with their licence obligations.

ACHIEVEMENTS AND WORK UNDERTAKEN

Provision of Information Licence Condition

The provision of information licence condition was amended across all relevant licences, with the modification taking effect on 18 November 2025. This change increases transparency by removing the previous restrictions on data publication.

Licence Compliance

100% of licensees completed and submitted their annual statement of licence compliance submission. We monitor compliance trends and ensure we have a consistent and proportionate approach across all licensees. Our external compliance reporting framework is under development with a consultation to be published during 2026 for publication at the end of the year.

Compliance Monitoring and Reporting

All licensees are held accountable to the requirements of their licence and relevant obligations through our compliance monitoring and reporting framework. The framework delivers a proportionate, consistent and effective licence compliance framework across all licence types and licence holders.

We closely monitor the performance of energy licensees in respect of their licence and relevant obligations in the markets in which they operate. This helps us to respond to any market issues in a timely fashion and monitor the metrics to have an evidence base for market interventions. Our SoLC process has continued this year with all licensees submitting information via a template consistent for their licence type on the previous year's compliance.

Enforcement

We expect regulated companies to comply with their licence conditions and/or the applicable legislation, and we have undertaken a range of enforcement activities over the year. The aim of our enforcement work is to protect the interests of consumers and ensure that regulated companies comply with their obligations. If we are satisfied that a company is breaching, has breached or is likely to breach a relevant condition or requirement, we have several powers to take enforcement action. We carry out this work in accordance with our Enforcement Policy Approach and Procedure, and we publish relevant information where applicable on our website.

We have undertaken a range of enforcement activity across the year, with several licensees, in the pursuit of protecting the interests of consumers. This has included the issuance of two Provisional Orders. We have recruited a new Enforcement Panel, members from which can be selected to sit on a Settlement or Enforcement Committee. These appointments have enabled us to expand the pool of personnel from which such panels can be drawn, when required and on a case-by-case basis.

During the year we have also employed an independent audit services consultant to assess electricity and gas suppliers' compliance with their licence obligations relating to non-domestic customer protection measures.

Statement of Annual Compliance (SoLC)

During 2025 we completed our first all-licensee SoLC process. This is an integral part of our compliance monitoring and reporting framework. We achieved a 100% submission rate during this first year of all-licensee participation. We have undertaken a range of enforcement activity across the year, with several licensees, this has included the making of two provisional orders, in the pursuit of protecting the interests of consumers.

PC28 Price Control

We published our PC28 final approach in December 2025. An important feature of our approach is that PC28 will determine outputs and set a regulatory allowance which will be sufficient to allow NIW to fulfil its statutory obligations.

Stakeholder Engagement with Licence Compliance Process

We have worked closely with companies who have raised compliance concerns through our licence compliance process, and we are jointly progressing through these issues with a shared commitment to understanding the challenges and finding effective, timely remedies together.

We have continued to engage proactively with companies to support them in meeting their compliance obligations. This has included reviewing their submitted proformas, advising on updates needed to ensure accuracy, and working with them to confirm that clear and realistic plans are in place to achieve full compliance.

In several instances, companies have approached us directly to highlight potential areas of non-compliance. When this occurred, we adopted an open and constructive approach, discussing the issue in a collaborative, solution-focused manner. Through this engagement, we were able to agree sensible and proportionate steps to bring the company back into compliance. This positive dialogue helped build trust, encouraged early reporting of issues, and ensured that compliance matters were resolved efficiently and transparently.



STRATEGIC OBJECTIVE 4: PROVIDING THE HIGHEST LEVEL OF CONSUMER SERVICE AND PROTECTION

DESIRED OUTCOME

Measure improvement in customer service experience for consumers.

ACHIEVEMENTS AND WORK UNDERTAKEN

SEM Market Monitoring Unit (MMU)

The SEM MMU conducted targeted market inquiries in accordance with the MMU Inquiry Procedure Manual, which ensures a structured and fair process.

The MMU team continually monitors the performance of the SEM and compliance with market rules, regularly engaging with market participants on their submissions and behaviours in the market. The team assess both short-and long-term SEM outcomes and evaluate market participant compliance with their licences, the Bidding CoP, and the EU Regulation on wholesale Energy Market Integrity and Transparency (REMIT). In 2025-26, the MMU initiated almost multiple inquiries and engaged with market participants to clarify information, address concerns, and secure compliance.

Code of Practice on Customer Service

We monitor both suppliers' customer service metrics and compliance with the relevant licence conditions. Our CoP on Customer Service was implemented into suppliers' licences in April 2025. Compliance monitoring of the new requirements has been added to our framework and where areas of potential non-compliance are identified, we engage with the relevant licensee pursuant to our Compliance Monitoring and Reporting Framework and Enforcement Policy and Approach procedure as applicable.

Consumer Service Measures for NIE Networks

Through the CEAP group chaired by UR we agreed a suite of new performance targets for consumer service measures for NIE Networks for the second year of RP7. This included targets for dealing with enquires and complaints, requirements for the design and delivery of fair, flexible and inclusive services for consumers in vulnerable circumstances, website performance and accessibility and overall satisfaction with the services NIE Networks provides.

Monitoring NI Water Performance

Through the Customer Measures/Satisfaction (CM/SAT) group chaired by UR we monitored NIW's performance against a range of consumer measures, delivery of NIW's programme to deliver improved customer service and proposals to develop for PC28.

Northern Ireland Consumer Energy Charters for Winter 2025–26

The Northern Ireland Consumer Energy Charters for Winter 2025–26 were launched in October 2025 and set out voluntary commitments by electricity and gas suppliers to provide additional support to domestic and small business consumers over the winter period. This included enhanced engagement with customers in payment difficulty, the provision of tailored repayment options, and improved signposting to advice and support services. Measures were in place from 1 November 2025 to 31 March 2026.

Improving the Non-domestic Consumer Experience

The 'Improving the Non-domestic Consumer Experience' position paper was published in July 2025 and set out a range of measures to strengthen protections for non-domestic consumers. This included requiring suppliers to publish transparent price information for small businesses on their websites; to provide clearer information on security deposits, including any alternative options and when deposits will be returned; and to ensure deemed contracts do not require customers to give notice before switching supplier. These changes came in effect February 2026.

Third Party Intermediaries (TPIs)

The 'Third Party Intermediaries in the Energy Market' consultation, that was published in August 2025, sought views on potential measures to improve transparency and protections for those engaging with TPIs. A position paper is expected in Q1 2026.

Electricity Guaranteed Standards of Service (GSS) and Overall Standards of Performance (OSP)

During 2025–26 we consulted on the review of the Electricity GSS and OSP. The GSS set out prescribed service levels which domestic and non-domestic consumers can expect from the electricity distributor and their electricity supplier. They include payments when the company has failed to adhere to the standards that it is reasonably expected to meet (subject to certain exemptions). GSS aims to acknowledge the inconvenience caused to the consumer when a company's performance falls below the prescribed level. The OSP set out general required standards that are not individual consumer specific and do not carry a payment to consumers if breached. The purpose of this review is to update the current electricity GSS Regulations and OSP Determinations for the electricity distributor and electricity supply companies in Northern Ireland, to ensure that the GSS and OSP provisions are fit for purpose and provide an enhanced level of consumer protection to NI consumers.

Overall Standard of Standards of Service (OSS)

Our work to establish OSS for water consumers is also intended to improve consumer facing outcomes. This work continues and we plan to make a recommendation to DfI this year.

DESIRED OUTCOME

New regulatory frameworks are in place to protect consumers in the adoption and use of new technologies.

ACHIEVEMENTS AND WORK UNDERTAKEN

Complaints and Disputes

We took decisions on three disputes during the year. We considered a further eight submissions none of which fell to be considered under our policy. At the end of the Year 2 further submissions are on hold requiring further information and will be considered in 2026–27.

Biomethane

We consulted on licence modifications to all the gas conveyance licenses to enhance the robustness of the licence arrangements for biomethane connections. A final decision was published on these modifications in March 2026 after all the responses had been considered. The modifications underpin access for gas from renewable energy sources to the gas network and cover definitions, connection arrangements, planning and operational arrangements, conveyance charging arrangements, as well as licensed area and exclusivity arrangements.

We also received a report and model from the gas network operators assessing what biomethane network constraints on the gas network might look like, how any risks or issues can be overcome and associated costs. We have reviewed the model, and report and an assessment of the proposed costs is nearing completion. These will inform DfE's policy development which is ongoing.

UR also participated in the re-cast Interdepartmental Biomethane Group alongside DfE and DAERA.

We also supported work to develop a Call for Evidence (CfE) which requested views from interested parties on potential changes to the permissible oxygen limits on the NI gas networks.

SONI Governance

We continued to engage with SONI as they finalised implementation of Condition 42 of their TSO licence and agreed a new model for engagement with EirGrid. In November 2025 we published guidance to be followed by SONI in relation to any application for a derogation that is made by SONI to the UR under either Part C Condition 42. SONI subsequently submitted a limited number of derogation applications to the UR, and these were approved by the UR Board in March 2026 with conditions attached.

We have approved and worked with NIE Networks on their Managed Charging Pilot to trial innovative ways for home charging of electric vehicles.

UR, with the support of a consultant, are scoping the requirements for the cost-reflective tariff project, including the identification of key inputs, stages and milestones.

Offshore

As members of the OREAP group, we have been working through the steps required to establish a regulatory framework to facilitate the Energy Strategy Action Plan target of 1GW of offshore wind from 2030. Our focus is on ensuring the framework delivers robust regulatory oversight and places NI customers at the centre of any arrangements introduced.

DESIRED OUTCOME

Increased data capabilities so that we can produce more evidence-based research to enable positive policy outcomes for current and future consumers.

ACHIEVEMENTS AND WORK UNDERTAKEN

Retail Energy Market Monitoring (REMM)

During 2025-26, the REMM team have published new data including gas and electricity switching data associated with “sticky customers” i.e. those who haven’t switched and new analysis of gas connections for medium and large industrial and commercial consumers and analysis of consumption for domestic and small industrial and commercial customers.

We developed internal datasets and Power BI reports to automate quality assurance and streamline the publication process. These enhancements provide greater flexibility in analysing incoming data for both internal and external purposes. In addition, we created a suite of internal insight and monitoring reports, which are updated periodically and have the potential to be published in the future.

Firm Access

Firm Access is a market concept in the SEM, relating to the Transmission capacity available to Transmission or Distribution connected generators, with a Maximum Export Capacity (MEC) of 5MW or above. Firm Access refers to a generator having guaranteed access to the electricity network. When this becomes unavailable, due to the generator having to be dispatched down due to 'localised' constraints, it is entitled to compensation payments, as set out in the Trading and Settlement Code.

During our work on the Firm Access project, we worked, with some assistance from consultants, to develop a data model of the current costs of Firm Access, and the potential costs of changes to how Firm Access is allocated, in Python and Power BI. To facilitate this, we made data requests to SONI and SEMO and worked with Markets on data analysis and obtaining data. We also conducted analysis of generator finances. Thanks to this work we have a much clearer and more detailed picture of which generators have firm access, what level of constraints these individual generators are experiencing, and what firm access payments are being made. We are now using this data and modelling capability to make projections of the effects of changing allocation of firm access.

Digitalisation

We completed the licence modification stage to require NIE Networks and SONI to develop a joint digitalisation and action plan. We have worked with the companies as these have been developed and we have monitored lessons learned in other regions.

DESIRED OUTCOME

Increased reporting on consumer metrics which highlight the performance of energy and water companies.

ACHIEVEMENTS AND WORK UNDERTAKEN

Customer service

We implemented our monitoring and reporting framework for our Code of Practice on Customer Service in June 2025 which has required licensees to report on their compliance with the Code and Licence Conditions through supplementary SoLC information, a REMM submission and through a one-time information request. Requesting this information provides relevant evidence to demonstrate compliance with the relevant conditions and allows us to engage with licensees and, where appropriate, act when they are not.

Our external compliance reporting framework is under development with a consultation to be published during 2026.

In June 2025 we published an information paper on the Monitoring and Reporting Framework for the CoP on Customer Service and Consumers in Vulnerable Circumstances. The measures included in these two codes of practice aim to provide enhanced protection for those consumers in vulnerable circumstances and to remedy customer service level failings impacting a significant number of consumers. Implementation of this reporting and monitoring framework will require licensees to demonstrate compliance with the codes and will ensure that the aims of both codes are achieved.

NI Water Cost and Performance Report

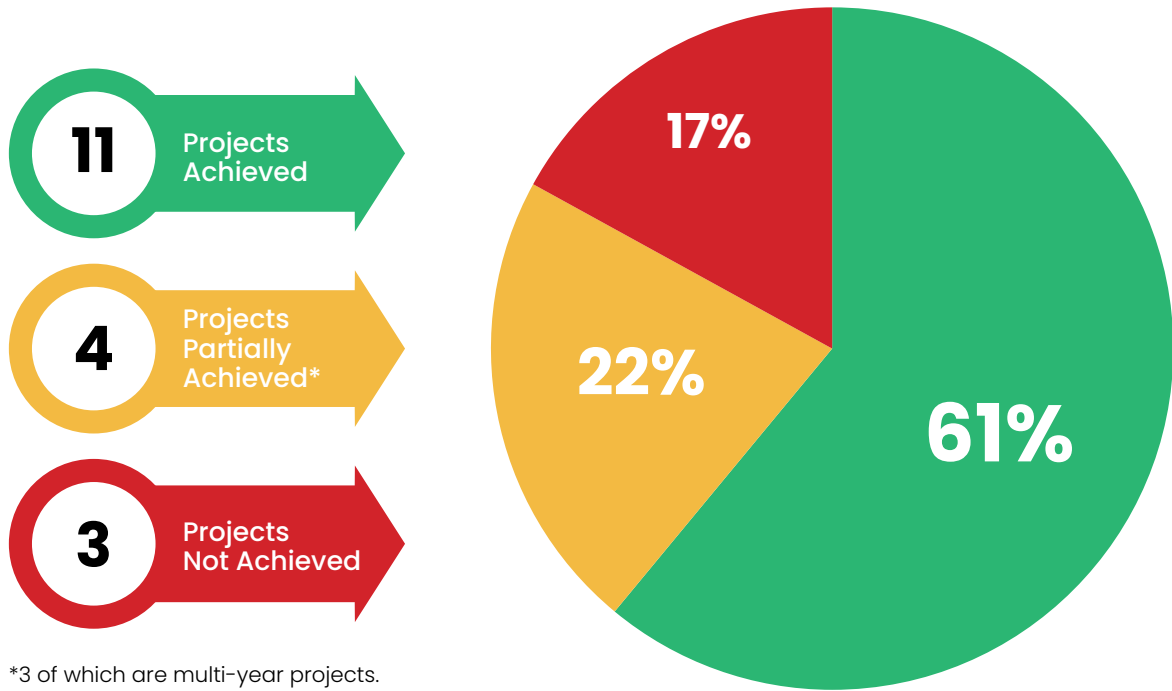
We published our NI Water Cost and Performance report 2022–24 on 29 April 2026. This will report against a range of consumer outputs and metrics across 2022 to 2024 financial years of PC21.

Customer Minutes Lost and Customer Supply Interruptions

We monitor Customer Minutes Lost and Customer Supply Interruptions on the NIE Networks distribution network as well as supply interruptions on the transmission network. Our intention is to include this data in future cost and performance reports on NIE Networks.

PERFORMANCE AGAINST FORWARD WORK PROGRAMME TARGETS

Overall UR achieved, or partially achieved¹, 83% of the projects listed to be completed within the 2025–26 year. Of the 18 projects identified, the progress report on 31 March 2026 was as follows:



¹ For reporting purposes, a project reported as partially achieved is deemed to be between 51–99% complete and not achieved 50% or less complete.

STRATEGIC OBJECTIVE 1: SUPPORTING THE JUST TRANSITION TO NET ZERO

REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	STATUS (ACHIEVED, PARTIALLY ACHIEVED OR NOT ACHIEVED)	EXPLANATION IF PARTIALLY ACHIEVED OR NOT ACHIEVED
1	Smart Meter (SM) rollout	To develop the regulatory frameworks that will be needed to support the implementation of DfE's smart meter project. It will define arrangements and timescales to ensure consumers are considered and protected throughout the rollout.	Partially achieved (Multi-year project. Estimated completion date: Quarter 2 2026-27)	The Smart Meter team has been established. The development of the programme and the delivery of early priorities are behind the planned schedule due to further discussions with DfE on its High-Level Design, along with a delay to secure procurement support from Construction and Procurement Delivery (CPD).
2	Electricity Time of Use (ToU) tariffs and dynamic tariffs	To develop regulatory frameworks to ensure that time of use and dynamic electricity tariffs are cost reflective. Scope out the project, milestones and decision points. Gather case study evidence on the approach in other jurisdictions (Quarter 2). Engage with NIE Networks to scope out its work on Use of System (UoS) charges, digitalisation strategy and collecting data from smart meters. Outcome will be timescale for UoS charges to support time of use and dynamic tariffs (Quarter 4). Engage with electricity suppliers on data requirements and process to introduce time of use and dynamic tariffs (FWP 2026-27). Consult on options and timescales to introduce time of use and dynamic tariffs (FWP 2027-28).	Not achieved (Multi-year project. This project will commence in 2026-27 which will be Year 1 of 4)	This project did not start in 2025-26 as resources needed to be reallocated to different projects. This project has been included in the 2026-27 FWP and will be a multi-year project.
3	Biomethane regulatory framework	To develop a regulatory framework for biomethane injection into the transmission system and assist DfE with the development of its biomethane policy. The aim of this project is to provide clarity to potential developers who may wish to inject biomethane into the gas transmission network. To work with the gas network operators to develop a framework for injection of biomethane into the transmission network (Quarter 4). To assist DfE as required on their biomethane policy, following their Call for Evidence (Quarter 4).	Achieved	
4	Northern Ireland energy system model	To assess the desirability and feasibility of developing a NI energy system model. This work will seek to enhance UR's modelling capability and benefit the delivery of the energy transition. Phase One: We will work with DfE to consider the desirability and feasibility of developing a 'Whole System' model for NI (Quarter 2). Phase Two: Should the feasibility work lead to a decision to pursue the development of a 'Whole system' model, we will commence an exercise to develop the buildout of a model for NI (Quarter 4)	Achieved	
5	Preparation work for potential Firm Access review in 2026-27	This project will scope out, set principles, and consider potential customer impacts, ahead of consulting on any amendments to the process for awarding firm access to large renewable generators. Should the scoping exercise demonstrate that changes could be considered, a Firm Access Review would be undertaken in 2026-27 (Quarter 4).	Achieved	

