



Department for Business, Innovation & Skills

COMPETITION AND MARKETS AUTHORITY

Performance Management Framework

JANUARY 2014

Competition and Markets Authority

The CMA, as a non-ministerial Department, has the freedom that status confers to prioritise its resources and its activity. It has full operational freedom to make case decisions independently in line with the legal framework and with internationally agreed good practice. This document sets out the performance the Government expects from the CMA. It also describes how the CMA will fulfil the performance reporting requirements of the Enterprise and Regulatory Reform Act 2013.

The CMA Board is accountable for the success of the CMA as a whole and the delivery of the objectives set out in this document. The CMA's Chief Executive is the Accounting Officer for the CMA and is accountable to Parliament for its use of public money.

The CMA's Mission

The CMA's mission is to **make markets work well in the interests of consumers, businesses and the economy**. Its overall ambition is consistently to be one of the leading competition and consumer agencies in the world.

The Government expects the CMA to have a beneficial impact on consumers, on business behaviour and on productivity and growth in the economy, and to make robust decisions and implement effective and proportionate remedies.

The CMA will report annually on:

- *the delivery of a target of direct financial benefits to consumers of at least ten times its relevant costs to the taxpayer (measured over a rolling three year period)*
- *the ratio of direct financial benefits to consumers and costs for its principal tools*
- *its assessment of wider benefits of its work, for example on growth, business and consumer confidence in markets, compliance with competition law and deterrence of anticompetitive behaviour*

CMA Strategic Goals

Underpinning the CMA's mission are its five strategic goals:

1. Deliver effective enforcement

The Government expects the CMA, in line with its overall mission, to:

- make strong and effective use of all its competition tools across a range of projects,
- select and conclude an appropriate mix of cases, including economically complex 'effects' cases and multiparty cartel cases, to maximise impact, end abuse and create a credible deterrent effect across the economy;
- seek to conclude more and swifter cases while maintaining fairness and without this being at the expense of lower financial penalties; and
- ensure its decisions are robust to achieve a greater number of successfully concluded cases and investigations compared to the historical record
- increase the proportion of successful defences against appeals of its infringement decisions

The CMA will report annually on:

- *The number and nature of cases pursued under each of its enforcement tools, specifically:*
 - *The Competition Act regime*
 - *The criminal cartel offence*
 - *Merger control*
- *The outcomes of cases, including the level of fines imposed*
- *Delivery of a target of an increased number of Competition Act cases against a rolling 3 year average benchmark of previous OFT/CMA performance*
- *Delivery of a target of a reduction in the time taken to bring Competition Act cases to a final conclusion against a rolling 3 year average benchmark of previous OFT/CMA performance*
- *Delivery of a target of an increase in the proportion of successful defences against appeals of its infringement decisions against a rolling 3 year average benchmark of previous OFT/CMA performance*
- *Activities to ensure timely and appropriate responses to its information requests*
- *Comparisons of performance over time and against appropriate international benchmarks*

- *Independent evaluations of the impact of at least two cases (including at least one market study or investigation)*

2. Extend competition frontiers

The Government expects the CMA:

- to identify markets where competition is not working well and tackle the constraints on competition in these areas
- to assess specific sectors where enhanced competition could contribute to faster growth
- to increase the number and speed of cases pursued under the markets regime
- to work with sector regulators to stimulate a step change in the effectiveness of the concurrency arrangements, encourage the effective use of concurrent competition tools to tackle anticompetitive practices and promote competition
- to play a key role in challenging government where it creates barriers to competition

The CMA will report annually on:

- *The number and nature of cases pursued under the markets regime*
- *The time taken to bring such cases to conclusion*
- *The outcome of cases*
- *Its activities to promote competition in the regulated sectors and tackle anticompetitive practices, competition enforcement in regulated sectors and the operation of the concurrency regime*
- *Its impact on government policy including the government's response to recommendations made to it*
- *The longer term impact of its interventions*

3. Refocus consumer protection

The Government expects the CMA:

- to work with partners to make the new consumer arrangements work

The CMA will report annually on:

- *The number and nature of cases pursued*
- *The speed with which it allocates cases through the National Trading Standards Board's National Tasking Group*
- *Its interaction with other domestic and international enforcement agencies*

4. Achieve professional excellence

The Government expects the CMA:

- to make robust decisions and implement effective and proportionate remedies to ensure processes proceed quickly, fairly, transparently and predictably, and to publish Guidance on its procedures in its principal types of cases, including on its approach to administrative timetables

The CMA will report annually on:

- *The number of issues referred to the procedural officer and the outcome of these cases*
- *Performance against expected timetables in particular cases. Bespoke timetables will include the time taken from the issuance of a CA98 notice of issue a Statement of Objections and the time from Statement of Objections to final decision*
- *The number and outcome of appeals against the CMA's decisions*
- *Transparency indicators in accordance with government policy*

5. Develop integrated performance

The Government expects the CMA:

- to develop its structures strategy and practices so that it can demonstrate improvements in effectiveness and efficiency
- to develop procedures for ensuring any burdens it imposes on business are necessary and proportionate

The CMA will report annually on:

- *Its integration of its functions and development of its culture*
- *Activities to improve its practices and procedures*
- *Its collaboration with partner agencies at home and abroad*

Outcomes

Success with the strategic goals will increase the CMA's impact and make it:

- A respected and influential independent authority in the UK and abroad.

The Government expects the CMA:

- to maintain or improve on the high reputation of the Office of Fair Trading and Competition Commission

The CMA will report on:

- *the opinions of domestic and international stakeholders*
- A great place to work.

The Government expects the CMA:

- to retain and develop the high quality people it needs

The CMA will report annually on:

- *the results of its regular staff survey*

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