



Department for
Energy Security
& Net Zero

Charging regime for offshore oil and gas activities

Consultation on proposed hourly rates for functions relating to offshore environmental and decommissioning activities

Closing date: 13 March 2026



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Any enquiries regarding this publication should be sent to us at: opred.fees@energysecurity.gov.uk

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Introduction

The Department for Energy Security & Net Zero (DESNZ) is consulting stakeholders, including offshore oil and gas operators, owners of non-production installations, potential and current licensees, pipeline owners (collectively “the offshore hydrocarbons industry”) and other interested parties, on our proposed hourly rates for 2026/27. The rates are payable by the UK offshore hydrocarbons industry for specific activities related to environmental and decommissioning regulatory functions carried out by DESNZ’s Offshore Petroleum Regulator for Environment and Decommissioning (OPRED). This consultation is a key step in updating the cost recovery regime, which governs how charges are applied for these functions across offshore oil and gas operations, offshore gas unloading and storage, and offshore carbon dioxide storage activities.

General information

Why we are consulting

OPRED is seeking views from stakeholders in the offshore hydrocarbon industry on proposed increases to hourly charging rates for environmental regulatory activities and offshore decommissioning regulatory activities.

The proposed Offshore (Oil and Gas) Installation and Pipeline Abandonment Charges Regulations 2026 will introduce hourly rate charging for statutory functions carried out under these regulations. A consultation has recently been carried out to enable representations and comments on points of detail in the draft Regulations to be made. However, the rates for fees included in the consultation document are no longer accurate.

The proposed changes will apply for the 2026/27 charging year and result from OPRED's annual review of the hourly rates to ensure full cost recovery in accordance with HM Treasury's Managing Public Money (MPM) guidance.

This consultation sets out:

- The proposed hourly rates
- The cost-recovery basis for the updated charges
- Expected implementation timelines
- The opportunity for industry to provide feedback before final Ministerial approval.

We will review the responses to both this and the initial consultation on decommissioning fees, consider all views and publish a joint summary response to feedback from consultees.

Consultation details

Issued: 17 February 2026

Respond by: Midnight on Friday, 13 March 2026

Enquiries to:

Offshore Petroleum Regulator for Environment and Decommissioning
Department for Energy Security and Net Zero
AB1 Building
Crimon Place
Aberdeen
AB10 1BJ

Email: opred.fees@energysecurity.gov.uk

Consultation reference: Consultation on proposed hourly rates for functions relating to offshore environmental and decommissioning activities

Audiences:

The primary audience intended for this consultation are the owners and operators of offshore oil and gas installations and pipelines, owners of non-production installations and potential and current licensees in the UK marine area, who will be directly affected by the proposed regulations, and any organisation representing the interests of those who will be affected by the proposed regulations.

Territorial extent:

England, Northern Ireland, Scotland & Wales

How to respond

Email to: opred.fees@energysecurity.gov.uk

Write to:

Offshore Petroleum Regulator for Environment and Decommissioning
Department for Energy Security and Net Zero
AB1 Building
Crimon Place
Aberdeen
AB10 1BJ

When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

Confidentiality and data protection

Information you provide in response to this consultation, including personal information, may be disclosed in accordance with UK legislation (the Freedom of Information Act 2000, the Data Protection Act 2018 and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential please tell us but be aware that we cannot guarantee confidentiality in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not be regarded by us as a confidentiality request.

We will process your personal data in accordance with all applicable data protection laws. See our [privacy policy](#).

We will summarise all responses and publish this summary on [GOV.UK](#). The summary will include a list of organisations that responded, but not people's personal names, addresses or other contact details.

Quality assurance

This consultation has been carried out in accordance with the government's [consultation principles](#).

If you have any complaints about the way this consultation has been conducted, please email: bru@energysecurity.gov.uk.