STRATEGIC OBJECTIVE 2: SECURING OUR ENERGY SUPPLY, AND WATER AND WASTEWATER SERVICES				
REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	STATUS (ACHIEVED, PARTIALLY ACHIEVED OR NOT ACHIEVED)	EXPLANATION IF PARTIALLY ACHIEVED OR NOT ACHIEVED
1	SEM capacity auctions	Deliver SEM capacity auctions and ensure the appropriate volume of capacity is secured for future capacity years considering constraints and other factors while optimising security of supply with cost to consumers. (T-1 2025-26, T-4 2029-30)	Achieved	
2	Interconnection regulation	Develop a robust regulatory process to facilitate interconnection that promotes further market competition. Continue the two-step approach regarding future interconnection, through assessing the need for a regulated operating revenue regime (Q4 2026) Progress work on the TSO Certification via assessment of the appropriate time for the opening of an application window to potential interconnectors for certification in the future (Q4 2025).	Partially achieved (Multi-year project. Estimated completion date: Quarter 4 2026-27)	Development of a regulatory framework for interconnection is progressing well in Year 3; however, assessment element has been extended beyond the 2025-26 FWP timeframe therefore indicating a partially completed project for end of year.
3	Security of supply regulatory tools	To monitor adequacy and engage with key stakeholders on any issues relating to the electricity and gas transmission systems to ensure that they are mitigated appropriately. Develop or modify regulatory tools relating to fuel security across the electricity and gas industries (Quarter 1). Develop-approve modifications to industry rules to implement any SEM related initiatives (Quarter 4).	Partially achieved (Estimated completion date: Quarter 3 2026-27)	The fuel security aspect of this work is progressing well. However, there has been some delay in order to facilitate the gathering and assessment of further evidence and analysis to support the Fuel Security Working Group.
4	Governance arrangements for SEM All-Island Programmes	To review requests for funding of All-Island Programmes from Q1-Q4 within tailored governance structures in order to issue approvals for work to proceed and verify costs incurred on All-Island Programmes. Establish a Programme Management Office (PMO) to coordinate and facilitate programme inputs and progress-expenditure reporting (Quarter 1). Facilitate consultative stakeholder workshops in Q1 to assess a multi-year plan for All-Island workstreams. Publicly consult on proposed plan (Quarter 2).	Achieved	

STRATEGIC OBJECTIVE 3: ENABLING BEST IN CLASS ENERGY AND WATER COMPANIES				
REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	STATUS (ACHIEVED, PARTIALLY ACHIEVED OR NOT ACHIEVED)	EXPLANATION IF PARTIALLY ACHIEVED OR NOT ACHIEVED
1	SEMO price control review	To ensure that the company produce quality outputs at reasonable cost to consumers and has sufficient revenues to run its business. Final decisions on SEMO's business plan (Quarter 2).	Achieved	
2	Price control approach for NIW (PC28)	To develop a price control framework methodology to support an efficient, affordable, proportionate and deliverable NI Water business plan to meet NI's water needs. Engage with stakeholders to define the draft PC28 approach and publish for consultation (Quarter 2). Publish the information requirements and final PC28 approach (Quarter 4)	Achieved	
3	Regulatory approach to Future Electricity Network price controls	To build on RP7 lessons learnt and commitments to develop a programme of regulatory activities to support the development of the electricity transmission and distribution networks and the development of the next price control. Scoping paper and call for evidence published (Quarter 1). Publish our findings and next steps (Quarter 2).	Achieved	
4	Regulatory approach to Future Gas Network price controls (GT27 and GD29)	To ensure early and robust scoping and planning of future gas network price control regulation. Continue our FWP 2023-24 scoping for the gas distribution and transmission companies (GD29 and GT27 and priority GD23 in-period issues). Publish our initial findings and-or decisions and-or next steps for priority workstreams relating to future gas network price control regulation strategic issues, GD29 Tax treatment, and GD23 Revenue Recovery timing (Quarter 4).	Achieved	
5	Regulatory approach for future Gas Retail price controls (SPC27)	To ensure early and robust scoping and planning of future gas retail price control regulation. Continue early engagement with the gas retail companies to develop a plan and approach for SPC27. Publish approach consultation for SPC27 (Quarter 3).	Achieved	

STRATEGIC OBJECTIVE 4: PROVIDING THE HIGHEST LEVEL OF CONSUMER SERVICE AND PROTECTION				
REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	STATUS (ACHIEVED, PARTIALLY ACHIEVED OR NOT ACHIEVED)	EXPLANATION IF PARTIALLY ACHIEVED OR NOT ACHIEVED
1	Ex-ante market outcomes and price formation evolution in the SEM	To conduct an analysis of ex-ante market outcomes with a focus on trends in market participant bidding behaviour and changes in supply and demand dynamics.	Achieved	
2	Review of energy retail markets in NI	To commence a review of the NI energy retail markets, including the opportunity for innovation. Instigate information-gathering sessions via desk-top research and engagement with key stakeholders in Q1-2, publish a consultation in Q3, and develop a decision by Q4.	Not achieved (Estimated completion date: Quarter 4 2026-27)	Project delayed due to reprioritisation of workstreams.
3	Consumer Protection Programme (CPP24) for 2024-29	To deliver our Consumer Protection Programme (CPP24) for 2024-29 which includes the below:	Partially achieved (Multi-year project. Estimated completion date: Quarter 4 2026-27)	There are three research projects which are almost complete but due to procurement-contractor issues this research has been held up. We are managing these issues and are assured that all research projects will complete in Quarter 1 2026-27 and can be published thereafter.
(i)	Annual domestic and non-domestic consumer insight trackers	Conduct annual Domestic and Non-Domestic Insight Trackers to continue to develop our evidence base. Publish report of results for 2024-25 (Quarter 1). Survey development and fieldwork, data analysis and report writing for 2025-26 results (Quarter 4).	Achieved	
(ii)	Debt and affordability	Facilitate improvement in suppliers' approach and response in dealing with customers in debt and affordability related issues. Customer bill-debt payment process mapping (Quarter 3). Develop recommendations for measures to enhance protection (Quarter 4).	Achieved	
(iii)	Supporting the Just Transition to Net Zero: Understanding consumer expectations around Just Transition	To complete UR report benchmarking Just Transition approaches in other jurisdictions (Quarter 2). Complete deliberative research on consumer understanding of Just Transition (Quarter 2).	Achieved	

STRATEGIC OBJECTIVE 4: PROVIDING THE HIGHEST LEVEL OF CONSUMER SERVICE AND PROTECTION				
REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	STATUS (ACHIEVED, PARTIALLY ACHIEVED OR NOT ACHIEVED)	EXPLANATION IF PARTIALLY ACHIEVED OR NOT ACHIEVED
(iv)	Consumer Energy Charters	To develop domestic and non-domestic Consumer Energy Charters to provide enhanced protections for small businesses and households, in particular for vulnerable consumers, during the winter period. Review of consumers energy charters for 2024-25 and development of charters for 2025-26 (Quarter 2). Launch and implementation of both Consumer Energy Charters and have protections in place (Quarter 3).	Achieved	
(v)	Farming sector experiences in utilities	To develop our understanding of the farming sector's engagement with regulated utilities. Scoping and conduct of research to understand the experience of NI farmers with gas, electricity and water in NI (Quarter 3). Publish research report and consider recommendations for improved protections (Quarter 4).	Partially achieved (Multi-year project. Estimated completion date: Quarter 4 2026-27)	Due to procurement-contractor issues this research has been held up. We are managing these issues and are assured that all research projects will complete in Quarter 1 2026-27 and can be published thereafter.
(vi)	Improving the non-domestic consumer experience	To improve the non-domestic consumer experience to remedy gaps identified in the existing non-domestic regulatory framework. Publish decision paper on the consultation on Improving the non-domestic consumer experience and consult on new and-or amended licence conditions if required (Quarter 2).	Achieved	
(vii)	Energy literacy	To develop an in-depth understanding of energy literacy issues and how these can be addressed, in relation to both the current energy market, future market and Just Transition design and procure qualitative research on consumer engagement with energy market (Quarter 2). Conduct and publish research (Quarter 4).	Partially achieved (Multi-year project. Estimated completion date: Quarter 4 2026-27)	Due to procurement-contractor issues this research has been held up. We are managing these issues and are assured that all research projects will complete in Quarter 1 2026-27 and can be published thereafter.

STRATEGIC OBJECTIVE 4: PROVIDING THE HIGHEST LEVEL OF CONSUMER SERVICE AND PROTECTION

REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	STATUS (ACHIEVED, PARTIALLY ACHIEVED OR NOT ACHIEVED)	EXPLANATION IF PARTIALLY ACHIEVED OR NOT ACHIEVED
(viii)	Energy Hardship: Non-domestic consumer lived experiences	To conduct qualitative research to identify gaps in our knowledge on how best to support non-domestic consumers experiencing debt or struggling to pay their bills. Research outcomes could help UR to protect the interests of non-domestic energy consumers in Northern Ireland (Quarter 4).	Partially achieved (Multi-year project. Estimated completion date: Quarter 4 2026-27)	Due to procurement-contractor issues this research has been held up. We are managing these issues and are assured that all research projects will complete in Quarter 1 2026-27 and can be published thereafter.
(ix)	Best practice framework project for electricity, gas and water	To work with industry groups on the development of a new Customer Care Register structure as identified as per the Best Practice Framework decision paper (Quarter 4).	Achieved	

OTHER ORGANISATIONAL PROJECTS

REF	PROJECT DESCRIPTION	SCOPE AND ANTICIPATED OUTCOME/S	STATUS (ACHIEVED, PARTIALLY ACHIEVED OR NOT ACHIEVED)	EXPLANATION IF PARTIALLY ACHIEVED OR NOT ACHIEVED
1	Implementation of a stakeholder management system	To implement a stakeholder management system across the whole organisation (Quarter 4).	Not achieved (Estimated completion date: Quarter 4 2026-27)	Following discussions with CPD and Enterprise Digital Development (EDD), it was agreed that EDD would take forward delivery of the system. EDD have confirmed that delivery cannot commence until 2026-27, and the project timeline has therefore been adjusted accordingly.

FUTURE PERFORMANCE

In 2023, UR commenced an organisational transformation programme. This transformation is ongoing and will deliver significant change to the organisational structure and a substantial increase in headcount. This transformation is aligned with the Corporate Strategy 2024-29, 'Protecting Consumers on the way to Net Zero', which will make UR better equipped to meet the challenges of the future. Our FWP for 2026-27 has already been consulted on and published and identifies the non-routine work that we plan to progress in 2026-27, alongside our core business related work.

BUDGET POSITION AND AUTHORITY

The Budget Act (Northern Ireland) 2026, which received Royal Assent on 20 March 2026, together with the Northern Ireland Spring Supplementary Estimates 2025-26 which were agreed by the Assembly on 23 February 2026, provide the statutory authority for the Executive's final 2025-26 expenditure plans. The Budget Act (Northern Ireland) 2026 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2026-27 financial year. The Department is currently operating under the authority provided by the Vote on Account which provides 45% of the 2025-26 financial year's cash and resources. The cash and resource balance to complete for the remainder of 2026-27 will be authorised by the 2026-27 Main Estimates and the associated Budget Bill based on an agreed 2026-27 Budget.

In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 will be used to authorise the cash, and the use of resources during the intervening period.

BUDGETING FRAMEWORK

DoF is responsible for the management of the NI budget process in line with a budgetary framework set by HM Treasury.

The total amount a department spends is referred to as the Total Managed Expenditure (TME); which is split into:

- Annually Managed Expenditure (AME)
- Departmental Expenditure (DEL)

Treasury, and in turn DoF, do not set firm AME budgets. They are volatile or demand-led in a way that departments cannot control. DoF monitors AME forecasts closely and this facilitates reporting to DoF, which in turn reports to Treasury.

As DEL budgets are controllable, HM Treasury sets firm limits for DEL budgets for Whitehall departments and devolved administrations at each spending review. The NI Executive, based on advice from the Finance Minister, will in turn agree a local budget that will set DEL controls for Executive departments.

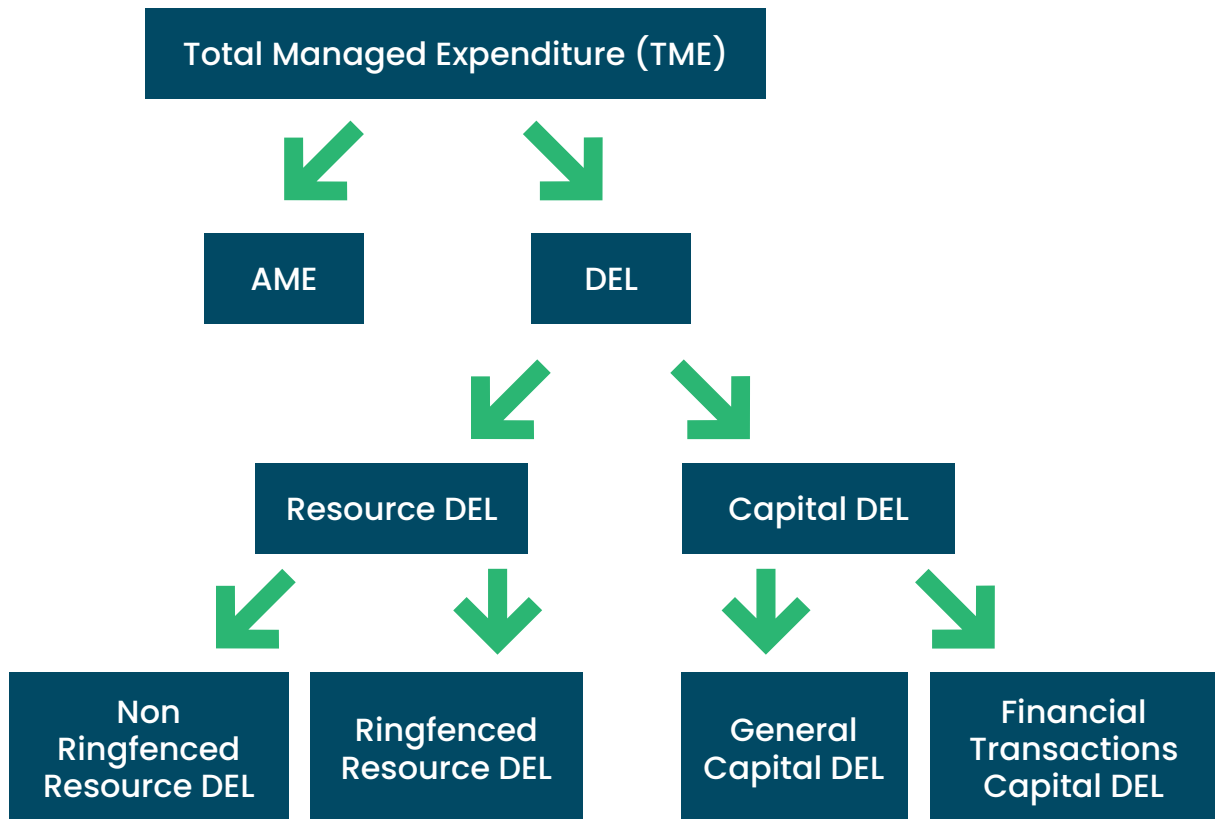
DEL budgets are classified into resource and capital:

- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL is split into 'Financial Transactions Capital' which can only be used for loans or equity investments in private sector organisations; and 'general' capital for spending on the purchase and-or acquisition of assets.

Further detail on the budgeting framework can be found in the Consolidated Budgeting Guidance published by Treasury.

[Consolidated budgeting guidance 2025 to 2026 - GOV.UK](https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2025-to-2026)

BUDGET STRUCTURE²



² In line with the HM Treasury direction, from 2026-27, the depreciation, impairment and student loan ringfence budget will form part of Resource AME, instead of forming part of Resource DEL.

BUDGETARY PERFORMANCE

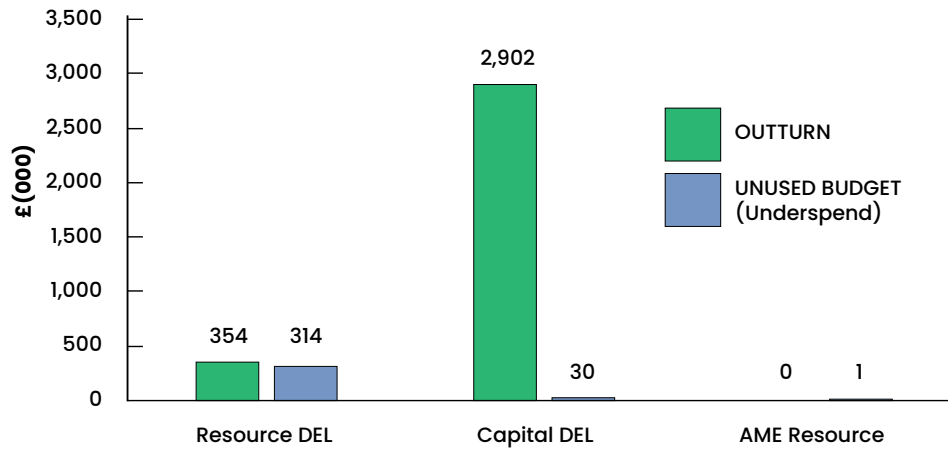
UR has DEL and AME budgets. As a non-ministerial government department, we are required to prepare a supply estimate each financial year to seek authority for the DEL budgetary control totals. UR is required to operate within the expenditure and income approved limits and related controls.

Details of UR's performance against budgetary control totals is set out in the table and chart below:

	Estimate 2025-26 £000	Provisional outturn 2025-26 £000	Underspend/ (overspend) £000
Resource DEL	668	354	314
Including non-ring-fenced	343	34	309
Ring-fenced depreciation	325	320	5
Capital DEL	3,016	2,902	114
Including general capital	215	185	30
Lease	2,256	2,256	-
Dilapidations	545	461	84
Total DEL	3,684	3,256	428
AME	1	0	1
including			
AME resource	1	0	1
AME capital	0	0	-
Total managed expenditure	3,685	3,256	429

The above table ties directly to the Statement of Outturn against Assembly Supply (SOAS) as a key accountability statement which is audited.

UR Financial Performance 2025-26



The net resource outturn was £354k against an estimate of £668k, resulting in a saving against estimate of £314k. £309k was unused against the resource DEL non-ring-fenced allocation, £5k unused against the ring-fenced depreciation provision and £1k unused AME allocation.

