Scottish Chambers of Commerce
The Ultimate Business Network

Patricia Ferguson MP
Chair
Scottish Affairs Committee
House of Commons
London
SW1A 0AA

10 February 2026 Sent by email

Dear Patricia,

Thank you for the opportunity to appear before the Scottish Affairs Committee on 4 February. As I highlighted during the session, high energy costs are no longer a temporary shock for SMEs in Scotland. They are shaping confidence, behaviour, and business viability.

During the session, Angus MacDonald asked the panel for any views, proposed interventions, or feedback on processes that could alleviate the impact on rural, off-gas grid businesses and households who are paying energy bills up to four times higher than comparable businesses connected to mains gas.

In response, I committed to supplying the committee with data from our Quarterly Economic Indicator, broken down by region. That regional breakdown of data is attached to this letter.

A clear theme emerging from the evidence session was the requirement for tailored support for rural businesses, who continue to pay disproportionately higher costs due to the double hit of no price cap protection, and the increased pricing volatility of alternative fuels such as LPG and heating oil.

SCC would welcome the committee's consideration of any tailored support schemes for rural SMEs grappling with higher energy costs. Potential interventions the committee may wish to consider include:

- A rural energy support voucher scheme, providing targeted financial support for off-gas grid SMEs purchasing LPG or heating oil.
- Temporary reversal of increased employer NIC contributions to give SMEs additional capacity to absorb higher energy costs.

I hope that this additional information is helpful in shaping the next steps of the committee's inquiry. SCC stands ready to support the committee with any further data or case studies as the inquiry progresses. Please contact me if further information would be helpful.

Yours sincerely,

Charandeep Singh BEM

Chief Executive
Scottish Chambers of Commerce

Strathclyde Business School, 199
Cathedral Street, Glasgow G4 0QU
Tel: 0141 444 7500
e-mail: admin@scottishchambers.org.uk
www.scottishchambers.org.uk
Company No. SC313336 VAT No. 556 4965 96

Follow-up Evidence to Scottish Affairs Committee: Non-domestic energy bills across Scotland

The following outlines a summary of firms citing energy bills as a cost pressure in the Scottish Chamber of Commerce's Quarterly Economic Indicator survey, covering Q2 2022 – Q4 2025.

Key takeaways

- The pressure was highest in 2022–23, then moderated through 2024–25.
- Across all mapped chamber respondents, the share selecting Energy and Utility costs as a business pressure starts very high in Q2 2022 (71.6%), peaks in Q3 2022 (72.6%), and fell to its low point in Q4 2022 (32.7%).
- From there, the average level is broadly higher in 2023, at an annual average of 61.3%, before settling around 51% in 2024 and 2025, with annual averages of 50.96% and 50.97% respectively.
- By Q4 2025, the Scotland-wide figure for firms citing energy costs as a business pressure is 52.2%, indicating Energy and Utilities remain a major pressure for around half of respondents.

Regional splits

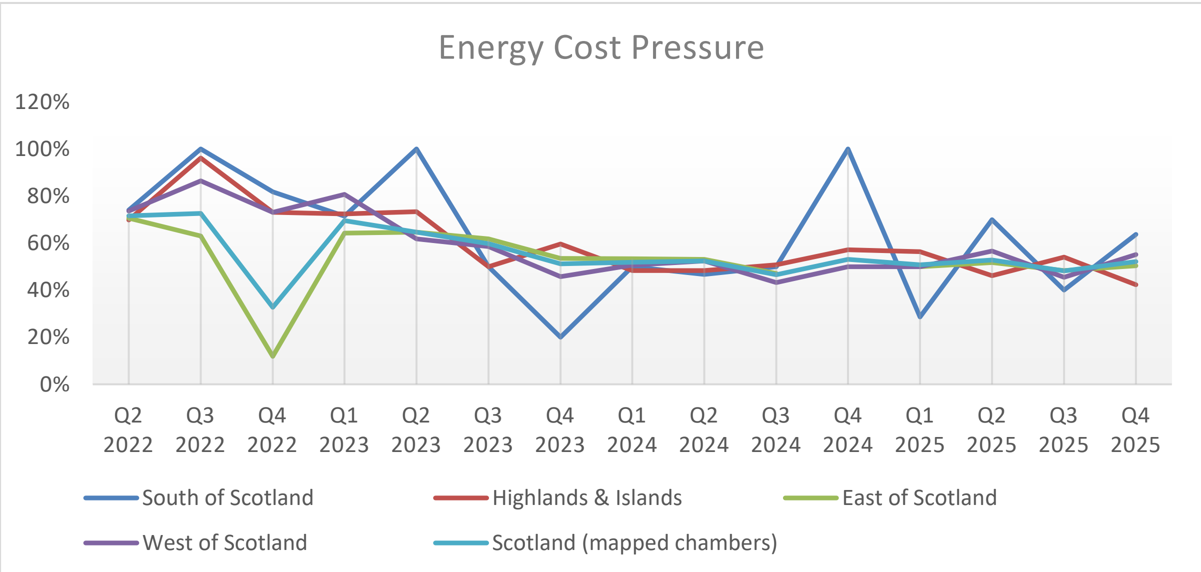
This paper breaks Scotland down into four regions: South, East, West, and Highlands and Islands. Chambers of Commerce included in these regions are as follows:

South of Scotland: Dumfries & Galloway, Scottish Borders

Highlands & Islands: North Highland, West Highland, Inverness, Cairngorms, Moray

East of Scotland: Aberdeen, Dundee & Angus, Edinburgh, Fife, Midlothian & East Lothian, Perthshire, West Lothian

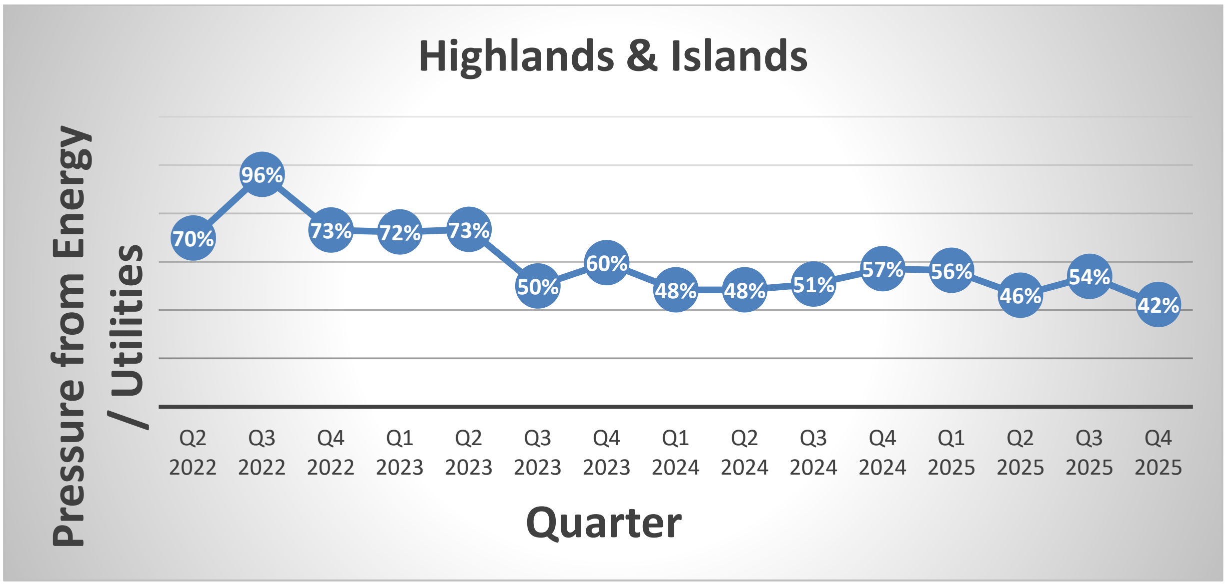
West of Scotland: Ayrshire, Glasgow, Dunbartonshire, East Renfrewshire, Forth Valley, Inverclyde, Lanarkshire, Renfrewshire