The proposals

Environmental Fees Background

OPRED is the environmental and decommissioning regulator for the offshore hydrocarbon industry. Since 2002, regulations have been in place to allow OPRED to recover eligible costs for environmental regulatory functions, in line with the 'polluter pays' principle of environmental law.¹

The environmental fees are determined by adding together (1) the number of hours worked by environmental non-specialists on cost recoverable activities multiplied by the relevant hourly rate plus (2) the number of hours worked by environmental specialists on cost recoverable activities multiplied by the relevant hourly rate.

The current hourly rates, which have been in place since July 2025, are £114 per hour for non-specialist staff and £210 per hour for specialist staff. Environmental specialists are technical staff who carry out the relevant functions of the Secretary of State and environmental non-specialists are administrative staff.

Introduction of hourly rate charging for decommissioning functions

The proposed Offshore (Oil and Gas) Installation and Pipeline Abandonment Charges Regulations 2026 (decommissioning fees) will introduce hourly rate charging for statutory functions carried out under these regulations. The fees will be determined by adding together (1) the recorded number of hours worked by decommissioning officers on cost recoverable activities multiplied by the relevant hourly rate, plus (2) the number of hours worked by environmental non-specialists on cost recoverable activities multiplied by the relevant hourly rate, plus (3) the number of hours worked by environmental specialists on cost recoverable activities multiplied by the relevant hourly rate.

A consultation has recently been carried out to enable representations and comments on points of detail in the draft Regulations to be made.² Further analysis is underway and consultation response will be published shortly.

The indicative hourly rate included in the consultation was £119 per hour for decommissioning officers and the hourly rates for environmental non-specialist and specialist staff was as detailed above. Decommissioning Officers are staff who carry out the relevant functions of the Secretary of State in relation to decommissioning activities and are administrative staff.

¹ OPRED aims to recover the relevant costs of work associated with the processing, assessment and determination of submissions made under the relevant legislation. The exact scope of the work that can be included in the cost recovery process depends upon the provisions included in the relevant legislation. Full details can be found at [Oil and Gas: fees and charges - GOV.UK](#)

² [OPRED Decommissioning Charging Regulations 2026 Consultation Document.pdf](#)

Hourly Rates Calculations

The hourly rates are calculated in accordance with HM Treasury's 'Managing Public Money' Guidance and include the full cost of all the resources utilised by OPRED in carrying out and supporting the cost recoverable activities. This includes:

- the gross salaries of staff undertaking the work;
- relevant costs relating to their line managers and support staff;
- general administrative expenditure (such as accommodation, information technology, office services etc); and
- corporate services (such as human resources, senior management, finance and learning and development).

The hourly rates have been calculated by dividing these costs by 1,243 hours for each staff member carrying out the relevant functions. 1,243 equates to the average number of hours per annum available to spend on cost recoverable activities after removing hours spent on leave, bank holidays, training, staff management etc.

Annual Review and key changes

The hourly rates are reviewed annually to ensure continuous full cost recovery.

An updated assessment has been made of pay, overheads, operational costs, and required staff capacity.

In addition, whilst reviewing the calculations, it was found that only part of the costs arising from Statutory Nature Conservation Bodies' advice and from the UK Energy Portal³ were being recovered in previous years, even though these services fully support our regulatory functions.

The calculations have been revised to allow these costs to be fully recovered. Details can be found at Annex A.

The new proposed hourly rates are as follows:

Officer Type	Current Rates (in place since July 2025)	Proposed 26/27 Rates
Environmental Specialist	£210	£256
Environmental Non-specialist	£114	£130

³ our digital delivery system and process interface with the oil & gas industry

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Decommissioning Officers	£119 (indicative as per consultation ⁴)	£132
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The updated rates will allow OPRED to recover eligible costs and do not generate profit. The revenue from these fees will help fund the teams that carry out the relevant functions, supporting OPRED's timely regulatory decision making.