UR is largely funded by annual licence fees paid by the electricity and gas licensees and water and sewerage undertakers, and expenditure is therefore primarily covered by receipts. Previously, receipts collected from the electricity and gas licence fees were paid directly into the NI Consolidated Fund. However, UR has been allowed to retain these following HM Treasury direction, using powers under the 1920 Treasury Act and DfE nomination of UR (previously Director General of Electricity Supply and Director General of Gas) to collect receipts on its behalf. The licence issued by DfI to NI Water in respect of water and sewerage services provides for licence fees under that licence to be paid to UR.

Licence fees are set annually by a determination made by UR – the income from electricity, gas and water and sewerage licence fees in 2025–26 was £18,940k. This is compared with £15,755k in 2024–25.

UR recovers and retains the cost of administering the NIRO scheme from a buy-out fund. This is funded by electricity suppliers that elect to meet their NIRO obligations by, paying a buy-out fee rather than presenting Renewables Obligation Certificates (ROCs) (suppliers can meet their obligation by presenting ROCs, paying the buy-out fee or a combination of both). For 2025–26 suppliers were obligated to present ROCs or pay the buy-out fee of £64.73 on an obligation of 0.192 per MW hour supplied. In 2025–26, the total cost of administering the NIRO and recovered from the buy-out fund was £2,506k. This was compared to £2,288k in 2024–25.

For consistency with the allocation of costs, for the purposes of recovering them through licence fees, expenditure is reported with reference to the duties and objectives as set out in legislation, rather than those included within the corporate strategy. In 2025-26, gross expenditure, as detailed in the 'Statement of Operating Costs by Operating Segments', is as follows:

- Segment 1 (Electricity) - £15,106k (£12,998k in 2024-25)
- Segment 2 (Gas) - £5,120k (£4,282k in 2024-25)
- Segment 3 (Water) - £1,596k (£1,109k in 2024-25)

Our most significant cost is salaries, which in 2025-26 made up 65% of total costs (2024-25: 66%). The Statement of Comprehensive Net Expenditure shows that salary costs increased from the previous year (£12,155k for 2024-25 against £14,329k for 2025-26). This reflected additional staff to support the delivery of the corporate strategy, FWP's and annual pay awards paid during the year.

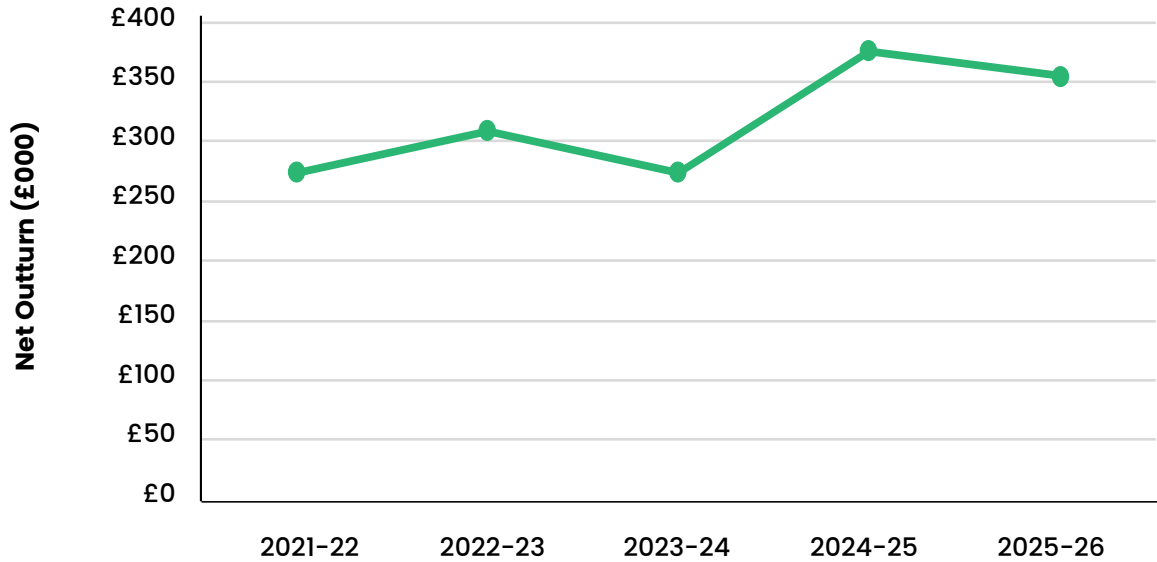
Other current expenditure has increased from £6,500k in 2024-25 to £7,764k in 2025-26.

LONG TERM EXPENDITURE TRENDS

The following table and chart illustrate the net and gross outturn position over the previous five financial years.

	Gross outturn £000	Income £000	Net outturn £000
2021-22	10,501	10,227	274
2022-23	10,627	10,319	308
2023-24	13,305	13,032	273
2024-25	18,389	18,013	376
2025-26	21,822	21,468	354

UR Net Outturn Position



CAPITAL

The above table reflects resource expenditure and income only.

UR expenditure on conventional capital in 2025-26 totalled £184k which mainly consisted of IT equipment and furniture and fittings. UR moved premises in 2025-26 from Queen's House to Millennium House and recognised a new lease in the accounts under International Financial Reporting Standards (IFRS 16) of £2,256k. In prior years, capital spend was minimal (between £3k and £70k) and covered routine office requirements only as almost all IT services are provided by the Government's IT Assist facility.

REPORTING AGAINST SUSTAINABILITY

THE NORTHERN IRELAND RENEWABLES SUPPORT SCHEME

We are responsible for running the NIRO scheme. The NIRO is a statutory requirement on electricity suppliers to source an increasing amount of their electricity from renewable sources. Suppliers can meet their obligation by either presenting ROCs or paying into a buyout fund (or a combination of both). ROCs are issued directly to renewable generators.

Ofgem administers the NIRO Scheme on behalf of UR. Each year Ofgem publishes its Renewables Obligation Annual Report in March for the preceding financial year, and the Annual Report for 2024–25 was published in March 2026.

In the latest report published on 30 March 2026³ it was reported that the NIRO Scheme supported 3.1 terawatt-hour (TWh) of renewable generation in the period 1 April 2024–31 March 2025. By the end of 2024–25, there were 23,799 NIRO-accredited generating stations with a capacity of 1,673 MW, and a total of 5.5m NI ROCs were issued to accredited stations. A total of ten electricity suppliers in Northern Ireland were required to present a total of 1,392,998 ROCs or pay a buyout fee to meet their obligation.

During 2024–25, Ofgem’s independent auditor carried out 5 targeted audits, 57 statistical audits and 58 (10 statistical and 48 targeted) microgenerator audits in Northern Ireland.

PROMOTING SUSTAINABLE ENERGY FOR CONSUMERS

The NISEP delivers energy efficiency measures, with 80% of the funding aimed at vulnerable-low-income consumers.

As well as protecting consumers, particularly those who are vulnerable, energy efficiency and affordability are key concerns. In 2024–25 NISEP delivered circa £10m in energy efficiency and renewable energy measures to homes and non-domestic properties throughout Northern Ireland. The total investment includes capital funding of £2.3m provided by the DfE for three domestic insulation only schemes, to enable more lower income households to reduce energy consumption and carbon emissions UR’s Board has agreed to continue NISEP until March 2027, to enable any final decision regarding NISEP or any successor scheme to be consistent with the requirements of the next energy strategy for NI.

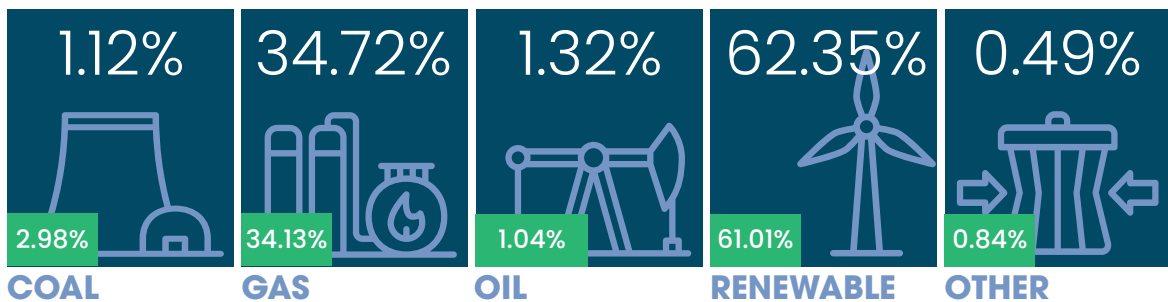
³ [Renewables Obligation Annual Report SY23](#)

FUEL MIX DISCLOSURE

Electricity suppliers are required to specify in billing information and promotional materials the contribution of each energy source to the overall fuel mix of the supplier over the previous year. In addition, suppliers are required to provide information on the environmental impact of their electricity. We work with colleagues in the CRU and SEM Operator to ensure suppliers provide fuel mix information to their customers.

The fuel mix and CO2 emissions figures for Northern Ireland suppliers operating in the SEM were published in November 2025⁴. The key data is outlined below. The average All-Island CO2 emissions per kWh of electricity have decreased by 26.9% between 2023 and 2024, from 223g-kWh in 2023 to 163 g-kWh in 2024.

Fuel Mix Disclosure in 2024 (Box - 2023 figure for comparison)



OUR COMMITMENT TO SUSTAINABILITY

We are committed to taking steps to ensure that environmental sustainability plays a central role in how we go about our work.

Our move to new office accommodation represents a step change in our own sustainability footprint with shared electricity consumption across the building being generated from roof solar panels and eliminating totally our consumption of heating oil. In conjunction with the landlord, we are now able to report on a series of measures around consumption of energy, water and the disposal of waste that will be monitored on an ongoing basis. This is in addition to our own metered electricity consumption that, as part of the Northern Ireland Civil Service (NICS) contract, is generated from renewable resources. We are taking steps to measure the carbon footprint of our business travel by making use of data generated through our finance system.

We have completed the installation of technology that now means all our meeting rooms are equipped with audio visual meeting facilities, significantly increasing the number and type of meetings that can be held efficiently and sustainably online. This new technology also means that we are now able to hold many of our stakeholder events in-house, reducing the need to hire, and travel to external venues.

Our new office location is just a short walk from the new “Grand Central Station” and this

⁴ [FMD 2024 Publication](#)

has opened opportunities to encourage staff to use public transport in their commute. As part of our Active Travel Guide initiative, we provide information on various ticketing options available for Translink bus and rail services and park and ride facilities (for those whose commute must involve some element of car travel). We ask staff to look for car sharing possibilities when commuting and require this to be the case when business travel by car is necessary. We have greatly increased capacity, for a growing number of staff cycling to work, to securely store bicycles on site and we participate in the "Cycle To Work" scheme. Our landlord is in the process of developing new shower and locker facilities on the ground floor for the exclusive use of tenants and these will further encourage staff to cycle or run into the office.

As part of our UR People initiative, a Sustainability Policy has been approved and a Working Group, with defined Terms of Reference, will be formed by early Summer 2026. This will be led at director level and comprise membership from across the office. This group will be the vehicle through which ownership of the Policy and its initiatives is promoted, staff are encouraged to follow existing measures, and new thinking can be shared and discussed. In 2025, we took part again in the Business in the Community (BITC) Northern Ireland Environmental Benchmarking Survey and maintained our "green" status as a result. We see engagement at this cross sectoral level as offering us the opportunity to draw on others' experience and to take as much learning as is practically and proportionately possible from both public and private sectors. At the time of writing, we have prepared our submission for the 2026 survey.

SUSTAINABLE PROCUREMENT

In line with Procurement Policy Note (PPN) 01-21 – Social Value in Procurement, UR within its Economic Framework have built in a social value deliverable for all tenders issued with a budget of over £139,688 (Gross). The theme of the social value under this framework is 'Securing Jobs and Skills'. This theme aims to create employment, support in work progression, address skills gaps and provide development opportunities, through apprenticeships, training and mentoring, and paid employment opportunities etc. These skills are vital to our future and improving skills is essential to building sustainable growth, workforces, stronger communities, and social inclusion. The creation of employment opportunities and development of technical expertise is vital to ensure that the economy sees sustainable growth. To date, we have awarded seven contracts under this framework that include this social value deliverable. In addition to this theme, and in terms of reducing environmental impacts, we incorporate sustainability into our procurement specifications by ensuring that the contract supports minimising the amount of paper content used and by reducing or eliminating any travel required by conducting communications electronically, supported by telephone and video conferencing facilities.

OTHER MATTERS TO REPORT

EMPLOYMENT INVOLVEMENT

UR recognises the benefit of keeping all employees regularly informed about progress towards achieving its aims and objectives. Consultation with staff on matters related to terms and conditions is through Trade Union representatives and wider staff engagement.

A Joint Negotiating and Consultative Committee (JNCC), established under a recognition agreement signed with the Northern Ireland Public Service Alliance, is the formal vehicle for the conduct of industrial relations in UR.

The Health and Safety Committee oversees measures to ensure the safe conduct of business for staff and visitors in the office and for staff working at home. The Committee comprises management and Trade Union representatives and meets quarterly to address both standing items of business (including any incidents or near misses) as well as ad hoc matters as they arise. Among the matters considered during 2025-26 has been the updating of display screen equipment assessment guidance to ensure that workstations in the office and at home comply with the latest requirements. A working group has also been set up specifically to focus on our mental health wellbeing; this group includes a member of SLT as Senior Sponsor and is populated by our trained Mental Health First Aiders.

Employee engagement results in 2025-26 continued to improve, with an increase to a One Star Best Company status and strong response rates. The UR 2026 Best Companies Survey took place in March 2026.

During the reporting period, values-based leadership development work continued with our leadership development programme which included follow up coaching sessions and review sessions with the SLT, Heads of Function and Managers. We promoted our values throughout our new office space and values continued to be a major contributor in our recruitment over the last year.

During the year, we have continued to meet every Wednesday at our all-staff meeting to provide the latest news on recruitment, both in terms of new staff joining, lateral moves, training and other organisational updates.

Overall, we have continued to keep our internal communications under review.

UR, as a member of BITC, is committed to facilitating staff volunteering, which provides opportunities for staff to contribute their skills to, and receive development from, third-sector bodies.

During the period, we have continued to work with Give as You Earn to provide webinars and promotion to staff and have increased the take-up of staff donating through payroll giving achieving our Payroll giving Gold Award.

We have retained Green Level in BITC's Environmental Benchmarking Survey but have viewed our move to Millennium House as an opportunity for a step change in terms of environmental footprint. We are encouraging colleagues to move away from commuting by car where possible with our Active Travel Policy and have significantly increased capacity for bicycles as well as being very close to the new Grand Central Station.

Our staff nominated and voted for our new corporate charity Air Ambulance NI and fundraising commenced in September 2025. We also continued to support our previous corporate charities, Cancer Fund for Children and the Wellcome Organisation and staff took part in several volunteering opportunities, and made donations of clothes, cash, food and toiletries. Staff also donated to the North Belfast Foodbank at Christmas.

Wellbeing continues to be a focus, and we continue to promote Kingsbridge Health plan and Benenden Healthcare to provide information to staff who might benefit from monthly membership. We continue to provide an excellent programme of wellbeing support with free 24-7 counselling services through Lena our employee assistance provider, Welfare Support Services, Charity for Civil Servants, Mental Health First Aiders and Assist Suicide Intervention trained staff. We have also provided several specialist support services for our staff through Lena.

We continue to work closely with Action Mental Health and are actively working with them on delivering training for managers on how to support team members who are in crisis. Mental health has been included as a standing item on the JNCC, Remuneration Committee, and Health and Safety Committee. We also continue to promote the Digital Wellbeing Charter and are working with Macmillan Cancer Care to provide training for managers and colleagues living with cancer, a Cancer Support Policy has been developed for staff. Mindful Manager training is regularly provided by Action Mental Health.

We also are working with Chest Heart and Stroke in providing silver health checks for all staff. This has received positive feedback with staff taking advice on how their physical health affects their mental health as part of that review.

Following our reassessment under liP, we retained 'Silver' level accreditation in February 2024. liP/UR People work has continued, and our liP assessor joined our February 2026 Remuneration Committee to review our progress over the last 24 months. We received a positive report and have continued to work on our liP activities, through our new UR People Plan 2025-27.

We maintain a significant and ongoing focus on staff development with our Learning and Development Plan 2025-27, which is also developed through staff personal development plans via annual performance reviews. The Learning and Development Plan will incorporate staff learning and development to support our growing structure to meet our corporate objectives.

PAYMENT TO SUPPLIERS

UR is committed to the prompt payment of bills for goods and services received, in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is due within 30 days of receipt of the goods or services, or on presentation of a valid or undisputed invoice or similar demand, whichever is later. During the year, 100% (2024-25 100%) of undisputed invoices were paid within this standard.

In line with other NI departments, UR has aimed to promptly pay invoices within a 10-day target. In the past year, 91% (2024-25 85%) of invoices have been paid within 10 days.

EQUALITY SCHEME

UR has produced an equality scheme, as required by Schedule 9 of the Northern Ireland Act 1998 (the Act). Following a consultation in August 2023, UR published its Equality Scheme and Disability Action Plan for 2024-29. The Equality Scheme sets out how it proposes to fulfil the duties imposed on it by Section 75 of the Act. The scheme was approved by the Equality Commission and is available in either paper or electronic format. It will also be available on request in a variety of alternative formats.



John French

Accounting Officer
25 June 2026



ACCOUNTABILITY REPORT



CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition and organisation of UR's governance structures and outline how they support the achievement of our objectives.

DIRECTORS' REPORT

The Governance Statement on pages 81-92 sets out UR's governance, risk management and control arrangements. The main components of the governance arrangements in 2025-26 are stated below.

THE BOARD OF UR

The Board provides corporate leadership and directs UR's strategic planning. It assists the CEO in meeting his corporate governance responsibilities as Accounting Officer.

At the end of 2025-26, the Board comprised six non-executive members and one executive member. Details of each of the members who served on the Board throughout the year are as follows:

- Rosamund Blomfield-Smith (Chair) – appointed to the Board on 1 October 2024 for a period of seven years.
- Alex Wiseman (non-executive) – appointed to the Board on 1 November 2015 for a period of five years. Reappointed on 1 November 2020 for a further term of five years. His term of appointment concluded on 31 October 2025.
- Jon Carlton (non-executive) – appointed to the Board on 1 November 2015 for a period of five years. Reappointed on 1 November 2020 for a further term of five years. His term of appointment concluded on 31 October 2025.
- Claire Williams (non-executive) – appointed to the Board on 1 May 2019 for a period of seven years.
- David de Casseres (non-executive) – appointed to the Board on 1 May 2019 for a period of seven years.
- Isolde Goggin (non-executive) – appointed to the Board on 1 October 2024 for a period of seven years.
- Anthony Pygram (non-executive) – appointed to the Board on 25 August 2025 for a period of seven years.
- Paul McGowan (non-executive) – appointed to the Board on 25 August 2025 for a period of seven years.
- John French (CEO) – (executive) – appointed to the Board on 2 November 2020.

