

THE UK DEBT MANAGEMENT OFFICE'S FINANCING REMIT FOR 2026-27

MINUTES OF ANNUAL CONSULTATION MEETINGS WITH GEMMs AND GILT INVESTORS HELD AT HM TREASURY ON 19 JANUARY 2026

The Economic Secretary to the Treasury chaired consultation meetings held annually with representatives of the Gilt-edged Market Makers (GEMMs) and gilt investors on 19 January 2026. Officials from HM Treasury and the UK Debt Management Office (DMO) also took part. These meetings provided gilt market participants with the opportunity to inform HM Treasury's decisions regarding the DMO's financing remit for 2026-27.

The gross financing requirement for 2026-27 is currently projected to be £275.3 billion, as published alongside the Office for Budget Responsibility's (OBR's) Economic and Fiscal Outlook (EFO) on 26 November 2025. The DMO's financing remit for 2026-27 will be published alongside the Spring forecast on 3 March 2026, following an updated OBR EFO.

The Economic Secretary opened both meetings by thanking attendees for their commitment to the gilt market in 2025-26.

The main points arising at the meetings are summarised below.

GEMMs

2025-26

Attendees noted that the financing remit in 2025-26 has been very well received by market participants, with the reduced weighted average maturity of issuance particularly welcomed. The introduction of programmatic gilt tenders was also noted as a valuable modality to support market liquidity.

2026-27

The GEMMs recommended that the planned split of conventional gilt issuance by maturity in the current financial year should broadly continue into 2026-27, although some who commented suggested that continued caution around the proportion of long conventional issuance may be appropriate. There was also some support expressed for using switch auctions to supply benchmark long-dated gilts in order to encourage liquidity without increasing absolute supply in the sector.

Most attendees who commented suggested that the proportion of index-linked gilt issuance in 2026-27 should be maintained at a similar percentage to the current financial year. There were a few calls for a marginal proportionate reduction, although it was noted that the absolute cash amount of supply should also be considered.

Support was expressed for continued green gilt issuance in 2026-27 with some participants suggesting that there would be demand for a larger green gilt issuance programme than planned in the current financial year. GEMMs who commented also suggested that the focus of issuance next year should be on building up the new medium green gilt planned for launch by syndication in March 2026.

Those GEMMs who commented were supportive of continuing with the same approach to the use of auctions and syndications in 2026-27, although there were a few suggestions to reduce the frequency and increase the size of auctions.

The continued use of programmatic gilt tenders in 2026-27 was strongly supported by GEMMs who valued the flexibility that this issuance method provided at the margins of the programme. Some attendees also noted the support to liquidity that could be achieved through their continued use as part of an unallocated portion of issuance.

Attendees recommended that Treasury bills should make a positive net contribution to financing in 2026-27. However, caution was expressed about making any significant change to net supply of Treasury bills for debt management purposes pending any wider changes that may be communicated in the 2026-27 financial year following the joint HM Treasury and DMO consultation on expanding and deepening the Treasury bill market.

Gilt investors

2025-26

Investors noted that the remit had been delivered smoothly in 2025-26 to date and appreciated the DMO's flexibility to respond to changing demand conditions, particularly through programmatic gilt tenders. The reduced weighted average maturity of issuance was also welcomed.

2026-27

Those attendees who offered a view were supportive of maintaining broadly the same split of conventional gilt issuance in 2026-27 as in the current financial year, although there were isolated calls for marginal changes to the issuance split and for issuance of shorter maturity conventional gilts. Investors who provided an opinion welcomed further green gilt supply in 2026-27.

Investors who provided comments recommended that a similar proportion of the gilt financing programme in 2026-27 should comprise index-linked gilts as planned in the current financial year.

Support was expressed by those who commented for the continued use of auctions, with a few calls for the frequency of auctions to be reduced and for sizes to be increased. Some investors also suggested that switch auctions could represent a useful addition to the range of issuance methods available to the DMO, particularly to support liquidity in benchmark long conventional gilts.

Those investors who commented were in favour of retaining flexibility in the delivery of the financing programme in 2026-27, including via an unallocated portion of issuance and an ongoing role for programmatic gilt tenders.

Investors who offered an opinion were generally in favour of Treasury bills making a net contribution to financing in 2026-27. However, some participants suggested that caution was warranted about the size of any increase in net Treasury bill issuance for debt management purposes in the absence of liquid secondary and repo markets for these instruments. The joint HM Treasury and DMO consultation on the Treasury bill market was also welcomed.

20 January 2026