British Chambers of Commerce

Scottish Chambers of Commerce

Aberdeen & Grampian Chamber of Commerce

The Rt Hon Rachel Reeves
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

5th November 2025

Dear Chancellor,

We write jointly on behalf of the British Chambers of Commerce, the Scottish Chambers of Commerce, and Aberdeen & Grampian Chamber of Commerce to welcome the approach being considered by HM Treasury in relation to the fiscal framework for the North Sea, and to strongly support the early removal of the Energy Profits Levy (EPL).

The continuation of the EPL is now the single greatest barrier to investment and growth in the North Sea. It is deterring capital, stifling confidence, and accelerating decline in one of the UK's most productive industrial ecosystems.

Replacing it swiftly with a **stable, proportionate, and predictable fiscal regime** would send a powerful signal that the UK is once again open for energy investment - unlocking growth, supporting thousands of high-value jobs, and securing billions in future tax revenues.

The North Sea Transition Taskforce report sets out a clear roadmap for how this can be achieved. It highlights that the North Sea's future - and the UK's energy security - now depend on bridging the gap between declining oil and gas production and slower-than-expected deployment of new renewable capacity. That requires coordinated, long-term policy across energy, tax, and industrial strategy.

We therefore urge government to take forward the Taskforce's recommendations as a package to deliver growth through certainty, investment, and innovation:

1. **Replace the Energy Profits Levy** with a modern fiscal regime that encourages investment while maintaining fair returns for the Exchequer.

2. **Provide a clear, joined-up regulatory environment** that enables responsible production of domestic hydrocarbons alongside rapid scaling of renewables, CCUS, and hydrogen.

3. **Create a ministerially led North Sea Transition Committee**, bringing together the UK and Scottish Governments, industry, unions, and agencies to deliver a single national mission for the basin.

4. **Task the North Sea Transition Authority** to coordinate a long-term North Sea Transition Plan, ensuring alignment between energy security, net zero, and industrial growth.

The North Sea is not a sunset story. With the right fiscal and policy framework, it can be a **catalyst for national growth**, driving investment in clean energy, safeguarding world-leading supply chain capability, and anchoring prosperity in communities across the UK for decades to come.

We stand ready to work with you and your officials to help deliver this vision.

Yours sincerely,

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