BOARD COMMITTEES

The Board has established several committees to support its work. These are: ARC, the Remuneration Committee, and SEMC. Further information about the responsibilities and work of these Committees is provided in a later section of this report. The terms of reference for the Board's committees are published on the UR website.

UR SENIOR LEADERSHIP

The SLT comprises of the following:

NAME	JOB TITLE	DIRECTORATE
John French	Chief Executive	
Kevin Shiels	Executive Director	Consumer Protection, Enforcement and Markets
Peter Russell	Executive Director	Price Controls, Networks and Energy Futures
Donald Henry	Director	Networks and Energy Futures (until 22 October 2025)
Brian Mulhern	Director	Networks and Energy Futures (from 17 December 2025)
Elaine Cassidy	Director	Price Controls
Colin Broomfield	Director	Markets
Barbara Cantley	Director	Consumer Protection and Enforcement

The SLT meets weekly. The Senior Management Team (SMT) comprises the SLT and Heads of Function. The Board Secretary acts as a secretariat to SMT. The SMT normally meets twice a month and considers matters relevant to the day-to-day running of the office and facilitates information sharing, strategy, co-ordination on policy issues and the development of good practice.

REGISTER OF INTERESTS

UR maintains a Register of Interests containing details of company directorships and any other relevant interests held by Board members and staff. ARC reviews this annually. Staff and Board interests are managed in line with UR Staff and Board Interests policies and assurance processes, as outlined in the Governance Statement. These policies and processes comply with the guidance on Conflicts of Interest, as issued under cover of Dear Accounting Officer (DAO) (DoF) 07-21 (amended in line with DAO (DoF) 03-23 Conflicts of interest – Employment/legal cases).

The Register of Interests of Board and SLT members can be viewed here⁵.

None of UR's non-executive or executive staff held company directorships or significant interests in 2025-26 which might conflict with their responsibilities.

PERSONAL DATA RELATED INCIDENTS

The nature of UR's business only requires it to hold a limited amount of personal data, most of which is in connection with staff. A suite of policies has been put in place to address the requirements of the General Data Protection Regulation (GDPR). The Information Management Committee (IMC) has developed an Information Management Guide with the aim of providing clear guidance on the main information management related risks and how to minimise the likelihood of their occurrence. There were no personal data-related incidents which required reporting to the Information Commissioner's Office during the year and up to the date of the signing of the accounts.

AUDIT ARRANGEMENTS

Under Section 10 of the Government Resources and Accounts Act (Northern Ireland) 2001, the Comptroller and Auditor General for Northern Ireland (C&AG) is the statutory auditor for UR.

The total notional audit fee for 2025-26 is £41.2k (2024-25: £38.8k).

There were no non-audit work services purchased from the Northern Ireland Audit Office (NIAO) during 2025-26 (2024-25: £1.4k).

SSC Chartered Accountants continued to act as internal auditors for UR in 2025-26. Further detail on their work can be found in the Governance Statement.

As Accounting Officer, I confirm that there is no relevant audit information of which the auditor is unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditor is informed of it.

DEPARTMENTAL ACCOUNTING BOUNDARY

No other entities fall within UR's accounting boundary.

RELATIONSHIPS WITH ARM'S LENGTH BODIES

UR has no arm's length bodies.

⁵ [Declaration of Interest Register](#)

COMPLAINTS HANDLING

Where someone is dissatisfied with UR's procedures or the way in which UR has operated, a complaints procedure is available. The complaints procedure is published on our website, [Standards of Service – Complaints Policy | Utility Regulator](#). The procedure provides for both formal and informal approaches and includes information about our process for dealing with complaints. During 2025–26, two complaints were referred to the Northern Ireland Public Sector Ombudsman (NIPSO). One of these cases was closed without further action. The other complaint was accepted for further investigation. A related complaint referred to NIPSO in the previous reporting period was also accepted for further investigation. We have fully complied with all requests for information and are awaiting the outcome of NIPSO's investigations into these two related matters.

No referrals have been made to the Competition and Markets Authority (CMA), and we have not received any formal direction from DfE during 2025–26.

HEALTH AND SAFETY

UR is committed to applying all existing health and safety at work legislation and regulations to ensure that staff and visitors enjoy the benefits of a safe environment. Our Health and Safety Committee is responsible for overseeing the safe and healthy working environment and our Health and Safety Policy is updated as needed to take account of any legislative changes and to keep pace with best practice in the public sector.

With the relocation to new offices, risk assessment associated with our premises have been revised and we have worked with the landlord to develop evacuation procedures that are clear and regularly tested. We have taken independent advice on the security of the premises to ensure that a safe environment is offered both to staff and visitors and are working through several recommendations to that end. This is particularly important given the greatly increased use of the office for events and meetings that we previously had to hold off site. As well as regular checks in the office environment to ensure health and safety requirements are being met, we have placed a renewed emphasis on staff home working arrangements being as safe and appropriate as the office is.

The Health and Safety Committee has taken an increasing role in overseeing the wellbeing of staff from a mental, as well as physical, health perspective. Our mental health first aiders are always represented at meetings and decisions reached are taken with both aspects in mind.

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (NI) 2001, DoF has directed UR to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by UR during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of the affairs of UR and of its income and expenditure, Statement of Financial Position, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

DoF has appointed the CEO as Accounting Officer of UR. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding UR's assets, are set out in Managing Public Money Northern Ireland (MPMNI), published by the DoF.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that UR's auditors are aware of that information. So far as I am aware, there is no relevant information of which the auditors are unaware.

GOVERNANCE STATEMENT

GOVERNANCE FRAMEWORK

As a non-ministerial government department, UR operates independently in the discharge of its statutory duties, as set out in the Energy (Northern Ireland) Order 2003, and the Water and Sewerage Services (Northern Ireland) Order 2006 and other relevant legislation. The CEO is responsible and accountable to the Board for the discharge of UR policies, programmes and actions.

The CEO is, however, also designated as Accounting Officer and, in respect of those responsibilities, is accountable to DoF and the Northern Ireland Assembly. The Accounting Officer has responsibility for maintaining a framework of corporate governance that supports the policies, aims and objectives of UR whilst safeguarding public funds and UR assets. This is in accordance with the responsibilities set out in MPMNI.

THE BOARD

Under Schedule 1 of the Energy (Northern Ireland) Order 2003 (as amended by the Water and Sewerage Services (Northern Ireland) Order 2006), UR Board is required to have a minimum of four members. The Board Members are appointed by the DoF Minister. The Board operates in accordance with its Rules of Procedure. The Board provides corporate leadership and directs UR's strategic direction. It assists the CEO in meeting his corporate governance responsibilities as Accounting Officer.

A Governance Guide has been developed, which sets out relevant guidelines for Board, ARC members and staff. This guide covers such areas as Board and Board Committee ToR, Scheme of Delegation, Raising Concerns, Bribery Act, Seven Principles of Public Life, Fraud, Gifts and Hospitality, Statutory Confidentiality Requirements, Information Management, Risk Management Strategy and Staff and Members' Interest Statements. The content of the Governance Guide is reviewed by ARC and, where necessary, updated on an annual basis.

COMPLIANCE WITH THE CORPORATE GOVERNANCE IN CENTRAL GOVERNMENT DEPARTMENTS: CODE OF GOOD PRACTICE NI (THE CODE)

UR is required to comply with 'The Code' and, in particular, its focus on the role of the Board. Subject to the comments that follow, UR considers that it is compliant with the requirements of 'The Code'.

'The Code' references the accountability of the Minister in charge of the department. However, UR is an independent, non-ministerial government department. Requests received from NI Assembly members may be addressed directly by UR. As a non-ministerial government department, UR does not receive any ministerial directions. The Board operates under its Rules of Procedure and considers that these constitute a Board Operating Framework. The Rules of Procedure form part of a wider governance guide that is annually reviewed by the ARC. The ARC Chair provides an update to the Board

on the work of the ARC and provides an annual report to the Board summarising its work programme. This provides assurance on UR's compliance with public sector financial and governance requirements. The ARC ToR are referenced as part of the ARC report to the Board and a review is presented to the Board annually. The ToR are published on the UR's website.

BOARD EFFECTIVENESS

Following the appointment of new Board members, there were changes to the composition of Board Committees. A formal induction programme was implemented to support the appointment of new Board members in August 2025.

The Board has raised no concerns about the quality of the data they receive. Board members also availed of the opportunity, at its May 2025 meeting, to consider potential agenda items for future Board meetings. The need to identify further opportunities for the Board to hold strategic discussions, and for learning and development, was also discussed.

During the last year an extensive programme of stakeholder meetings and visits has been developed and implemented. The programme has provided an opportunity for the Board to engage with a wide range of stakeholders and better understand issues and concerns around energy and water. There were visits to Fermanagh in September (to visit business premises and meet with local stakeholders) and the Newry and Mourne area in March 2026 where the Board visited Silent Valley and met local statutory and business representatives.

The Board also set time aside to hold more strategic discussions, as identified by the Board at its May 2025 agenda setting discussion. In August 2025 the Board and Executive team held a workshop to consider key strategic issues facing UR. A facilitated strategic session also took place in January 2026 to allow the Board to consider the wider strategic environment and the implications for UR's 'Protecting Consumers on the way to net zero' corporate strategy.

The development of UR staff members was also supported by enabling a different member of staff from one of UR's directorates to attend each Board meeting.

The Board previously committed to three yearly external reviews of Board effectiveness. SCC Chartered Accountants were commissioned to undertake this external review, and the review was finalised in May 2026.

BOARD MEMBERS' INTERESTS

In respect of Board interests, Board Members complete registers of interest on appointment and biannually thereafter. In addition, any updates required during the year will be registered as they arise and members report any specific matters, relevant to the Board

agenda, at each meeting. Details of the Board Members' interests are available here⁶. Where Board Members have registered or declared a conflict, these may be managed by the Board member absenting themselves from the meeting when the item in question comes up for discussion and/or decision. In addition, where a Board member has previously registered a conflict of interest, he/she would not receive any discussion or decision papers relevant to that interest.

All members of staff are also required to complete interest's statements biannually, updated in-year for any changes. Separate policies are in place for both staff and Board interests. In addition, a Gifts and Hospitality Policy are in place, and registers are maintained and signed off in line with the SoD. UR considers that it is compliant with the requirements of DAO (DoF) 07-21 and DAO (DoF) 03-23 guidance on conflicts of interest.

MATTERS CONSIDERED BY THE BOARD DURING THE PERIOD

The Board continued to exercise its oversight of several key governance issues.

The focus on delivering UR's 'Protecting Consumers on the way to Net Zero' corporate strategy continued. In that context, the Board considered the draft FWP (which set out those projects that contribute to corporate strategy objectives) at its December 2025 meeting. Following a public consultation, the Board approved the final version at the March 2026 meeting. The Board also approved the Budget for 2026-27 at the February 2026 meeting.

A key area of focus for the Board and SLT during 2025-26 continued to be strategic and organisational change. The Board receives updates at each Board meeting on progress against key organisational metrics, including progress on the recruitment programme. Board members also assisted with the recruitment programme. The Remuneration Committee also played a significant role in overseeing the implementation of new performance management arrangements for senior staff. At the August meeting the Board considered and approved proposals to meet increased resourcing demands.

The Board is clear that UR needs updated powers to deliver its strategy and optimise our contribution on key energy and water programmes. An internal group which was set up, following Board endorsement, to focus on vires, continued to meet during 2025-26.

During the last year, the Board continued to exercise its scrutiny over price control reviews. Specifically, the Board reviewed papers relating to three separate price control reviews. The Board scrutiny enabled progress on the SPC27 retail gas and the GT27 gas transmission price control reviews with the publication of the approach for both reviews being published during 2025. Significant progress was made on the NIW price control review, with the Board also approving the proposed approach to this review. A sub-group, comprising Board and Executive team members, was also convened, and met monthly, to consider water issues. Protecting today and tomorrow's consumers is at the core of what we do. The Board's focus on protecting consumers saw us continue to prioritise enforcement and compliance arrangements and an enforcement and compliance report remained a standing item on

⁶ [Declaration of Interest Register](#)

the Board agenda. Making sure that consumers continued to enjoy a secure supply meant that the Board agenda also had security of supply as a standing item. The need to understand the needs of consumers saw the Board consider a range of issues – such as consumer energy charters, a paper on improving the non-domestic paper experience and on the Just Transition.

An update on the SEM was a standing item on the Board's meeting agenda. During 2025-26, the Board was regularly apprised on SEMC agenda items, specifically around capacity auctions, the development of the SEMC strategy, All-Island Programme governance arrangements and significant litigation.

As well as considering the broader energy transition agenda, the Board also received updates on practical developments, such as ongoing work around offshore wind, smart meters and biomethane.

The Board continued to focus on organisational risk. The corporate risk register was a standing item on the Board's agenda. A workshop to discuss and reflect on organisational risk management arrangements took place in November 2025. The Board also took an active interest in emerging risks and commissioned a paper on the lessons from power outages in the Iberian Peninsula during 2025. The SEMC's new strategic risks register was also reviewed by the Board at its December meeting. ARC also focused on risk, with a review of the corporate risks at each of their meetings during 2025-26.

As well as its scrutiny of the development of a new corporate strategy, the Board approved key governance documents in respect of the budget and the Scheme of Delegation. The Board approved changes to the ToR for the ARC and Remuneration Committees. Annual reports from both Committees were also approved by the Board. The ARC and Remuneration Committees also provided regular updates to the Board at Board meetings.

Board members continued to play an active role in meeting stakeholders and attending events to ensure they were informed about current and relevant energy and water issues, as part of an agreed Board engagement programme for 2026. The Board visited county Fermanagh and the Newry and Mourne areas during 2025-26. The Board also endorsed a new UR Communications Strategy which included stakeholder engagement as a key aspect. Minutes of the Board's meetings are published on our website.

BOARD COMMITTEES

AUDIT AND RISK COMMITTEE (ARC)

The Board and the Accounting Officer are supported by ARC, which is a standing committee of UR. It reports to the Board, and its Chair has the right of direct access to the Chair of the Board. ARC provides independent and objective assurance to the Board and Accounting Officer on any matters affecting UR's financial health, probity or external reputation. It provides independent and objective opinion on issues of risk, control and governance and associated assurance. ARC supports the Accounting Officer in monitoring the corporate governance and control systems, including financial reporting. In fulfilling this role, it reviews significant issues identified by internal audit and the NIAO and action being taken to address these issues.

Alex Wiseman served as ARC Chair until 31 October 2025. Claire Williams, ARC member, was appointed Chair on 1 November 2025. Anthony Pygram was appointed to the Committee on 1 November 2025. David de Casseres remained on the Committee for the duration of the year as a member. The CEO, Executive Directors and Head of Finance and Project Management attend meetings and the Chair of the Board and members of SLT are also invited to attend. Details of attendance are on page 86.

ARC met four times during 2025-26. As part of its programme of work during 2025-26, it scrutinised the draft opening and mid-year budgets and corporate risk register before approval was sought for each from the Board. It reviewed the draft and final Annual Report and Accounts and received in-year finance and performance reports and conducted directorate risk register deep-dives. It oversaw the work of internal audit and received all reports for review of recommendations and management responses. It also actively monitored the timeliness of implementation of audit recommendations, which is regarded as a high priority.

In addition, it reviewed governance-related policies in accordance with a timetable of business. On behalf of ARC, the Chair provided an annual report to the Board in May 2025, summarising the Committee's work for the year. The minutes of each ARC meeting are published on the UR website.

During 2025-26, ARC completed the NIAO Audit and Risk Assurance Self-Assessment on ARC effectiveness. ARC completes this assessment on an annual basis. The outcome of the assessment indicated a high level of satisfaction with the current operation and effectiveness of ARC. In every area, responses indicated that ARC was meeting all essential requirements and implementing best practice in all applicable areas.

ARC is satisfied that it has fulfilled its duties as guided by its ToR, which were refreshed in the period aligning with NIAO, DoF, and HM Treasury Orange Book Management of Risk guidance. Taking account of the work of internal and external audit and assurances provided to the Committee, every effort was made to review and oversee internal control and risk management arrangements and to provide assurances to the Accounting Officer, in the discharge of his accountability obligations. Based on its work for the year, ARC has provided constructive feedback on what it views to be the risks, challenges and opportunities for UR.

REMUNERATION COMMITTEE

The Board is further supported by the Remuneration Committee. The Remuneration Committee determines pay, terms and conditions of senior staff (SMT and Heads of Function), advises on UR's Human Resource Strategy and contributes to wider pay and reward policy issues affecting all staff.

The Remuneration Committee met four times during 2025-26 and dealt with several matters by correspondence in the intervening periods.

Isolde Goggin, Remuneration Committee Member, served as its new Chair during 2025-26, succeeding Jon Carlton, and was joined by new Committee Member, Paul McGowan. Jon Carlton stood down from Chair of the Committee following the October 2025 meeting. The CEO, Executive Directors, and Human Resources Manager attend Remuneration Committee meetings, and the Chair of the Board also attends regularly.

ATTENDANCE AT BOARD AND OTHER COMMITTEES

Attendance at the Board and other committees was as follows:

	Board	Audit and Risk Committee	Remuneration Committee
Rosamund Blomfield-Smith*	13 of 13	4 of 4	4 of 4
Isolde Goggin	12 of 13	-	4 of 4
Alex Wiseman**	7 of 7	2 of 2	-
Claire Williams***	13 of 13	4 of 4	-
David de Casseres***	13 of 13	4 of 4	-
Anthony Pygram****	7 of 7	2 of 2	-
Paul McGowan*****	7 of 7	-	2 of 2
John French	13 of 13	4 of 4	4 of 4
Jon Carlton*****	7 of 7	-	2 of 4

* Rosamund Blomfield-Smith is not a member of ARC or the Remuneration Committee but is invited to attend all meetings.

** Alex Wiseman chaired ARC until his term ended on 31 October 2025. Claire Williams was appointed as Chair from 1 November 2025.

