

17.10.24

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

Dear Chancellor,

AUTUMN BUDGET 2024: SECURING MISSION LAUNCH FOR GROWTH

In advance of your first Budget statement as Chancellor on 30 October, on behalf of the Institute of Chartered Accountants in England and Wales (ICAEW) I am writing to you with a summary of our full [Budget submission](#).

ICAEW represents over 200,000 chartered accountants and students worldwide. In the UK, our members in business (as leaders in finance) and in practice (as advisers) guide more than three million companies, in every region, sector and level of the economy. Our member network provides timely and regionally focused feedback on business matters, and with 84% of the FTSE 100 having an ICAEW member on their board, chartered accountants are at the heart of the decision-making on investment and business activity.

We believe this Budget is an opportunity to secure a fiscal and economic legacy for the next decade: it must set the conditions for the future success of your government's five missions. Businesses are critical to the delivery of these missions, and this Budget must offer companies stability and the chance to grow. Our submission to HM Treasury was informed by feedback from ICAEW members on the economic frontlines, and I would like to draw your attention to three points which I consider especially important:

- We strongly support your **primary objective of growth**. We understand that achieving this requires joined-up thinking across government, with integrated strategies needed for industry, trade, tax, investment and skills. We welcome the plans for an Industrial Strategy, and we were pleased to see professional and business services recognised as one of eight 'growth-driving sectors'. However, we are greatly concerned that proposed changes to Level 7 Apprenticeship funding may have the unintended consequence of undermining local economic growth as well as adversely affecting social mobility and school-leaver access to the profession.

- We agree that **fiscal policy should be based on a long-term strategy** to put the public finances on a sustainable path. In recent years, fiscal events have sometimes sought short-term effects at the expense of resilient public finances, leaving us vulnerable to external shocks. We must lay the foundations to drive sustainable economic growth and to improve the quality and efficiency of public services. A constantly changing fiscal landscape has made it more difficult for both the private and public sectors to plan, leading to low levels of investment, weak productivity growth, and less-than optimal tax receipts. In addition, we think fiscal rules should be re-designed to change the flawed measure of underlying debt that excludes quantitative easing liabilities - a first step to supporting longer-term investment.
- Finally, **a business tax roadmap would support long-term growth**, and your government's commitment to publishing one is very welcome. ICAEW recognises the need for government to react to external events, but we believe that this is the right time to tackle difficult issues such as business rates reform. A principles-based roadmap should also set out how the government aims to react to different scenarios. This will provide the certainty needed to enable ICAEW members who run and advise millions of businesses to put in place the necessary steps to achieve growth.

I would be delighted to meet with you to discuss these ideas further. I would also like to make the offer of an ICAEW member roundtable for your officials on any of these matters. And please also regard Chartered Accountants' Hall, where you have spoken before, as a possible venue for a speech in the City of London.

Yours sincerely,

A handwritten signature in black ink that reads "Alan Vallance". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Alan Vallance
Chief Executive