Expected Implementation

Subject to Ministerial agreement and Parliamentary approval, both the Pollution Prevention and Control (Fees) (Miscellaneous Amendments) Regulations 2026 and the Offshore (Oil and Gas) Installation and Pipeline Abandonment Charges Regulations 2026 would come into effect from late June/early July 2026.

⁴ [OPRED Decommissioning Charging Regulations 2026 Consultation Document.pdf](#)

Consultation questions

The consultation questions are listed below. When responding, please state whether you are responding as an individual or representing the views of an organisation.

Your response will be most useful if it is framed in direct response to the questions posed, though further comments and evidence are also welcome.

The purpose of this consultation is to gather views on:

- The impact of the proposed environmental and decommissioning hourly rates
- The proposed implementation timelines
- Any operational or financial concerns arising from the changes
- Any anticipated effects on planning, budgeting, or investment decisions

This consultation does not cover:

- The underlying statutory charging powers
- The scope of regulatory functions subject to charging

Stakeholders are welcome to respond to this consultation, regardless of any previous response to the Decommissioning Fees consultation. All responses will be accepted and reviewed.

Stakeholders are invited to submit responses addressing any of the following:

1. **Do you have any comments on the proposed hourly rates?**
2. **Are there any implementation issues that OPRED should consider?**
3. **What potential impacts (operational, financial, administrative) do you foresee?**

Next steps

The deadline for responses to this consultation is midnight on Friday 13 March 2026.

The Department for Energy Security and Net Zero will review the responses to both this and the initial consultation on decommissioning fees, consider all views and publish a joint summary response to feedback from consultees. The draft Regulations will then be laid (presented) before both Houses of Parliament before being commenced (formally adopted as law). The commencement date will be published along with the Regulations.

Annex A

Summary of Cost Drivers Underpinning the 2026/27 Hourly Rates

This annex summarises the principal cost drivers that inform OPRED's proposed hourly rates for both environmental and decommissioning regulatory activity in 2026/27.

Environmental Specialist Costs

Type of Cost	Cost (£m)
Pay Costs (including enhancements, allowances, NI and Superannuation)	£ 7.06
Support and IT Costs (UK Energy Portal)	£ 4.55
Corporate Costs (including Estates Costs)	£ 1.35
Total Cost	£12.96

When the total cost of £12.96 million is divided by the total number of potential chargeable hours available for specialist staff of 50,603 this gives an hourly rate of £256.

Environmental Non-Specialist Costs

Type of Cost	Cost (£m)
Pay Costs (including NI and Superannuation)	£1.16
Support and IT Costs (UK Energy Portal)	£0.36
Corporate Costs (including Estates Costs)	£0.33
Total Cost	£1.85

When the total cost of £1.85 million is divided by the total number of potential chargeable hours available for non-specialist staff of 14,232 this gives an hourly rate of £130.

Decommissioning Officers

Type of Cost	Cost (£m)
Pay Costs (including enhancements, allowances, NI and Superannuation)	£2.47
Support and IT Costs (UK Energy Portal)	£0.34
Corporate Costs (including Estates Costs)	£0.66
Total Cost	£3.47

When the total cost of £3.47 million is divided by the total number of potential chargeable hours available for decommissioning staff of 26,389 this gives an hourly rate of £132.

Recoverability

Historical analysis indicates that 60% of staff time is spent on cost recoverable activities. The income from environmental fees is therefore anticipated to be in the region of £8.9 million and for decommissioning fees around £2 million. Note that some decommissioning programmes will continue to be charged in accordance with The Offshore (Oil and Gas) Installation and Pipeline Abandonment Fees Regulations 2012 in accordance with the transitional arrangements outlined in the proposed Offshore (Oil and Gas) Installation and Pipeline Abandonment Charges Regulations 2026.

This consultation is available from: [Oil & Gas: decommissioning of offshore installations & pipelines - GOV.UK](#)

www.gov.uk/desnz

If you need a version of this document in a more accessible format, please email alt.formats@energysecurity.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.