Regional breakdown

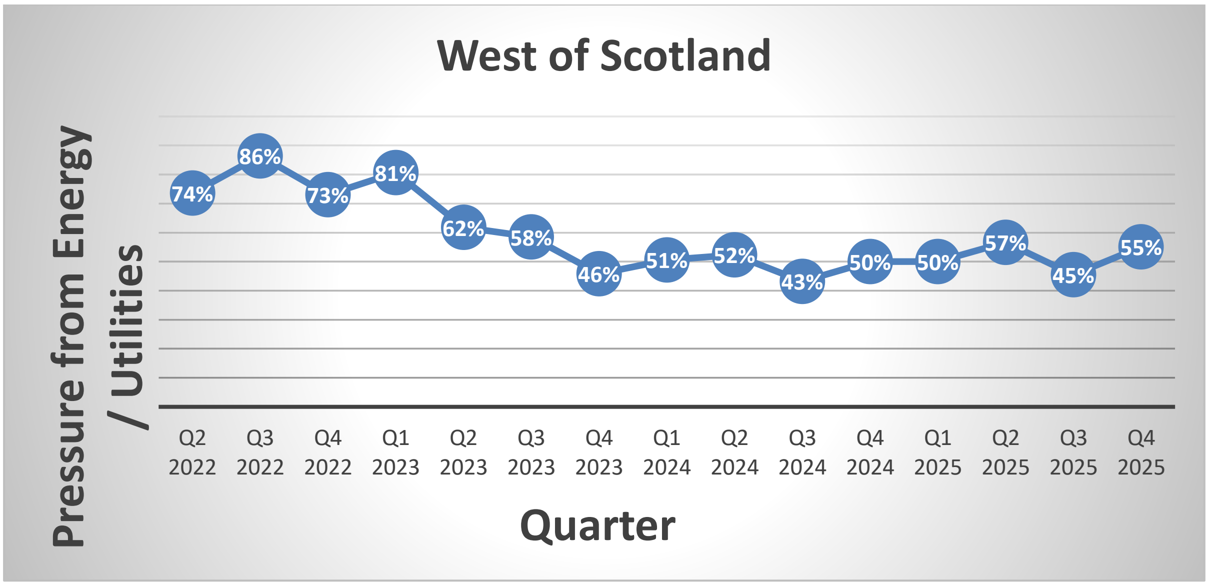
Highlands & Islands

- This region shows the strongest easing over the period: from a peak of 96.2% in Q3 2022, down to 42.3% in Q4 2025, the region's lowest point in the series.
- That pattern suggests a marked reduction in the incidence of firms citing energy/utilities as a current price pressure by late 2025.



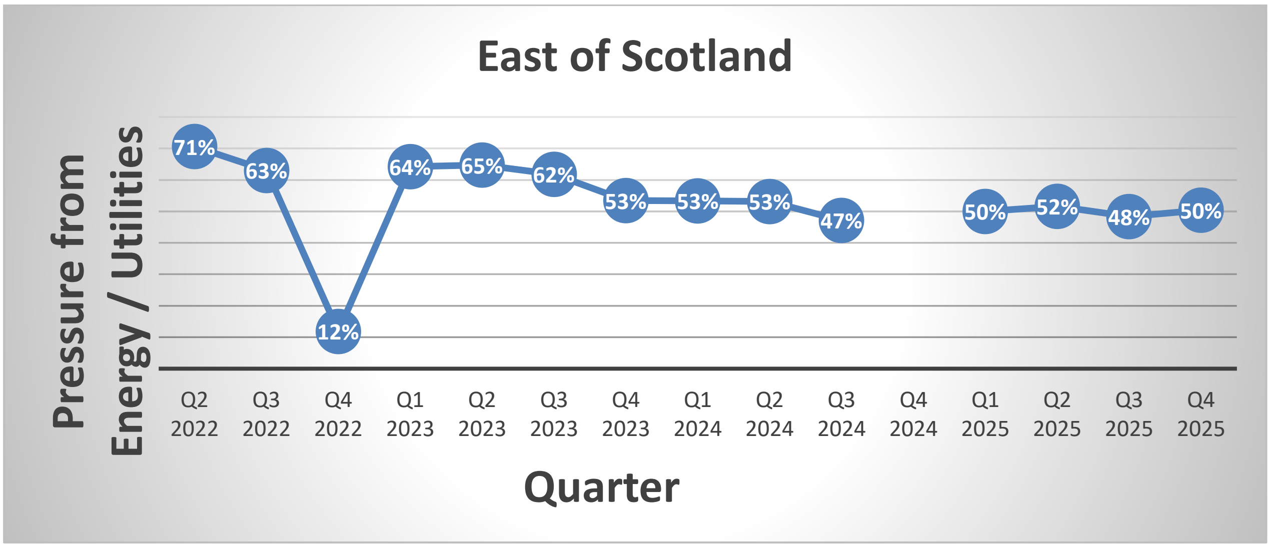
West of Scotland

- The West begins very high (80.7% in Q1 2023 start point) and peaks at 86.4% in Q3 2022, then drops to a low of 43.2% in Q3 2024, before rising again to 55.1% in Q4 2025.



