



16 October 2024

Darren Jones MP
Chief Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Dear Chief Secretary,

I am writing to you on behalf of the Institute of Chartered Accountants in England and Wales (ICAEW) ahead of the Autumn Budget this month and the Spending Review scheduled for the spring.

ICAEW is a professional body representing over 200,000 chartered accountants and students, and in the UK our members in business (as finance leaders) and practice (as advisers) guide more than three million companies as well as organisations across the public sector. Our members provide sector specific and regionally focused business and financial advice, and with 84% of the FTSE100 having an ICAEW Board member, they are at the heart of investment and employment decision-making.

Our Budget submission to HM Treasury on 10 September was informed by their insights into the challenges facing the UK economy and I want to highlight three areas we believe are important:

Resilience and stability: Fiscal policy needs to be grounded in sustainable and resilient public finances. The last two decades have seen the public balance sheet weaken significantly, while short-term policy choices have been prioritised ahead of long-term strategy. This must change if we are to build resilience against future economic and fiscal shocks. As a result, we have failed to build the foundations we need to drive sustainable economic growth, which in turn has made it difficult for both the private and public sectors to plan.

Investing for growth: Government must change the way it delivers capital investment, both in building new infrastructure and in improving the quality and efficiency of public services. Capital projects will need secure funding streams to ensure the best value for public money, and so it is welcome that the government plans to conduct three-year spending reviews to be updated every other year.

ICAEW

Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK
T +44 (0)20 7920 8100 F +44 (0)20 7920 0547 icaew.com

The Institute of Chartered Accountants in England and Wales (ICAEW) incorporated by Royal Charter (RC000246)
Registered office: Chartered Accountants' Hall Moorgate Place London EC2R 6EA UK

Finally, ICAEW believes that the government should proceed carefully with any plan to alter debt rules. The current underlying debt measure that excludes quantitative easing (QE) liabilities is flawed, and replacing this would be a positive first step to support long-term investment by providing a moderate amount of additional headroom. However, moving too aggressively to change the fiscal rules could undermine market confidence in the government's commitment to stable public finances.

I am grateful for the opportunity to raise these points with you and would be delighted to meet to discuss them further. I would also like to make the offer of an ICAEW member roundtable for you or your officials on any of these matters.

Yours sincerely,

A handwritten signature in blue ink that reads "Alison Ring". The signature is written in a cursive style.

Alison Ring OBE FCA
Director, Public Sector and Taxation, ICAEW