- *** Claire Williams and David de Casseres attended their last ARC meeting in February 2026 before their Board term ended on 30 April 2026.
- **** Anthony Pygram was appointed to the Board on 25 August 2025 and subsequently to ARC from 1 November 2025.
- ***** Paul McGowan was appointed to the Board on 25 August 2025 and subsequently to the Remuneration Committee from 1 November 2025.
- ***** Jon Carlton's term on Board ended on 31 October 2025.

Details of the remuneration of UR non-executive Board members are provided on pages 95.



STATUTORY COMMITTEES

SINGLE ELECTRICITY MARKET COMMITTEE (SEMC)

SEMC, which is a statutory committee of UR and the CRU, was established on 1 November 2007. The Committee was established following amendments made to the Electricity Regulation Act 1991 and the Electricity Single Wholesale Market (Northern Ireland) Order 2007 in respect of the functions, powers and duties in relation to the regulation of the SEM. The principal objective of the SEMC is to protect the interests of electricity consumers by promoting, when appropriate, effective competition in relation to the sale and purchase of electricity within the SEM. The SEMC regulates the wholesale electricity market and takes decisions on those matters which are considered to be SEM related. In order to be a SEM matter, the matter must have a material impact on the wholesale electricity market.

The membership of SEMC comprises an independent member, a deputy independent member and up to three persons (who must either be a member of UR Board or staff) appointed by DfE after consultation with UR and with the approval of the Minister of Environment, Climate and Communications (being a Minister of the Government of Ireland), 'the Irish Minister', and up to three persons (who must be members of the CRU) appointed by the Irish Minister with the approval of DfE.

From 1 November 2022, Jonathan Hodgkin took up the post of Independent Member and Dr Chris Harris, the post of Deputy Independent Member. Both have been appointed for a five-year term to 31 October 2027. UR and CRU each pay 50% of the costs of the independent members and other costs incurred by SEMC.

John French was appointed to SEMC, following his appointment as CEO on 2 November 2020. Jon Carlton was appointed to SEMC with effect from 1 April 2016 and his term of appointment concluded on 31 October 2025. Rosamund Blomfield-Smith was appointed to SEMC from 1 October 2025. Paul McGowan was appointed to the SEMC from 1 November 2025.

During 2025–26, SEMC held 12 scheduled meetings. Among key developments during 2025–26 SEMC began the process of developing a new strategy and carried out initial engagement with stakeholders. SEMC also enhanced governance arrangements by establishing a risk sub-committee of SEMC members to oversee the risk management framework. SEMC also reviewed and approved changes to its scheme of delegation to improve governance arrangements for the SEM Oversight Committee, which comprises senior executives from both CRU and UR. Finally, a review of SEMC's external communications, carried out by an independent expert, was initiated during 2025–26.

OTHER COMMITTEES

ENFORCEMENT COMMITTEE

The Board establishes Enforcement Committees to deal with specific enforcement matters as required. One Enforcement Committee was established in 2025-26. This was appointed by the SEM Committee to consider the making of two provisional orders in September 2025.

INTERNAL AUDIT ARRANGEMENTS

SCC Chartered Accountants continued to act as the internal auditors for UR in 2025-26. The primary objective of internal audit is to provide the Accounting Officer and ARC with an independent and objective opinion on risk management, control and governance by measuring and evaluating these measures' effectiveness in achieving UR's objectives. The work of internal audit is undertaken to the Global Internal Audit Standards (GIAS) and informed by an analysis of the risks to which the organisation is exposed. The Head of Internal Audit in SCC has a standing invitation to attend ARC and oversees the delivery of the internal audit plan which was approved by ARC. The plan takes account of the analysis of risks faced by UR and, in addition, reviews the corporate functions, providing a focus on operational aspects.

ARC members meet senior representatives from internal audit and NIAO periodically without UR staff present.

In 2025-26, the overall internal audit assurance for UR was satisfactory assurance.

RISK MANAGEMENT AND INTERNAL CONTROL

The Risk Management Strategy (the Strategy), which is reviewed annually, sets out UR's approach to the management of risk. Our approach to risk management is guided by professional best practice and takes full consideration of the context and environment in which we operate. The risk management process in place complies with all the principles included within the revised Orange Book: Management of Risk – Principles and Concepts (2023). The Strategy also draws on the NIAO report on Good Practice in Risk Management (June 2011) and the Audit Committee Handbook. It provides a framework for the management of risk and promotes a consistent approach across the organisation. The risk management cycle in UR encompasses both a 'top-down' and 'bottom-up' approach, which allows risks to be identified, managed and escalated as appropriate.

The Strategy sets out the roles and responsibilities in respect of risk management. The Board is responsible for establishing and overseeing risk management procedures within the organisation. The Board ensures that significant risks are being managed by SMT and challenges the risk management process to ensure that all key risks have been identified. ARC supports the Board and CEO by reviewing the risk control processes and biannually completes a deep dive of directorate risk registers, providing a challenge and advisory role as necessary. ARC receives assurances from the Head of Internal Audit in SCC Chartered Accountants on the effectiveness of risk management.

RISK ENVIRONMENT

UR, alongside CRU in Ireland, continues to adjust the design of the all-island market to reflect the UK's exit from the EU. The market design changes are mainly related to the mechanism to allocate capacity of the interconnectors between the island of Ireland and GB. The enhanced SEM that went live in 2018, continues to operate as normal and is now underpinned by provisions of the Ireland-Northern Ireland Protocol and Trade and Cooperation Agreement (TCA) between the UK Government and European Commission. UR continues to work with Ofgem to establish new Administrative Arrangements with Agency for the Cooperation of Energy Regulators (ACER) in line with the requirements of the TCA.

At a European Level, UR is a member of the Council of European Energy Regulators (CEER). Through CEER, UR can exchange best practice with other national energy regulators.

At a national level, UR is a member of the UK Regulatory Network and the UK Competition Network, formed to develop common understanding of best practice, facilitate consistency and provide a platform for skills and knowledge transfer in the exercise of sector regulatory functions and competition, respectively.

At a local level, energy policy falls within the remit of DfE. In December 2021, DfE published a new Energy Strategy. The new strategy sets out a pathway to achieve net zero carbon and affordable energy by 2050.

UR risks are driven from workstreams arising out of the environment, as described above, in which it operates.

UR's intention is to reflect good practice in risk management, as it forms an integral part of the work carried out. As a result, SMT, ARC and Board keep the high-level risks under review. The key risks facing UR during the year are detailed in the Performance Report.

In addition to the corporate risk register being a standing item on the Board agenda, the Board held a risk workshop in November 2025. In advance of that, the Board and SLT provided responses to standard questions on each of the risks on the corporate register. The discussion at the workshop focused on the three risks that were subject to the most commentary. After the workshop, the corporate risk register was updated to reflect the required changes, including the Board-agreed appetite position for each category of risk, controls in place and actions to mitigate the risks further.

SUSTAINABILITY AND CLIMATE-RELATED ISSUES

Throughout 2025-26, UR has continued to make further improvements regarding sustainability and climate-related issues. UR engaged with specialist experts in developing a Sustainability Policy, Sustainability Working Group (Chaired by a Director within UR) and ToR, and developed a "tracker" for reporting on sustainability measures. These improvements were reported at ARC during 2025-26. UR has also produced a new Active Travel guide in 2025-26 which sets out how we promote and enable sustainable travel for staff. It supports our environmental goals, helps reduce greenhouse gas emissions, improves local air quality, and promotes healthier lifestyles.

The Sustainability Group coordinates, support and oversees UR's approach to environmental sustainability, climate related reporting, resource efficiency and organisational resilience. Its purpose is to ensure the UR improves performance and integrates sustainability into strategic and operational decision making.

The group will report regularly to the SLT, annually to ARC and Board. Reporting consists of updates on progress, risks, performance, and compliance.

Further details on work and progress in this area are detailed in the 'Reporting Against Sustainability' section in the Performance Report, page 69.

INFORMATION SECURITY

UR regularly reviews, and updates as needed, its information management and governance agenda. The nature of our business is such that it holds only a limited amount of personal data. Information awareness sessions take place reminding staff of our Information Management Guide and staff inductions include an information management briefing.

The IMC, which is a cross-directorate internal group of staff, keeps information policies under review and considers actions arising should an information related incident or breach occur. The Committee's ToR set out its duties. In particular, UR's continued compliance with Data Protection Legislation including preparation of privacy policies, Data Protection Impact Assessments and Data Sharing Agreements as needed. There were no personal data breaches reported in-year, and we have encouraged staff to also report any incidents (not constituting a breach) to the Committee so that learning can be identified and shared across the office.

FRAUD

Specific fraud risks are identified and managed at directorate level in line with the UR Fraud and Response Policy. There were no cases of actual or suspected fraud during 2025-26 (2024-25 nil). During 2024-25, the UR participated in the NIAO National Fraud Initiative (NFI) exercise which runs every two years. No outcomes were identified that raised any potential fraud issues.

RAISING CONCERNS

UR has limited references made to it under the Public Interest Disclosure Order provisions. Internal and external Raising Concerns guides are in place and are reviewed annually by ARC to ensure that they remain in line with the latest guidance. Updates on any concerns raised under the legislation are provided to ARC. Guides are published on the intranet and public website and both form part of the Governance Guide that all staff have access to.

THE ACCOUNTING OFFICER'S REVIEW OF EFFECTIVENESS

As the Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the work of ARC, members of SMT, managers who have responsibility for developing and maintaining the internal control framework and comments from external auditors in their reports. Executive Directors, Directors, and Heads of Function have provided me with quarterly assurance statements commenting on the adequacy and effectiveness of the control environment, including the regularity and propriety of expenditure. I have been advised on the adequacy of the system of internal control by ARC and plans to address weaknesses and ensure continuous improvement of the system are in place.

I am content that the risk management process is appropriate; risks identified are relevant and have been managed during the year.

The governance system described in this statement has been in place for the whole of the year ended 31 March 2026 and up to the date of approval of the Annual Report and Accounts and accords with DoF guidance. No significant problems with the governance system arose during the period covered by this statement.

REMUNERATION AND STAFF REPORT

REMUNERATION REPORT

The purpose of the remuneration and staff report is to set out UR's remuneration policy for senior management, how this policy has been implemented and what amounts have been paid to senior management. This report also provides other information on remuneration and staff numbers for the financial year.

REMUNERATION POLICY

The non-executive Chair and non-executive Board members of UR are appointed by DoF (Schedule 1, paragraph 1(1) of the Energy Order). The salary level and terms for the non-executive posts are set by DoF. UR appoints its own CEO. The remuneration for the CEO post and that payable to senior staff (SLT and Heads of Function) is approved by UR's Remuneration Committee. Further information on the Remuneration Committee can be found in the Governance Statement, page 86. The non-executive Board members of UR are appointed to SEMC by DfE, and the salary level and terms for this post are also set by DfE.

UR also operates within the context of the wider public sector pay remit, normally determined by the Minister of Finance. The pay award for SLT and all other staff for 2025-26 was agreed and paid in the 2025-26 year. The pay of UR staff is based on a system of pay scales for each grade, excluding senior management, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on satisfactory performance. SLT scales contain a number of pay points allowing progression towards the maximum based on outstanding performance.

SERVICE CONTRACTS

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The [Recruitment Code](#) published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made by exception to merit.

Apart from the CEO, whose appointment is on a fixed-term seven-year basis which may be extended, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme⁷. Non-executive Board members hold fixed term appointments as detailed in the Directors' Report, page 76.

DoF has authorised the independent exercise of the appointment power contained within

⁷ [Civil Service Commissioners for Northern Ireland \(nicscommissioners.org\)](https://www.nicscommissioners.org)

Schedule 1, paragraph 5 of the Energy (Northern Ireland) Order 2003 and UR thereby sets the numbers and terms and conditions of service of those civil servants employed by it within the context of the public sector pay remit. The direct appointments are permanent, pensionable (optional) appointments.



REMUNERATION (INCLUDING SALARY) AND PENSION ENTITLEMENTS (AUDITED)

The following sections provide details of the remuneration and pension interests of UR Board and SLT.

REMUNERATION AND PENSION ENTITLEMENTS

SINGLE TOTAL FIGURE OF REMUNERATION								
	Salary (£000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000) ⁸		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
NON-EXECUTIVE BOARD MEMBERS								
Ms Rosamund Blomfield-Smith (Non-executive Chair)	50-55 ⁹	25-30 ⁹ (50-55 full year equivalent)	29,200 ⁹	11,800 ⁹	-	-	80-85 ⁹	35-40 ⁹
Mr Alex Wiseman ¹⁰ (Non-executive Chair)	5-10 (10-15 full year equivalent)	10-15	3,500	3,300	-	-	10-15	15-20
Mr Jonathan Carlton ¹⁰ (Non-executive Director)	10-15 ⁹ (25-30 full year equivalent)	20-25 ⁹	10,700	12,200	-	-	25-30 ⁹	35-40 ⁹
Mr David de Casseres ¹¹ (Non-executive Director)	10-15	10-15	2,300	1,600	-	-	10-15	10-15
Mrs Claire Williams ¹¹ (Non-executive Director)	10-15	10-15	5,600	4,200	-	-	15-20	15-20
Ms Isolde Goggin (Non-executive Director)	10-15	5-10 (10-15 full year equivalent)	1,700	2,000	-	-	10-15	5-10
Mr Anthony Pygram ¹² (Non-executive Director)	5-10 (10-15 full year equivalent)	-	4,900	-	-	-	10-15	-
Dr Paul McGowan ¹² (Non-executive Director)	10-15 ⁹ (20-25 full year equivalent)	-	2,500	-	-	-	15-20 ⁹	-

During 2025-26 basic remuneration for the Chair was £50k-£55k (2024-25: £50k-£55k) and for the non-executive Board members was £10k-£15k (2024-25: £10k-£15k).

⁸ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights

⁹ Includes remuneration for SEMC membership £10k-£15k (2024-25: £10k-£15k)

¹⁰ Left 31 October 2025

¹¹ Left 30 April 2026

¹² Appointed 25 August 2025

SINGLE TOTAL FIGURE OF REMUNERATION								
	Salary (£000)		Benefits in kind (to nearest £100)		Pension benefits ¹³ (to nearest £1,000)		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
SENIOR EXECUTIVES								
Mr John French (Chief Executive)	180-185 ¹⁴	170-175	-	-	71,000	70,000	250-255	240-245
Mr Peter Russell (Executive Director, Price Controls, Networks and Energy Futures – appointed on 3 January 2024)	140-145 ¹⁴	130-135	-	-	56,000	53,000	195-200	180-185
Mr Kevin Shiels (Executive Director, Markets and Consumer Protection)	140-145 ¹⁴	130-135	-	-	123,000	86,000	260-265	215-220
Mr Colin Broomfield (Director, Markets)	125-130 ¹⁴	115-120	-	-	49,000	50,000	170-175	165-170
Mrs Barbara Cantley (Director, Consumer Protection and Enforcement)	130-135 ¹⁴	130-135 ¹⁵	-	-	32,000	-	160-165	130-135
Ms Tanya Hedley (Director, Price Controls until 27 June 2024)	-	60-65 (105-110 full year equivalent)	-	-	-	92,000	-	(25)-(30)
Mr Donald Henry (Director, Networks and Energy Futures until 22 October 2025)	65-70 ¹⁴ (120-125 full year equivalent)	105-110 (115-120 full year equivalent)	-	-	19,000	72,000	80-85	175-180
Mrs Elaine Cassidy (Director, Price Controls from 17 June 2024)	115-120 ¹⁴	100-105 (105-110 full year equivalent)	-	-	104,000	112,000	220-225	215-220
Mr Brian Mulhern (Director, Networks and Energy Futures from 17 June 2024) (interim to 16 December 2025)	115-120 ¹⁴	105-110 (105-110 full year equivalent)	-	-	40,000	45,000	155-160	145-150

¹³ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights

¹⁴ Includes 2025-26 pay awards in full, no further pay awards are due as at 31 March 2026

¹⁵ Includes 18.5% uplift in lieu of employer's pension contributions

SALARY

'Salary' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by UR and thus recorded in these accounts.

BENEFITS IN KIND

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. Benefits in kind include the taxable value of home to office costs, overnight accommodation and expenses incurred by members of the Board including those in respect of any additional duties undertaken in the year. Benefits in kind are disclosed gross of any tax payable. The value has increased in 2025-26 due to an increase in travel costs associated with attendance at meetings in the current economic climate.

PAY RATIOS (AUDITED)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in UR in the financial year 2025-26 was £180,000-£185,000 (2024-25: £170,000-£175,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below. This is based on annualised full-time equivalent remuneration as at the reporting date.

2025-26	25th percentile	Median	75th percentile
Total remuneration (£)	47,615	56,542	69,965
Pay ratio	3.83:1	3.23:1	2.61:1

2024-25	25th percentile	Median	75th percentile
Total remuneration (£)	45,478	52,582	66,824
Pay ratio	3.79:1	3.28:1	2.58:1

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions, uplift in lieu of pension and the cash equivalent transfer value of pensions.

For 2025-26 and 2024-25, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

The movement in ratios between 2025-26 and 2024-25 is a result of a pay award paid in 2025-26 and recruitment of additional staff.

In 2025-26, no employee (2024-25: nil) received remuneration in excess of the highest paid director.

Remuneration ranged from £24,000 to £185,000 (2024-25: £22,000 to £172,500).

PERCENTAGE CHANGE IN REMUNERATION (AUDITED)

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a) salary and allowances, and
- b) performance pay and bonuses

of the highest paid director and of their employees as a whole.

The percentage changes in respect of UR are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	2025-26 v 2024-25	2024-25 v 2023-24
Average employee salary and allowances	8.48%	7.34%
Highest paid director's salary and allowances	5.80%	9.52%

As noted above, the percentage increase is primarily due to the pay award paid in 2025-26 and the recruitment of additional staff. No performance pay or bonuses were payable in these years.

PENSION ENTITLEMENTS (AUDITED)

The following sections provide details of the pension interests of the senior officials of UR.