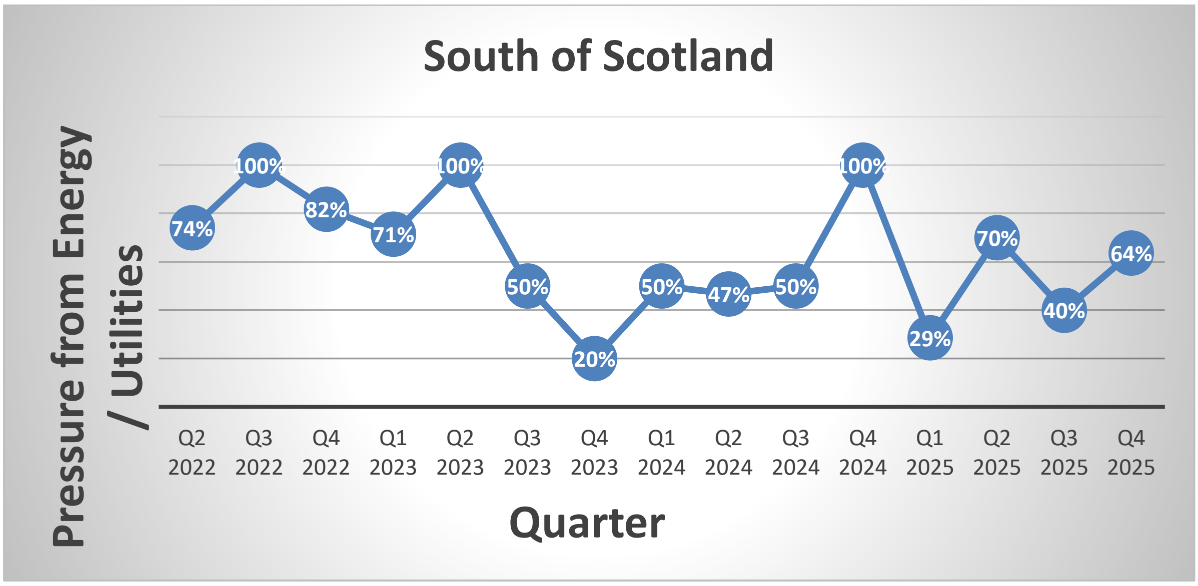
East of Scotland

- The East is generally more stable than Highlands or West, with values commonly in the 50–70% range, except for Q4 2022, which is unusually low at 11.9%.
- **Note:** No data is available for Q4 2024 due to no responses from the region in the quarter.



South of Scotland

- The South shows the largest swings, from 100% in Q2 2023 to 20% in Q4 2023, which is consistent with the smaller sample sizes in that region in some quarters
- By Q4 2025, South Scotland showed 63.6% of businesses reporting pressure over energy costs. However, the smaller sample size means this is best interpreted with caution.



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Q4 2025 Overview

In Q4 2025, the regional ranking for Energy/Utilities pressure is:

1. **South of Scotland:** 63.6% *(n=11)*
2. **West of Scotland:** 55.1% *(n=196)*
3. **East of Scotland:** 50.4% *(n=248)*
4. **Highlands & Islands:** 42.3% *(n=26)*

Overall, concern across Scotland for Q4 2025 is **52.2%**.

Note:

- Some regions (notably South of Scotland) have small quarterly bases, so apparent "big moves" can be driven by a smaller sample of respondents.

Takeaways:

- Energy/Utilities remains a structural, not temporary, pressure which is still affecting around half of firms by late 2025.
- Even after the post-2022 spike moderates, the Scotland-wide (mapped chambers) level of reported pressure is 52% in Q4 2025, indicating energy and utilities costs continue to be a common driver of price pressure as rather than a "resolved" issue.