



HM TREASURY

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DEPARTMENTAL REPORT 2003

Presented to Parliament by the Chancellor of the Exchequer
and the Chief Secretary to the Treasury by Command of Her Majesty,

May 2003

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The complete series of Departmental Reports and Public Expenditure Statistical Analyses 2003 is also available as a set at a discounted price.

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FOREWORD

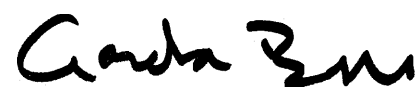
By the Chancellor of the Exchequer, the Rt Hon Gordon Brown MP

Over the past six years, the Government has introduced reforms to deliver high and stable levels of growth and employment, establishing a platform of stability based on low inflation and sound public finances. As a result, the Government has been able to devote more resources to its priorities including reducing poverty among children and pensioners and investing more in reform of Britain's public services.

The Government has continued to make significant progress towards its five key long-term economic goals:

- maintain economic stability - Britain is now enjoying the longest period of sustained low inflation since the 1950s and the lowest interest rates for thirty five years;
- meet the productivity challenge - the productivity gap per worker with Germany has narrowed to just 4 per cent and with Japan has been eliminated - with Britain now around 7 per cent higher;
- increase employment opportunity for all - there are more people in employment than ever before, with employment having risen by nearly 1.5 million since 1997;
- build a fairer society – families with children are, on average, £1,200 a year better off, while those in the poorest fifth of the population are on average, £2,500 a year better off in real terms. By October this year, the poorest third of pensioner households will be, on average, £1,600 a year better in real terms compared to 1997;
- establish world class public services - the NHS is completing 300,000 more operations a year, there are 130,000 fewer patients on waiting lists, and in schools and colleges, GCSE results are better than ever before.

Working towards these goals and delivering the achievements set out in this report depends on the commitment, determination and dedication of officials in the Treasury, its executive agencies and offices. On behalf of all Treasury Ministers, I would like to thank all the officials for their continued hard work.



Gordon Brown