	Accrued pension at pension age as at 31 March 26 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2026	CETV at 31 March 2025	Real increase / (decrease) in CETV
	£000	£000	£000	£000	£000
SENIOR EXECUTIVES					
Mr John French (Chief Executive)	30-35	2.5-5	475	404	44
Mr Peter Russell (Executive Director, Price Controls, Networks and Energy Futures appointed 3 January 2024)	10-15	2.5-5	160	118	28
Mr Kevin Shiels (Executive Director, Markets and Consumer Protection)	70-75 plus a lump sum of 170-175	5-7.5 plus a lump sum of 7.5-10	1,627	1,427	112
Mr Colin Broomfield (Director, Markets)	25-30	2.5-5	359	313	26
Mrs Barbara Cantley (Director, Consumer Protection and Enforcement)	0-5	0-2.5	26	-	21
Mr Donald Henry (Director, Networks and Energy Futures until 22 October 2025)	40-45 plus a lump sum of 95-100	0-2.5 plus a lump sum of 0	868	847	9
Mrs Elaine Cassidy (Director, Price Controls from 17 June 2024)	35-40	5-7.5	652	540	76
Mr Brian Mulhern (Director, Networks and Energy Futures from 17 June 2024) (Interim to 16 December 2025)	20-25	0-2.5	295	259	19
Ms Tanya Hedley (Director, Price Controls until 27 June 2024)	-	-	-	517	-

There were no employer contributions to a partnership pension account in respect of the SLT.

NORTHERN IRELAND CIVIL SERVICE (NICS) PENSION ARRANGEMENTS

Pension benefits are provided through the Northern Ireland Civil Service pension schemes, which are administered by Civil Service Pensions (CSP), for employees who have joined the scheme. UR employees may opt out of the pension arrangements and receive an uplift in lieu of employer pension contributions of 18.5% of base salary. Some employees have opted out of the pension scheme and receive an uplift in lieu of employer pension contributions as part of the contract of employment. Following auto-enrolment, any new employees will be automatically enrolled in alpha, however, if those employees opt out of the pension scheme, they will not receive an uplift in lieu of pension.

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the Classic, Premium, Classic Plus and Nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI))) also moved to alpha from that date. Transitional protection measures introduced alongside these reforms meant that any members who, on 1 April 2012, were within 10 years of their normal pension age remained in their previous scheme arrangement (full protection) and those who were between 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

MCCLLOUD JUDGMENT AND 2015 REMEDY

In 2018, the Court of Appeal found that the transitional protections put in place back in 2015, that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, steps have been taken by Department of Finance to remedy this discrimination.

The Department has now made regulations which remedy the discrimination by:

- ensuring all active members are treated equally for future service as members of the reformed alpha scheme only from 1 April 2022; and
- providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the Remedy Period) retrospectively calculated under either the current (reformed) scheme rules, or the older (pre-reform) legacy rules which existed before 2015.

This means that all active NICS Pension Scheme members are in the same pension scheme, alpha, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forwards in providing equal pension provision for all scheme members.

The Department is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period, i.e. calculated under the pre-reformed PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' rules or, alternatively, calculated under the reformed alpha rules. As part of this 'retrospective' remedy, most active members will now receive a choice about their Remedy Period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice. There are a significant number of Immediate Choice Remediable Service Statement (RSS) packs to issue. This process involves complex calculations to provide members with individually tailored statements. Due to the complexity of the calculations and some prolonged work to finalise policy elements of the remedy, not all Immediate Choice packs will issue by 31 March 2025. The Scheme Manager has invoked the discretion allowed by the remedy legislation and has extended the timeline for issuing Immediate Choice RSS packs to 31 March 2027. The Pensions Regulator has been notified of this extension. Our priority remains to provide members with all the accurate information they need to make a choice. It can be noted that other Public Service Pension Schemes are also in a similar position. Further information on the remedy will be included in the NICS pension scheme account which, once published, are available at [DoF Annual Reports and Accounts](#).

As part of the remedy involved rolling back all remediable service into the relevant legacy PCSPS(NI) arrangement for the 7-Year Remedy Period, the value of the pension benefits for the 2025-26 period disclosures for affected members continue to be based on the rolled back position.

ALPHA

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

From 1 April 2015, all new entrants joining the NICS can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

INFORMATION ON THE PCSPS(NI) – CLOSED SCHEME

Staff in post prior to 30 July 2007 were eligible to be in one of three statutory based ‘final salary’ legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of Premium or joining the Partnership Pension Account.

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years’ pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of Premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic.

PARTNERSHIP PENSION ACCOUNT

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

ANNUAL BENEFIT STATEMENTS

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member’s State Pension Age but cannot be before age 65. The Scheme Pension age is 60 for any pension accrued in the legacy **Classic, Premium** and **Classic Plus** arrangements and 65 for any benefits accrued in **Nuvos**. Further details about the NICS pension arrangements can be found at the website [Civil Service Pensions \(NI\)](#).

PENSION INCREASES

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2025 was 3.8% and HM Treasury has announced that public service pensions will be increased accordingly from April 2026.

EMPLOYEE CONTRIBUTION RATES

Percentage rates for employee contributions were revised for all members from **1 July 2025** as a result of the [Northern Ireland Civil Service Pension Scheme: Consultation on Scheme Yield / Member Contributions](#) as shown below:

Annualised Rate of Pensionable Earnings (Salary Bands) 1 April 2025 to 31 August 2025		Contribution rates - All members from 1 April 2025 to 30 June 2025	Contribution rates - All members from 1 July 2025
From	To		
£0	£27,091.99	4.60%	4.65%
£27,092.00	£61,645.99	5.45%	5.65%
£61,646.00	£165,793.99	7.35%	7.55%
£165,794.00 and above		8.05%	8.25%

Salary bands were also updated from 1 September 2025 as follows:

Annualised Rate of Pensionable Earnings (Salary Bands) 1 September 2025 onwards		Contribution rates - All members
From	To	
£0	£28,716.99	4.65%
£28,717.00	£65,343.99	5.65%
£65,344.00	£175,740.99	7.55%
£175,741.00 and above		8.25%

CASH EQUIVALENT TRANSFER VALUES

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended).

HM Treasury provides the assumptions for discount rates for calculating CETVs payable from the public service pension schemes. On 27 April 2023, HM Treasury published guidance on the basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes. In their guidance of 27 April 2023, HM Treasury advised that, with immediate effect, the discount rate adopted for calculating CETVs should be in line with the new SCAPE discount rate of 1.7% above CPI inflation, superseding the previous SCAPE discount rate of 2.4% above CPI inflation. All else being the same, a lower SCAPE discount rate leads to higher CETVs. The HM Treasury Guidance of 27 April 2023 can be found at: [Basis for setting the discount rates for calculating cash equivalent transfer values payable by public service pension schemes - GOV.UK](#). **As at the year-end, there** have been no further changes to the SCAPE discount rate of 1.7% above CPI inflation since the HM Treasury guidance was published.

REAL INCREASE IN CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period (which therefore disregards the effect of any changes in factors).

COMPENSATION FOR LOSS OF OFFICE

There were no compensation for loss of office payments made in 2025-26 (2024-25; nil).

STAFF REPORT

STAFF COSTS (AUDITED)

Staff costs comprise:

	Permanently employed staff	Others	2025-26 £000 Total	2024-25 £000 Total
Wages and salaries	9,663	214	9,877	8,660
Social security costs	1,294	40	1,334	962
Other pension costs	3,105	16	3,121	2,622
Sub total	14,062	270	14,332	12,244
Less recoveries in respect of outward secondments	(3)	-	(3)	(89)
Total net costs*	14,059	270	14,329	12,155

* Of which, £nil has been charged to capital.

Of which:

	Charged to administration	Charged to programme	Total
Department	-	14,329	14,329
Total net costs	-	14,329	14,329

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes, but UR is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2020 scheme valuation was completed by GAD in October 2023.

The outcome of this valuation was used to set the level of contributions for employers from 1 April 2024 to 31 March 2027.

The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. Reforms were made to the CCM which were applied to the 2020 scheme valuations and included the introduction of a reformed scheme only cost control mechanism which assesses just the costs relating to reformed schemes (alpha for the NICS) and introduced an economic check. Prior to the cost control mechanism reforms, legacy scheme (PCSPS(NI)) costs associated with active members were also captured in the mechanism. The reformed scheme only design and the economic check were applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The 2020 scheme valuation outcome was that the core cost cap cost of the scheme lies within the 3% cost cap corridor. As there is no breach of the cost control mechanism, there is no requirement for DoF to consult on changes to the scheme. Further information can be found on the DoF website: <https://www.finance-ni.gov.uk/articles-northern-ireland-civil-service-pension-scheme-valuations>.

For 2025-26, employers' contributions of £3,109,807 were payable to the NICS pension arrangements at a flat rate of 34.25% of pensionable pay, for all salaries (2024-25: £2,608,321).

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £10,575.19 (2024-25: £12,920.01) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2024-25: 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £593.05, 0.5% (2024-25: £617.03, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the **partnership** pension providers at the reporting period date were £531.70 (2024-25: £615.84). Contributions prepaid at that date were £nil (2024-25 £nil).

Employees who joined before the pension auto-enrolment may opt out of the pension arrangements and receive an uplift in lieu of employer contributions of 18.5% of base salary. In 2025-26, five (2024-25: four) members of staff opted out of the pension arrangements.

No employer pension costs are paid for those staff but the uplift in lieu of employer pension amounted to £38,191 (2024-25: £51,271). These costs are included in wages and salaries above.

One person (2024-25: nil) retired early on ill health grounds. The total additional accrued pension liabilities in the year amounted to £nil (2024-25: £nil).

AVERAGE NUMBER OF PERSONS EMPLOYED (AUDITED)

The average number of whole-time equivalent persons employed during the year was as follows.

	Permanently employed staff	Others	2025-26 Total	2024-25 Total
Segment 1 To protect the interests of consumers of electricity supplied by authorised suppliers, wherever appropriate, by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission or supply of electricity.	95	2	97	88
Segment 2 To promote the development and maintenance of an efficient, economic and coordinated gas industry in Northern Ireland.	40	1	41	43
Segment 3 To protect the interests of consumers of water and sewerage services, where appropriate, by the promotion of effective competition.	16	1	17	10
Total	151	4	155	141

REPORTING OF CIVIL SERVICE AND OTHER COMPENSATION SCHEMES – EXIT PACKAGES (AUDITED)

There were no exit packages in 2025–26 (2024–25: nil).

NUMBER OF SENIOR CIVIL SERVICE STAFF BY BAND

UR has its own staff grades and bands, however Heads of Function (15 staff), Directors (4 staff), Executive Directors (2 staff) and the CEO would be the equivalent of Senior Civil Service staff. The Head of Function would be broadly in line with the grade 5 level, the Directors, the Executive Directors and CEO are broadly in line with Senior Civil Service grade 3 and above.

	2025–26	2024–25
Salary Band		
Payscale 4 £160,826 – £202,522	1	1
Payscale 3 £137,000–£178,696	2	2
Payscale 2 £113,174 – £142,956	5	6
Payscale 1 £89,347 – £119,131	13	10

COMPOSITION OF UR STAFF

Details of UR Board and SLT are included in the Directors' Report. However, within the context of the Staff Report, UR is required to disclose the gender of the Board, SLT and employees of UR. The figure includes temporary promotions at the 31 March 2026, the split was as follows:

	Male	Female	Total
Non-executive Board members	3	3	6
SLT	5	2	7
Employees excluding SLT	65	88	153
Other staff:			
Student placement	0	1	1
Secondees	1	0	1
Temporary staff/agency	1	1	2

STAFF TURNOVER

The staff turnover percentage is defined by the Northern Ireland Statistics and Research Agency's (NISRA) formula which is used as a benchmark against the NICS figure. The most recent available figure for 2023-24 is 4.8%. The UR figures for the past three years are as follows:

Year	Turnover
2025-26	3.7%
2024-25	5.4%
2023-24	7.5%

STAFF ENGAGEMENT

During the year, one survey was undertaken – a Best Companies all-staff engagement survey which went live on 25 March and closed on 17 April 2026. A mental health wellbeing survey is currently being developed to roll out late 2026.

SICKNESS ABSENCE DATA

Sickness absence figures for the past three years are as follows:

Year	Absence rate	Average days lost	Excluding LTS
2025-26	3.91%	9.5	1.53%
2024-25	3.99%	9.1	1.40%
2023-24	2.92%	6.5	1.19%

Although the overall sickness absence rate has decreased this year, the average days lost per employee has risen slightly. This increase is due to several long-term sickness cases, which have a disproportionate impact on total days lost. While fewer staff were absent overall, the duration of a number of these absences was longer, resulting in a higher average number of days lost.

DIVERSITY AND INCLUSION

In 2025-26, we completed our application for Diversity Charter Mark, Bronze assessment. We were delighted to retain our Bronze accreditation.

Due to the recent restructure, we have made significant strides in addressing the balance between male and female members across our SMT, CEO, Executive Director, Director and Head of Function levels. Before the restructure, there were five (56%) men and four (44%) women. We now have 10 (45%) men and 12 (55%) women permanent members of SMT. Again, we have made significant improvements and strides in addressing the balance of female and male managers. In our initial submission in 2021, there was 70% male managers and 30% female managers. Now, this figure currently stands at 50% male and 50% female.

We relaunched our Diversity and Inclusion (D&I) group with a focus on inclusivity and belonging. The new committee met for the first time in March 2026 with the new Senior Sponsor. A new plan of activities is being developed by the group in line with our commitments under the charter mark, and Remuneration Committee approval will be sought on delivering the most appropriate events, in the context of our Section 75 duties and equality legislation.

EQUAL OPPORTUNITIES

UR is an equal opportunity employer. It is fully committed to the elimination of all forms of discrimination, harassment and victimisation, not only because of the legal requirements under which it operates but because it makes sound business sense and ensures that working relationships are based on mutual trust, respect and understanding. This allows the best use to be made of the wide variety of skills, abilities and attributes available in the organisation and promotes a harmonious working environment.

DISABLED PERSONS

UR is committed to ensuring that its policies and practices comply with the requirements of the Disability Discrimination Act 1995. In recruitment and promotion terms, applicant packs and information are available in accessible formats and assistance provided at assessment and interview in line with an applicant's requirements. Reasonable adjustments are made as a matter of policy to assist staff with disabilities in work and candidates applying for roles with UR.

OFF-PAYROLL ARRANGEMENTS

UR is required to disclose details of any off-payroll arrangements at a cost of over £245 per day, lasting longer than six months, that were in place during 2025-26. All off-payroll arrangements are now assessed in line with IR35 requirements. In 2025-26, UR had no such arrangements in place (2024-25: nil).

SPENDING ON CONSULTANCY AND TEMPORARY STAFF

In 2025-26, UR incurred £26,700 on consultancy expenditure associated with HR and organisational support (2024-25: £29,459). In 2025-26, there were some agency arrangements in place, providing interim cover for staffing gaps, with a total spend in-year of £94,440 (2024-25: £336,475).



ASSEMBLY ACCOUNTABILITY REPORT

STATEMENT OF OUTTURN AGAINST ASSEMBLY SUPPLY (SOAS) (AUDITED)

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FRm) requires UR to prepare a Statement of Outturn against Assembly Supply (SOAS) and supporting notes.

The SOAS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

The SOAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund) that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SOAS.

Should an entity exceed the limits set by their Supply Estimate and corresponding Act of the Assembly, called control limits, its accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on DoF website.

The SOAS contain a summary table, detailing performance against the control limits that the Assembly has voted on, cash spent (budgets are compiled on an accruals basis and so outturn will not exactly reconcile to cash spent) and administration.

The supporting notes detail the following: Outturn detailed by Estimate line, providing a more detailed breakdown (Note 1); a reconciliation of outturn to net expenditure in the Statement of Comprehensive Net Expenditure (SoCNE), to tie the SOAS to the financial statements (Note 2); a reconciliation of net resource outturn to net cash requirement (Note 3) and an analysis of income payable to the Consolidated Fund (Note 4).

The SOAS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the financial review section of the Performance Report on page 63. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in Chapter 1 of the Consolidated Budgeting Guidance, available on gov.uk.

A summary of outturn against Estimate is provided in the Performance Report, page 65.

Summary table, 2025-26, all figures presented in £000

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate, saving/ (excess)		Prior Year Outturn Total 2024-25
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted	Total	
Departmental Expenditure Limit										
Resource	SOAS 1.1	354	-	354	668	-	668	314	314	376
Capital	SOAS 1.2	2,902	-	2,902	3,016	-	3,016	114	114	70
Total		3,256	-	3,256	3,684	-	3,684	428	428	446
Annual Managed Expenditure										
Resource	SOAS 1.1	-	-	-	1	-	1	1	1	-
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	500
Total		-	-	-	1	-	1	1	1	500
Total Budget										
Resource	SOAS 1.1	354	-	354	669	-	669	315	315	376
Capital	SOAS 1.2	2,902	-	2,902	3,016	-	3,016	114	114	570
Total Budget Expenditure		3,256	-	3,256	3,685	-	3,685	429	429	946
Non-Budget										
Resource	SOAS 1.1	-	-	-	-	-	-	-	-	-
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-
Total Non-Budget Expenditure		-	-	-	-	-	-	-	-	-
Total Budget and Non-Budget		3,256	-	3,256	3,685	-	3,685	429	429	946

Figures in the areas outlined in bold cover the voted control limits voted by Assembly.

Net cash requirement 2025-26, all figures presented in £000

Item	SOAS Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total 2024-25
Net cash requirement	3	-	3,629	3,629	-

Figures in the areas outlined in bold are voted totals subject to Assembly control.

Administration Costs 2025-26, all figures presented in £000

Item	Note	Outturn	Estimate	Outturn vs Estimate, saving/(excess)	Prior Year Outturn Total 2024-25
Administration Costs	1.1	-	-	-	-

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

Notes to the Statement of Outturn Against Assembly Supply, 2025-26 £000

SOAS 1. Outturn detail, by Estimate Line

SOAS 1.1 Analysis of resource outturn by Estimate Line, all figures presented in £000

Type of spend (Resource)	Resource outturn							Estimate			Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total, 2024-25
	Administration			Programme			Total	Total	Virements ¹⁶	Total inc. virements		
	Gross	Income	Net	Gross	Income	Net						
Spending in Departmental Limits (DEL)	-	-	-	21,822	(21,468)	354	354	668	-	668	314	376
Voted Expenditure Utility Regulation	-	-	-	-	-	-	-	-	-	-	-	-
Total Voted DEL	-	-	-	21,822	(21,468)	354	354	668	-	668	314	376
Non-voted Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Total non-voted DEL	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in DEL	-	-	-	21,822	(21,468)	354	354	668	-	668	314	376
Spending in Annually Managed Expenditure (AME)	-	-	-	-	-	-	-	1	-	1	1	-
Voted Expenditure Utility Regulation	-	-	-	-	-	-	-	-	-	-	-	-
Total voted AME	-	-	-	-	-	-	-	1	-	1	1	-
Non-voted Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Total non-voted AME	-	-	-	-	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	-	-	-	-	1	-	1	1	-
Total Non Budget	-	-	-	-	-	-	-	-	-	-	-	-
Total resource	-	-	-	21,822	(21,468)	354	354	669	-	669	315	376

The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

¹⁶ Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements is provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website.

