



17 March 2025

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

REFORM AND SIMPLIFY FOR GROWTH

Dear Chief Secretary,

On behalf of the Institute of Chartered Accountants in England and Wales (ICAEW), I am writing to you in advance of the Spring Forecast and Spending Review 2025 to emphasise the need to strengthen business confidence and to move further and faster to deliver economic growth and public sector reform.

ICAEW is a leading professional body and the voice of UK business. We have over 200,000 chartered accountants and students across the world, and our members work with or in over three million businesses and other organisations in the UK, including as directors on 84% of FTSE-100 boards. Our most recent quarterly Business Confidence Monitor, one of the UK's largest business surveys, has identified a dramatic drop in confidence amongst UK businesses in the face of challenging economic circumstances. We are keen to support the government in building a positive vision for UK business and to take positive steps to provide the stability and forward certainty that businesses need to invest in growing the UK economy.

Public sector reform: We welcome your recent reforms to the fiscal framework, including the move to a single fiscal event each year, new fiscal rules, and the introduction of rolling three-year spending reviews and four-year capital budgets. However, much more needs to be done to improve how public services are delivered and how the public finances are managed. Upfront investment in transformation and a digital first approach to public service delivery needs to be accompanied by a long-term fiscal strategy to put the public finances onto a sustainable path.

Improve financial management: Effective financial management is key to delivering savings and maximising growth. This can be enabled by aligning multi-year spending reviews, annual budgets, supply estimates, in-year performance monitoring, and end-of-year annual financial reports to create a clearer overall picture of where money goes and how it is spent. Failing to do so hampers financial decision-making and accountability.

ICAEW

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Simplify local government funding: While multi-year awards for regional and local government in England will provide many benefits, what is also required is a clear strategy for reforming the complex web of local government funding streams over time. The reform should separate funding streams for local public services and local welfare services to make it easier to share the costs of local welfare provision across wider geographies, perhaps at a regional level. This would also provide much greater transparency to the public on the amount of their council tax bills that is actually spent on local public services.

I would welcome an opportunity to further discuss our thoughts on these priorities, and how ICAEW members can support you in delivering stronger economic growth and more effective and efficient public services.

Yours sincerely

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

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