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# INTRODUCTION

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- Overview, aims and objectives
- Structure of report



### OVERVIEW

**1.1** This report is an account of the Treasury's use of resources in 2002-2003. The Treasury's 2000 Public Service Agreement (PSA) covering the period 2001-2004 sets out an aim and objectives for which those resources were allocated, and targets for measuring progress towards achieving the aim and objectives. This report focuses on how these targets are being achieved within the agreed resources.

**1.2** The report also highlights some of the Treasury's planned activities for the coming financial year. These are in support of a new PSA, which was agreed in the 2002 Spending Review (SR2002) and which covers the period 2003-2006.

### AIM AND OBJECTIVES IN 2002-2003

**1.3** The Treasury's aim over 2002-2003 has been to raise the rate of sustainable growth, and achieve rising prosperity, through creating economic and employment opportunities for all. This aim was first agreed in 1998, and reaffirmed following the 2000 Spending Review (SR2000).

**1.4** During 2002-2003 the Treasury has worked towards nine objectives set by SR2000. These objectives are detailed in table 1.1. The SR2000 PSAs were set out in the Spending Review 2000: Public Service Agreement 2001-2004 (Cm 4808).

### NEW AIM AND OBJECTIVES (2003-2006)

**1.5** In SR2002 the Government decided to reformulate the aim from April 2003 to reflect the Government's overall commitment to sustainable development.

*The Treasury's aim is now: To raise the rate of sustainable growth, and achieve rising prosperity and a better quality of life, with economic and employment opportunities for all.*

**1.6** In line with this revised aim, the Treasury also adopted an additional objective to protect and improve the environment. The ten objectives in the new PSA are listed in table 1.2. The SR2002 PSA objectives are set out in the Spending Review 2002 Public Service Agreement 2003-06 (Cm5571).

### LEAD DIRECTORATES

**1.7** The Treasury is organised into seven directorates. Five of these are operational, and take responsibility for achieving our objectives. The lead directorate for each objective is included in Tables 1.1 and 1.2.

**1.8** More details on the structure of HM Treasury can be found in Chapter 2 of this report.

TABLE 1.1: HM TREASURY'S AIM AND OBJECTIVES (2001-2004).

**AIM: to raise the rate of sustainable growth, and achieve rising prosperity, through creating economic and employment opportunities for all.**

OBJECTIVE	LEAD DIRECTORATE
<b>Maintaining macroeconomic stability</b>	
Maintaining a stable macroeconomic framework with low inflation. (Objective 1)	Macroeconomic Policy and International Finance
Maintaining sound public finances in accordance with the Code for Fiscal Stability. (Objective 2)	Budget and Public Finances
Promoting UK economic prospects by pursuing increased productivity and efficiency in the EU, international financial stability and increased global prosperity, including especially protecting the most vulnerable. (Objective 9)	Macroeconomic Policy and International Finance
<b>Meeting the productivity challenge</b>	
Increasing the productivity of the economy. (Objective 4)	Finance, Regulation and Industry
Securing an innovative, fair dealing, competitive and efficient market in financial services, while striking the right balance with regulation in the public interest. (Objective 8)	Finance, Regulation and Industry
<b>Increasing employment opportunity for all</b>	
Expanding economic and employment opportunities for all. (Objective 5)	Budget and Public Finances
<b>Building a fairer society</b>	
Promoting a fair and efficient tax and benefit system with incentives to work, save and invest. (Objective 6)	Budget and Public Finances
<b>Building high quality public services</b>	
Improving the quality and cost effectiveness of public services. (Objective 3)	Public Services
Achieving a high standard of regularity, propriety and accountability in public finances. (Objective 7)	Financial Management, Reporting and Audit
In pursuing these nine objectives the Treasury will maintain a professional, well-motivated and outward looking organisation committed to open and accountable conduct of policy both here and abroad, and manage its running costs efficiently, economically and effectively.	Corporate Services and Development

TABLE 1.2:HM TREASURY’S AIM AND OBJECTIVES (2003-2006).

**AIM:to raise the rate of sustainable growth,and achieve rising prosperity and a better quality of life, with economic and employment opportunities for all.**

Objective	Lead Directorate
<b>Maintaining macroeconomic stability</b>	
Maintaining a stable macroeconomic framework with low inflation. (Objective 1)	Macroeconomic Policy and International Finance
Maintaining sound public finances in accordance with the Code for Fiscal Stability. (Objective 2)	Budget and Public Finances
<b>Meeting the productivity challenge</b>	
Promoting UK economic prospects by pursuing increased productivity and efficiency in the European Union,international financial stability and increased global prosperity, including especially protecting the most vulnerable. (Objective 3)	Macroeconomic Policy and International Finance
Increasing the productivity of the economy. (Objective 4)	Finance, Regulation and Industry
Securing an innovative, fair dealing, competitive and efficient market in financial services, while striking the right balance with regulation in the public interest.(Objective 5)	Finance, Regulation and Industry
<b>Increasing employment opportunity for all</b>	
Expanding economic and employment opportunities for all. (Objective 6)	Budget and Public Finances
<b>Building a fairer society</b>	
Promoting a fair and efficient tax and benefit system with incentives to work, save and invest. (Objective 7)	Budget and Public Finances
<b>Delivering high quality public services</b>	
Improving the quality and cost effectiveness of public services. (Objective 8)	Public Services
Achieving a high standard of regularity, propriety and accountability in public finances.(Objective 9)	Financial Management,Reporting and Audit
<b>Protecting the environment</b>	
To protect and improve the environment by using instruments that will deliver efficient and sustainable outcomes through evidence-based policies.(Objective 10)	Budget and Public Finances

## STRUCTURE OF THE REPORT

**1.9** This report provides an overview of the Treasury's performance over the past year. It refers where possible to relevant publications and websites where more detailed information is available.

**1.10** The expenditure information in this report is based on the audited outturn figures for 2001-2002. The estimated outturn figures for 2002-2003 will be published in the department's resource accounts.

**1.11** Chapter 2 is about how the senior management of the Treasury is organised, and lists the responsibilities of each of our ministers.

**1.12** Chapter 3 reports on the Treasury's performance against its 2000 Spending Review (SR2000) PSA objectives and associated targets. Targets were set both in the PSA and in a Service Delivery Agreement (SDA). SDA targets are additional or interim measures showing progress towards PSA targets. Chapter 3 also reports on SDA targets where these apply.

**1.13** A summary of performance against the SR2000 PSA and SDA targets is provided in Annex A1 of this report. Annex A3 of this report lists the PSA and SDA targets for the 2002 Spending Review (SR2002). Annex A2 covers targets outstanding from the previous reporting period (1999-2002).

**1.14** Chapter 4 reports on the Treasury's staffing, management and resources. It assesses the progress made in implementing the themes of the '*Change in the Treasury*' programme and the related issues of modernising government and civil service reform.

**1.15** Chapter 5 describes the work of the Treasury's executive agencies and offices: the Debt Management Office and the Office of Government Commerce. The chapter provides a report on the progress of these agencies and offices over the last year.

**1.16** Chapter 6 reports on the Treasury funding of Parliamentary Bodies, Honours and Dignities.