SOAS 1.2 Analysis of capital outturn by estimate line, all figures presented in £000

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate (including virements), saving/ (excess)	Prior Year Outturn Total, 2024-25
	Gross	Income	Net total	Total	Virements	Total including virements		
Spending in Departmental Limits (DEL) Voted Expenditure Utility Regulation	2,902	-	2,902	3,016	-	3,016	114	70
Total Voted DEL	2,902	-	2,902	3,016	-	3,016	114	70
Non-voted Expenditure	-	-	-	-	-	-	-	-
Total non-voted DEL	-	-	-	-	-	-	-	-
Total spending in DEL	2,902	-	2,902	3,016	-	3,016	114	70
Spending in annually Managed Expenditure (AME) Voted Expenditure	-	-	-	-	-	-	-	500
Total voted AME	-	-	-	-	-	-	-	500
Non-voted expenditure	-	-	-	-	-	-	-	-
Total non-voted AME	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	-	-	-	-	500
Total Non Budget	-	-	-	-	-	-	-	-
Total capital	2,902	-	2,902	3,016	-	3,016	114	570

ANALYSIS OF OUTTURN AGAINST ESTIMATE

Expenditure is lower than the Estimate position as a result of lower renewable scheme and depreciation costs than anticipated.

SOAS2. Reconciliation of outturn to net expenditure

Item	Note	Outturn Total 2025-26 £000	Prior Year Outturn Total, 2024-25 £000
Total Resource Outturn	SOAS 1.1	354	376
Add: Capital Grants		-	-
Total		354	376
Less: Income paid/payable to the Consolidated Fund	-	-	
Total	-	-	
Net Expenditure in Consolidated Statement of Comprehensive Net Expenditure	SOCNE	354	376

As noted in the introduction to the SOAS above, outturn and the estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this note reconciles the resource outturn to net expenditure, linking the SOAS to the financial statements.

As the total resource outturn in the SOAS is the same as net expenditure in the SoCNE, no reconciliation is required.

SOAS3. Reconciliation of net resource outturn to net cash requirement

Item	Note	Outturn total £000	Estimate £000	Outturn vs Estimate, Saving/ (excess) £000
Total Resource outturn	SOAS 1.1	354	669	315
Total Capital outturn	SOAS 1.2	2,902	3,016	114
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations		(320)	(325)	(5)
New provisions and adjustments to previous provisions		(142)	(545)	(403)
Adjustments to reflect movements in working balances:				
Increase/(decrease) in receivables		(210)	2,028	2,238
(Increase)/Decrease in payables		(972)	(1,714)	(742)
Use of provision		(461)	500	961
Lease liability		(2,265)	-	2,265
Excess cash receipts surrenderable to the Consolidated Fund		1,114	-	(1,114)
Total		(3,256)	56	3,200
Net cash requirement		-	3,629	3,629

As noted in the introduction to the SOAS above, outturn and the estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource outturn to the net cash requirement.

SOAS4. Amounts of income to the consolidated fund

In addition to income retained by the department, the following income is payable to the consolidated fund.

SOAS4.1 Analysis of income payable to the consolidated fund

Item	Note	Outturn total 2025-26 £000		Prior Year 2024-25 £000	
		Accruals	Cash basis	Accruals	Cash basis
(Excess) cash surrenderable to the Consolidated Fund	SOAS 3	1,114	1,114	626	626
Total amount payable to the Consolidated Fund		1,114	1,114	626	626

ASSEMBLY ACCOUNTABILITY DISCLOSURES

LOSSES AND SPECIAL PAYMENTS (AUDITED)


There were no losses and special payments requiring disclosure in the 2025-26 financial year (2024-25: nil).

FEES AND CHARGES (AUDITED)

The majority of UR's income comes from electricity, gas and water licence holders. An analysis of income is provided in Note 4 to the accounts and split by operating segment in Note 2 to the accounts. This also allocates the cost by segment. Total fees from licence holders in year was £18,940k resulting in a deferred income balance of £1,220k, £142k and £50k for electricity, gas and water respectively.

REMOTE CONTINGENT LIABILITIES (AUDITED)

In addition to contingent liabilities reported within the meaning of International Accounting Standards (IAS) 37, UR also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability. UR had no such liabilities at 31 March 2026.



John French

Accounting Officer
25 June 2026

NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Authority for Utility Regulation for the year ended 31 March 2026 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise:

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in their preparation of the financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the Statement of Outturn against Assembly Supply, and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Northern Ireland Authority for Utility Regulation's affairs as at 31 March 2026 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2026 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Northern Ireland Authority for Utility Regulation in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Authority for Utility Regulation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Authority for Utility Regulation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Northern Ireland Authority for Utility Regulation is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Authority for Utility Regulation and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Northern Ireland Authority for Utility Regulation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Authority for Utility Regulation will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Authority for Utility Regulation through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Account Act (Northern Ireland) 2001, the Energy (Northern Ireland) Order 2003 and the Water and Sewerage Services Order 2006;

- making enquires of management and those charged with governance on the Northern Ireland Authority for Utility Regulation's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to the Northern Ireland Authority for Utility Regulation's susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Northern Ireland Authority for Utility Regulation's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
 - o performing analytical procedures to identify unusual or unexpected relationships or movements;
 - o testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - o assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - o investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. The voted Assembly control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the income and expenditure recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

30 June 2026



FINANCIAL STATEMENTS



STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2026

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2025-26 £000	2024-25 £000
Revenue from contracts with customers	4.1	(18,940)	(15,755)
Other operating income	4.2	(2,528)	(2,258)
Total operating income		(21,468)	(18,013)
Staff costs	3	14,329	12,155
Purchase of goods and services	3	6,655	5,431
Depreciation and impairment charge	3, 5, 12	320	206
Provision expense	3, 10	142	400
Other operating expenditure	3	275	195
Total operating expenditure		21,721	18,387
Net operating expenditure		253	374
Finance expense	3	101	2
Net expenditure for the year		354	376
Notional audit costs	3	41	39
Other notional costs	3	230	227
Total notional costs		271	266
Net expenditure for the year including notionals		625	642
Other comprehensive net expenditure			
Items that will not be reclassified to net operating expenditure			
Net (gain)/loss on revaluation of property, plant and equipment	5	(16)	(1)
Comprehensive net expenditure for the year		609	641

The notes on pages 132-148 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

This statement presents the financial position of UR. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2025-26		2024-25	
		£000	£000	£000	£000
Non-current assets:					
Right-of-use assets	5	2,050		-	
Property, plant and equipment	5	275		689	
Total non-current assets			2,325		689
Current assets:					
Cash and cash equivalents	7	4,742		1,688	
Trade and other receivables	8	372		582	
Total current assets			5,114		2,270
Total assets			7,439		2,959
Current liabilities:					
Trade and other payables	9	(8,241)		(4,215)	
Lease liabilities	12	(110)		(64)	
Provisions	10	(405)		(900)	
Total current liabilities			(8,756)		(5,179)
Total assets less current liabilities			(1,317)		(2,220)
Non-current liabilities:					
Provisions	10	(137)		-	
Lease liabilities	12	(2,219)		-	
Total non-current liabilities			(2,356)		-
Total assets less total liabilities			(3,673)		(2,220)
Taxpayers' equity and other reserves:					
General fund			(3,691)		(2,223)
Revaluation reserve			18		3
Total equity			(3,673)		(2,220)



John French

Accounting Officer

25 June 2026

The notes on pages 132-148 form part of these accounts

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2026

The Statement of Cash Flows shows the changes in cash and cash equivalents of UR during the reporting period. The statement shows how UR generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by UR. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to UR future public service delivery.

Cashflows from operating activities	Note	2025-26 £000	2024-25 £000
Net expenditure for the year including notionals	2	(625)	(642)
Adjustments for non-cash transactions	3	733	872
(Increase)/Decrease in trade and other receivables	8	210	(33)
Increase/(Decrease) in trade and other payables	9	4,026	1,898
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure			
- Supply amounts due to the Consolidated Fund	9	(2,567)	(1,062)
- Capital accruals		(54)	(62)
- CFER amounts due to-from the Consolidated Fund	9	(488)	(145)
Interest on lease liabilities	3.1	101	1
Net cash inflow/(outflow) from operating activities		1,336	827
Cashflows from investing activities			
Purchase of non-financial assets		(158)	(8)
Net cash inflow/(outflow) from investing activities		(158)	(8)
Cashflows from financing activities			
From the Consolidated Fund (Supply) – current year		3,629	1,058
From the Consolidated Fund (Supply) – prior year		-	468
Advances from the Consolidated Fund		5,500	4,800
Repayments of advances from the Consolidated Fund		(5,500)	(4,800)
Payment of lease liabilities		(65)	(193)

Net financing		3,564	1,333
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund		4,742	2,152
Payments of amounts due to the Consolidated Fund		(1,688)	(481)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		3,054	1,671
Cash and cash equivalents at the beginning of the period	7	1,688	17
Cash and cash equivalents at the end of the period	7	4,742	1,688

The notes on pages 132-148 form part of these accounts..



STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2026

The statement shows the movement in the year on the different reserves held by UR, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2024		(1,684)	-	(1,684)
Net Assembly Funding 2024-25		1,062	-	1,062
Funds granted in respect of 2023-24 Excess Vote		464	-	464
Comprehensive expenditure for the year	SoCNE	(642)	1	(641)
Supply (payable)/receivable adjustment		(1,062)	-	(1,062)
CFERs payable to the Consolidated Fund		(626)	-	(626)
Non-cash adjustments:				
Non-cash charges – auditors remuneration	3	39	-	39
Non-cash charges – other		227	-	227
Other reserves movements including transfers		(1)	2	1
Balance at 31 March 2025		(2,223)	3	(2,220)
Net Assembly Funding 2025-26		3,629	-	3,629
Comprehensive expenditure for the year	SoCNE	(625)	16	(609)
Supply (payable)/receivable adjustment		(3,629)	-	(3,629)
CFERs payable to the Consolidated Fund		(1,114)	-	(1,114)
Non-cash adjustments:				
Non-cash charges – auditors remuneration	3	41	-	41
Non-cash charges – other		230	-	230
Other reserves movements including transfers		-	(1)	(1)
Balance at 31 March 2026		(3,691)	18	(3,673)

The notes on pages 132-148 form part of these accounts.

NOTES TO THE DEPARTMENTAL RESOURCE ACCOUNTS

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2025–26 FReM issued by DoF. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of UR for the purpose of giving a true and fair view has been selected. The particular policies adopted by UR are described below. These have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment (PPE).

1.2 Property, plant and equipment

The minimal level for capitalisation of PPE is £2k (excluding VAT) for all assets, except for IT equipment where the threshold is £1k (excluding VAT). Where material, assets may be pooled-grouped so as to reflect asset holdings more accurately. The capitalisation threshold for grouped assets is £2k (excluding VAT).

The following asset categories existed at the start of the year, namely IT equipment, office equipment, furniture and fittings and leasehold improvements. Asset additions have been valued at purchase price. Existing assets are revalued annually by reference to revaluation indices obtained from the Office for National Statistics and the Land and Property Services.

1.3 Depreciation and amortisation

Depreciation and amortisation are provided at the rates calculated to write off the valuation of PPE by equal instalments over their estimated useful lives. Lives are in the following ranges:

Leasehold improvements	10 years or lifetime of lease
IT equipment	5 years
Furniture and Fittings	5 to 10 years
Office Equipment	5 years

1.4 Revenue – licence fees

The costs of UR are offset primarily by annual licence fees paid on the issue of electricity, gas and water and sewerage licences as defined under statute. Electricity licence fees are calculated on the basis of a determination made in 2011 by UR. It was decided that one third of the cost of electricity regulation should be charged to the holders of generation licences, one third to the holders of transmission licences and one third to the holders of public electricity supply licences.

All licence holders pay a minimum of £2.5k. Licence fees are ultimately recovered from electricity customers through an operating cost allowance in the price controls of regulated businesses.

The commencement date for the collection of gas licence fees was 5 September 1996. Prior to that date, costs were borne by central government. Gas licence fees are based on the annual identifiable costs of gas regulation.

Gas licence fees are calculated on the basis of a determination made by UR. Following a consultation process on how gas licence fees should be apportioned, it was decided that as from the 2012-13 financial year, all supply licence holders will pay a fixed fee of £1.5k, increased annually based on the Retail Price Index (RPI). From 2022-23, following public consultation, it was also decided that holders of gas storage licences should pay £2k, uplifted annually for RPI. The remaining gas regulatory costs, net of the fixed supply and storage licence charges, are apportioned between the conveyance licence holders who participate in transmission activities, on the basis of their share of the total forecast volumes transmitted in that year.

In the year following payment of licence fees, UR adjusts the new licence fees by the amount of over-under recovery of actual costs arising in the previous licence year. Since licence fees are based on estimated costs, any over-recovery is treated as Deferred Income within Payables and any under-recovery as Accrued Income within Receivables.

Under the terms of NIW's instrument of appointment, water and sewerage fees are payable on the 1 July in each year representing the estimated costs of UR in carrying out its functions under the Water and Sewerage Services (Northern Ireland) Order 2006. This can be supplemented, if required, by a determination coming into effect on 1 January in any year.

In addition, the cost of the Consumer Council for Northern Ireland (CCNI) in dealing with electricity consumer issues was recovered from electricity supply licence holders, on the basis of volumes supplied. The cost of gas consumer issues was recovered from conveyance licence holders who participate in distribution activities, on the basis of their share of the total forecast gas volumes to be distributed in the year. The water and sewerage consumer cost was recovered from the water and sewerage licence holder. For 2025-26, UR collected and passed on to CCNI an amount of £1,351,274, of which £578,528 was in respect of its electricity functions, £385,685 in respect of its gas functions and £387,061 in respect of its water functions. These licence fees are accounted for in the accounts of CCNI.

1.5 Administration and programme expenditure

A reclassification exercise was carried out via the Budget and Monitoring Rounds during 2005–06 to ensure that the classification of expenditure was consistent with the licence fee income. As licence fee income is classified as DEL Other Resource, UR gained DoF approval to reclassify all its expenditure as DEL Other Resource. This reclassification continues to be reflected in the Estimates. All UR expenditure is classified as Programme Expenditure.

1.6 Net liabilities

The negative value of total net assets arises because the funds owed to, electricity, gas and water licence holders are correctly shown as a liability. However, under MPMNI rules, UR is required to surrender surpluses to the consolidated fund, and these will be reflected in the cash requirement for the following financial year. This is required because the respective licences make provision for a reduction in the licence fee collected to reflect any underspend in the previous year.

The Statement of Financial Position as at 31 March 2026 shows net liabilities of £3,673k, reflecting liabilities due in future years including a new lease liability for the office premises entered into in 2025–26. It is considered appropriate to adopt a going concern basis for the preparation of the financial statements as the UR is supply financed and draws its funding from the consolidated fund. Therefore, there is no liquidity risk in respect of the liabilities due in future years.

1.7 Notional charges

Notional charges are non-cash transactions. Notional charges, in respect of services received from other government departments and agencies and audit costs, are included in the Statement of Comprehensive Net Expenditure to reflect the full economic cost of services.

1.8 Pensions and employee benefits

Past and present employees, including directly recruited UR employees (who take up this facility), are covered by the provisions of the PCSPS (NI) which is a defined benefit scheme and is unfunded. UR recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). From 1 April 2015, civil servants may choose between membership of the PCSPS (NI) alpha scheme or joining a good quality "money purchase" stakeholder-based arrangement with a significant employer contribution (partnership pension account). Further details of these pension arrangements are given in the Remuneration and Staff Report.

Employees may opt out of the PCSPS (NI) and receive an uplift in lieu of employer contributions of 18.5% of base salary. No employer pension contributions are payable by UR in respect of those employees that opt out of the pension scheme. Following auto-enrolment, any new employees will be automatically enrolled in PCSPS (NI) however if those employees opt out of the pension scheme, they will not receive an uplift in lieu of pension.

Under the requirements of IAS 19 Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any annual leave entitlements that have been earned at the year-end but not yet taken.

1.9 Provisions

UR provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by Treasury.

1.10 Estimates Techniques

Licence fee income is determined using a model that incorporates a number of assumptions and estimates. As such, its measurement is subject to estimation uncertainty.

The calculation is based on approved budget figures, which represent management's best estimate of the expected costs for the year. These budgeted costs include allocations of staff time and related overheads attributable to regulatory activities across electricity, gas and water.

Differences between estimated and actual costs incurred, as well as revisions to time apportionments, may result in over- or under-recovery of licence fees. Any such variances are recognised in subsequent periods in accordance with the applicable regulatory framework.

The estimation technique employed in the calculation of provisions is disclosed in note 1.9.

1.11 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, UR discloses, for Northern Ireland Assembly reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of MPMNI.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

1.12 Financial instruments

UR has financial instruments in the form of trade receivables, cash and cash equivalents and trade payables. These are classified as 'loans and receivables' and 'financial liabilities at fair value through profit and loss on initial recognition' in accordance with IFRS 7.

1.13 Impending application of newly issued accounting standards not yet effective

Management has reviewed the below new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts.

IFRS 18

This will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

IFRS 19

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

1.14 IFRS 16 leases

UR adopted IFRS 16 'leases' with effect from 1 April 2022. The adoption of this standard has resulted in the recognition of a right-of-use asset, and a related lease liability, representing an obligation to make lease payments.

2. Statement of operating expenditure by operating segment

The reportable segments are the principal activities of the organisation, with overhead costs split on the basis of an agreed methodology. This split is in line with previous reporting under the Statement of Operating Costs by Departmental Strategic Objectives. The principal activities and performance of the organisation are reported monthly to SMT and Board.

	2025-26			
	Reportable Segment 1 £000	Reportable Segment 2 £000	Reportable Segment 3 £000	Total £000
Gross Expenditure	15,106	5,120	1,596	21,822
Income	14,882	4,987	1,599	21,468
Net Expenditure	224	133	(3)	354

	2024-25			
	Reportable Segment 1 £000	Reportable Segment 2 £000	Reportable Segment 3 £000	Total £000
Gross Expenditure	12,998	4,282	1,109	18,389
Income	12,773	4,161	1,079	18,013
Net Expenditure	225	121	30	376

Description of segments

Segment 1

To protect the interests of consumers of electricity supplied by authorised suppliers, wherever appropriate, by promoting effective competition between persons engaged in, or in commercial activities connected with, the generation, transmission or supply of electricity.

Segment 2

To promote the development and maintenance of an efficient, economic and co-ordinated gas industry in Northern Ireland.

Segment 3

To protect the interests of consumers of water and sewerage services, where appropriate, by the promotion of effective competition.

2.1 Reconciliation between operating segments and SoCNE

	2025-26 £000	2024-25 £000
Total net expenditure reported for operating segments	354	376
Reconciling items:		
Income	-	-
Expenditure	-	-
Total net expenditure per Statement of Comprehensive Net Expenditure	354	376
Notional costs	271	266
Total net expenditure including notionals per the Statement of Comprehensive Net Expenditure	625	642

3. Expenditure

3.1 Programme expenditure

	2025-26		2024-25	
	£000	£000	£000	£000
Staff Costs¹⁷:				
Wages and salaries	9,875		8,598	
Social Security costs	1,334		955	
Other pension costs	3,120		2,602	
Total staff costs		14,329		12,155
Rentals under operating leases:				
Property rentals	18		8	
Hire of office equipment	-		2	
Total rentals under operating leases		18		10
Non-cash items				
Depreciation of property, plant and equipment	34		16	

17 Further analysis of staff costs is located in the Staff Report on page 105

Depreciation on right-of-use asset	286		190	
Provision provided in year	142		400	
Total non-cash items		462		606
Other expenditure:				
Management of Renewable Outputs Certificate Scheme	2,549		2,288	
Managed services	2,435		2,283	
Relocation costs	534		-	
Miscellaneous expenditure	228		315	
Property service charges	177		79	
Rates	171		95	
Other subscriptions	156		-	
Communication and advertising	135		127	
Training	119		170	
Finance interest	101		2	
Utilities	97		43	
Travel and subsistence	75		49	
IT costs	67		45	
Regulatory costs	63		37	
Recruitment	52		-	
Consultancy	27		29	
Procurement charges	22		53	
Hospitality	4		3	
Exchange losses	1		-	
Total other expenditure:		7,013		5,618
Total		21,822		18,389

3.2 Notional costs

	2025-26 £000	2024-25 £000
Auditors' remuneration and expenses	41	39
Other notional costs	230	227
Total	271	266

During 2025-26 there were no non-audit work services purchased from the NIAO. In 2024-25 there was £1.4k paid to the NIAO for non-audit work associated with the NFI 2024-25 exercise.

4. Income

4.1 Revenue from contracts with customers

	2025-26 £000	2024-25 £000
Electricity licence fees	12,354	10,515
Gas licence fees	4,987	4,161
Water licence fees	1,599	1,079
Total	18,940	15,755

Licence fee income included in note 4.1 above is considered to meet the definition of a contract under IFRS 15. As a condition of holding the licence, electricity, gas and water licence holders must pay an annual fee, which is a portion of UR costs of regulation, split between licence holders on the basis of agreed and published methodologies. That fee is payable within 30 days of issue. Licences are not reviewed annually but are held until such times as UR revokes the licence through a breach of a licence condition, or the licence holder makes an application to revoke the licence. Non-payment of an annual fee would result in UR taking action to revoke the licence. No adjustments are required in respect of the recognition of licence fee income under IFRS 15. Income is recognised in line with UR costs and any under/over recovery of income is shown as accrued/deferred income respectively.

4.2 Other operating income

	2025-26 £000	2024-25 £000
Miscellaneous income	2,528	2,258
Total	2,528	2,258

Included in miscellaneous income is £2,526k in relation to the recovery of costs associated

with administering the NIRO scheme from the buy-out fund. This is funded by electricity suppliers that elect to meet their NIRO obligations by paying a buy-out fee.

5. Property, plant and equipment

2025-26	Buildings - RoU £000	Buildings £000	Information Technology equipment £000	Office equipment £000	Furniture and fittings £000	Total £000
Cost or valuation						
At 1 April 2025	1,150	81	63	120	108	1,522
Additions	2,256	10	13	59	102	2,440
Disposals	(1,150)	(79)	(4)	(50)	(68)	(1,351)
Revaluations	-	-	1	10	10	21
At 31 March 2026	1,231	12	73	139	152	2,632
Depreciation						
At 1 April 2025	570	81	37	58	87	833
Charged in year	286	-	10	17	7	320
Disposals	(650)	(79)	(4)	(50)	(68)	(851)
Revaluations	-	-	1	2	2	5
At 31 March 2026	206	2	44	27	28	307
Carrying amount at 31 March 2025	580	0	26	62	21	689
Carrying amount at 31 March 2026	2,050	10	29	112	124	2,325
Asset financing:						
Owned		10	29	112	124	275
Right-of-use	2,050					2,050
Carrying amount at 31 March 2026	2,050	10	29	112	124	2,325

5. Property, plant and equipment (continued)

2024-25	Buildings - RoU £000 Buildings £000	Information Technology equipment £000	Office equipment £000	Furniture and fittings £000	Total £000
Cost or valuation					
At 31 March 2024	81	63	58	98	300
IFRS 16 Leases Opening Adjustment	650	-	-	-	650
At 1 April 2024	731	63	58	98	950
Additions	-	-	62	8	70
Dilapidations provision (IFRS 16)	500	-	-	-	500
Revaluations	-	-	-	2	2
At 31 March 2025	1,231	63	120	108	1,522
Depreciation					
At 31 March 2024	81	28	54	83	246
IFRS 16 Leases Opening Adjustment	380	-	-	-	380
At 1 April 2024	461	28	54	83	626
Charged in year	190	9	4	3	206
Revaluations	-	-	-	1	1
At 31 March 2025	651	37	58	87	833
Carrying amount at 31 March 2024	270	35	4	15	324
Carrying amount at 31 March 2025	580	26	62	21	689
Asset financing:					
Owned	-	26	62	21	109
Right-of-use	580	-	-	-	580
Carrying amount at 31 March 2025	580	26	62	21	689

6. Financial instruments

As the cash requirements of UR are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with UR's expected purchase and usage requirements and UR is therefore exposed to little credit, liquidity or market risk.

7. Cash and cash equivalents

	2025-26 £000	2024-25 £000
Balance at 1 April	1,688	17
Net change in cash and cash equivalent balances	3,054	1,671
Balance at 31 March	4,742	1,688
The following balances at 31 March were held at: Commercial banks and cash in hand	4,742	1,688
Balance at 31 March	4,742	1,688

8. Trade receivables, financial and other assets

	2025-26 £000	2024-25 £000
Amounts falling due within one year:		
Trade receivables	36	7
VAT receivable	161	63
Prepayments	175	158
Accrued Income	-	354
Total	372	582

There are no receivables falling due after more than one year.

9. Trade payables, financial and other liabilities

	2025-26 £000	2024-25 £000
Amounts falling due within one year		
Other taxation and social security	630	531
Trade payables	69	20
Accruals	1,387	1,541
Deferred income	1,412	435
Lease liability	110	64
Amounts issued from the Consolidated Fund for supply but not spent at year end	3,629	1,062
Consolidated Fund extra receipts due to be paid to the Consolidated Fund – received	1,114	626
Total	8,351	4,279

	2025-26 £000	2024-25 £000
Amounts falling after more than one year		
Lease liability	2,219	-
Total	2,219	-

10. Provisions for liabilities and charges

	2025-26 Legal £000	2025-26 Statutory Benefits £000	2025-26 Dilapidations £000	2025-26 Total £000	2024-25 Total £000
Balance at 1 April	400	-	500	900	-
Provided in the year	-	142	-	142	900
Provisions not required written back	-	-	(39)	(39)	-
Provisions utilised in the year	-	-	(461)	(461)	-
Balance at 31 March	400	142	-	542	900

10.1 Analysis of expected timing of discounted flows

	2025-26		
	Legal £000	Statutory Benefits £000	Total £000
Not later than one year	400	5	405
Later than one year and not later than five years	-	21	21
Later than five years	-	116	116
Balance at 31 March	400	142	542

2025-26 provisions consist of £400k in respect of legal related costs for which a reasonable estimate can be made at year end and £142k relating to statutory benefits.

11. Contingent liabilities

The financial statements make provision for costs (£400k) in relation to the defence of litigation matters. In addition to this, UR is involved in several other litigation matters. All of these are at various stages and in various judicial forums. Due to the complexity and timings of the matters a reliable estimate of the potential costs cannot be quantified at this stage. On the basis of probability and establishing an estimate of costs, it has not been considered appropriate to make a provision for any such costs under the criteria set out in IAS 37.

Public Sector Pensions – ‘Injury to Feelings’ Claims

DoF is a named respondent in a class action affecting employers across the public sector and is managing claims on behalf of the NICS departments. This is an extremely complex case with potential implications for the NICS and wider public sector. However, given the complexities, the cases are still at an early stage of proceedings and until there is further clarity on potential scope and impact, a reliable estimate of liability cannot be provided.

12. Leases

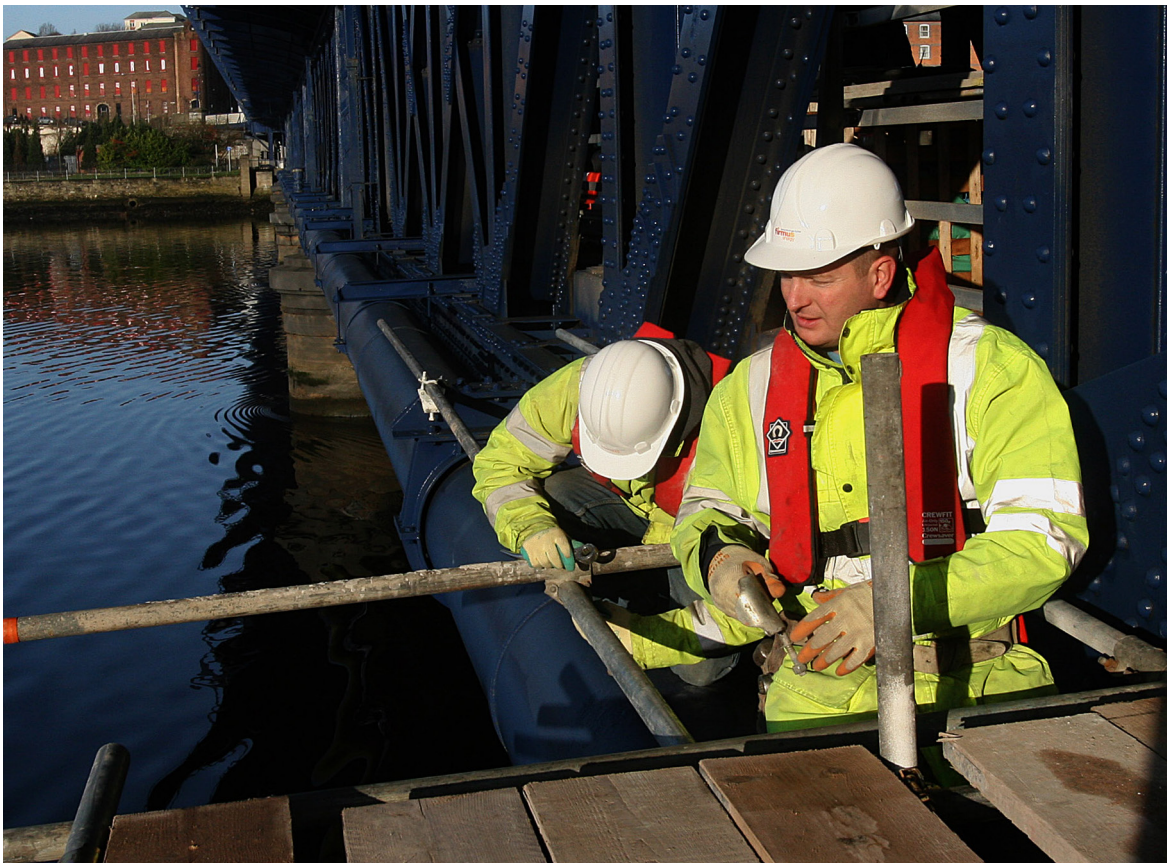
12.1 Quantitative disclosures around right-of-use assets

2025-26	Buildings £000
Cost or valuation	
At 1 April 2025	1,150
Additions	2,256
Disposals	(650)
Dilapidations provision	(500)
At 31 March 2026	2,256
Depreciation	
At 1 April 2025	570
Depreciation charged in year	286
Disposals	(650)
At 31 March 2026	206
NBV at 31 March 2025	580
NBV at 31 March 2026	2,050

UR entered into a new lease at Millennium House for 10 years in May 2025.

12.2 Quantitative disclosures around lease liabilities maturity analysis

	2025-26 £000	2024-25 £000
Buildings		
Not later than one year	220	65
Later than one year and not later than five years	1,653	-
Later than five years	1,019	-
Less interest element	(563)	(1)
Present value of obligations	2,329	64
Current portion	110	64
Non-current portion	2,219	-



12.3 Quantitative disclosures around cash outflow for leases

	2025-26 £000	2024-25 £000
Total cash outflow for lease	(2,265)	193

13. Related-party transactions

During the year, UR has had two transactions with related parties, one transaction with DfI, another government department and one transaction with CCNI, the statutory consumer representative body of Northern Ireland.

No UR Board member, ARC member, key manager or other related parties has undertaken any material transactions with UR during the year.

14. Events after the reporting period date

There were no reportable events between the end of the reporting period and the date the accounts were signed.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 30 June 2026.



ABBREVIATIONS

ABBREVIATION	MEANING
ACER	Agency for the Cooperation of Energy Regulators
AIRAA	All-Island Resource Adequacy Assessment
AME	Annually Managed Expenditure
AR	Alternative Resolution
ARC	Audit and Risk Committee
BITC	Business In the Community
C&AG	Comptroller and Auditor General
CARE	Career Average Revalued Earnings
CCGT	Combined Cycle Gas Turbines
CCM	Cost Cap Mechanism
CCNI	Consumer Council for Northern Ireland
CEAP	Consumer Engagement Advisory Panel
CEER	Council of European Energy Regulators
CEO	Chief Executive
CETV	Cash Equivalent Transfer Value
CfE	Call for Evidence
CM/SAT	Consumer Measures and Satisfaction Group
CMA	Competition and Markets Authority
CoP	Code of Practice
CPD	Construction and Procurement Delivery
CPI	Consumer Prices Index
CPP	Customer Protection Programme

CRM	Capacity Remuneration Mechanism
CRU	Commission for Regulation of Utilities
CSP	Civil Service Pensions
D&I	Diversity and Inclusion
DAERA	Department of Agriculture, Environment and Rural Affairs
DAO	Dear Accounting Officer
DASSA	Day Ahead System Services Auction
DCU	Deferred Choice Underpin
DEL	Departmental Expenditure Limit
DESNZ	Department for Energy Security and Net Zero
DfC	Department for Communities
DfE	Department for the Economy
DfI	Department for Infrastructure
DNO	Distribution Network Operators
DoF	Department of Finance
EDD	Enterprise Digital Development
ENTSO-E	European Network of Transmission System Operators for Electricity
EU	European Union
EV	Electric Vehicle
FASS	Future Arrangements for System Services
FReM	Government Financial Reporting Manual
FSWG	Fuel Security Working Group
FWP	Forward Work Programme
GAD	Government Actuary's Department
GB	Great Britain

GD23	Gas Distribution price control 2023
GD29	Gas Distribution price control 2029
GDPR	General Data Protection Regulation
GIAS	Global Internal Audit Standards
GNI (UK)	Gas Networks Ireland (UK)
GSS	Guaranteed Standards of Service
GT22	Gas Transmission price control 2022
GT27	Gas Transmission price control 2027
GT29	Gas Transmission price control 2029
GTO	Gas Transmission Outlook
GW	Gigawatt
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards
IiP	Investors in People
IMC	Information Management Committee
JNCC	Joint Negotiating and Consultative Committee
LTWS	Long-Term Water Strategy
MEC	Maximum Export Capacity
MMU	Market Monitoring Unit
MPMNI	Managing Public Money Northern Ireland
MW	Mega Watt
NFI	National Fraud Initiative
NI	Northern Ireland
NIAO	Northern Ireland Audit Office
NICS	Northern Ireland Civil Service
NIE Networks	Northern Ireland Electricity Networks
NIGCS	Northern Ireland Gas Capacity Statement

NIPSO	Northern Ireland Public Sector Ombudsman
NIRO	Northern Ireland Renewables Obligation
NISEP	Northern Ireland Sustainable Energy Programme
NISRA	Northern Ireland Statistics and Research Agency
NIW	Northern Ireland Water
OEP	Office of Environmental Protection
Ofgem	Office of Gas and Electricity Markets
OREAP	Offshore Renewable Energy Action Plan
OSP	Overall Standards of Performance
OSS	Overall Standards of Service
PC21	NIW price control 2021
PC28	NIW price control starting 2028
PCSPS (NI)	Principal Civil Service Pension Scheme (Northern Ireland)
PPE	Property, Plant and Equipment
PPN	Procurement Policy Note
PTL	Premier Transmission Limited
REGO	Renewable Energy Guarantees of Origin
REMIT	Regulation on wholesale Energy Market Integrity and Transparency
REMM	Retail Energy Market Monitoring
REPG	Renewable Electricity Price Guarantee
RGLG	Renewable Grid Liaison Group
ROCs	Renewables Obligation Certificates
RP7	Regulatory Period 7 (in relation to NIE Network's price control)
RP8	Regulatory Period 8 (in relation to NIE Network's price control)
RPI	Retail Price Index
RSS	Remediable Service Statement
SCAPE	Superannuation Contributions Adjusted for Past Experience

SEM	Single Electricity Market
SEMC	Single Electricity Market Committee
SEMO	Single Electricity Market Operator
SLT	Senior Leadership Team
SMT	Senior Management Team
SOAS	Statement of Outturn against Assembly Supply
SoCNE	Statement of Comprehensive Net Expenditure
SoD	Scheme of Delegation
SoLC	Statement of Licence Compliance
SONI	System Operator for Northern Ireland
SoS	Security of Supply
SPC27	Gas Supply price control 2027
SRP20	SONI Review of Prices price control 2020
TA	Transportation Agreement
TCA	Trade and Cooperation Agreement
TDPNI	Transmission Development Plan for Northern Ireland
TIA	Transmission Interface Agreement
TME	Total Managed Expenditure
ToR	Terms of Reference
TPIs	Third party intermediaries
TSO	Transmission System Operator
TWh	Terawatt-hour
UK	United Kingdom
UoS	Use of System
UR	Utility Regulator
VAT	Value Added Tax
WR&SRP	Water Resource and Supply Resilience Plan

Utility Regulator



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