

Competition and Markets Authority

INTRODUCTION

1. The Competition and Markets Authority (CMA) is an independent consumer protection and competition authority.
2. Its goal is to promote competition for the benefit of consumers, both within and outside the United Kingdom (UK) and to make markets work well for consumers, businesses and the economy. This is achieved by enforcing competition law, investigating breaches of UK and EU prohibitions against anti-competitive agreements and abuses of dominant positions; investigating mergers; conducting market studies and investigations where there may be competition and consumer issues; bringing criminal proceedings against individuals who commit cartel offences under the Enterprise Act 2002 (EA02); and fostering effective competition in digital markets, while scaling up as a digital markets regulator. It also entails enforcing consumer protection legislation to tackle practices and market conditions that make it difficult for consumers to exercise choice; co-operating with sector regulators and encouraging regulators to use their competition powers; consideration of regulatory references and appeals and carrying out other competition roles. It is also responsible for providing technical advice, reporting and monitoring in relation to the UK internal market and subsidies. CMA provides analysis and expertise on the issues of UK competition, consumer rights, innovation, productivity, and supply-side reforms through the Microeconomics Unit. This all involves an active communication strategy.
3. This Estimate covers the planned budgetary expenditure and income of the Competition and Markets Authority.

PART I: EXPENDITURE AND AMBIT

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	137,736,000	-	137,736,000
Capital	8,120,000	-	8,120,000
Annually Managed Expenditure			
Resource	22,000,000	-	22,000,000
Capital	2,000,000	-	2,000,000
Total Net Budget			
Resource	159,736,000	-	159,736,000
Capital	10,120,000	-	10,120,000
Non-Budget Expenditure		-	
Net Cash Requirement	136,399,000		

Amounts required in the year ending 31 March 2025 for expenditure by Competition and Markets Authority on:

Departmental Expenditure Limit:

Expenditure arising from:

Advancing and safeguarding the economic interests of United Kingdom (UK) consumers, businesses and the economy; enforcing competition and consumer law, including payment for information; analysing and monitoring markets; merger control; advocacy; information, education and advice; costs in respect of reactive and proactive litigation; providing expert, independent, trusted advice and economic analysis to support the four nations to trade effectively within the UK Internal Market; providing advice to public authorities and report on the effective operation of the subsidy control regime; operationalising and preparing for the new regulatory regime to implement and enforce a new pro-competition regime for digital markets; statutory information gathering powers for the monitoring function for road fuel; administrative and operational costs, associated depreciation and any other non-cash items falling in DEL. Supporting the Government's Places for Growth programme by increasing presence in Edinburgh, Belfast and Cardiff, and establishing new offices in Manchester and Darlington.

Income arising from:

Recovery of legal costs; recovery of regulatory appeal costs; contributions from other departments towards the costs of market studies; payments from the Home Office under the asset recovery incentivisation scheme; income from office space rental and other property related income, including compensation from the landlord; fees for common services provided to other organisations; recoveries of salaries of staff on loan or seconded to outside bodies; sale of plant and machinery.

Annually Managed Expenditure:

Expenditure arising from:

Provisions and other non-cash costs.

Competition and Markets Authority will account for this Estimate.

£

	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
Departmental Expenditure Limit			
Resource	137,736,000	61,498,000	76,238,000
Capital	8,120,000	5,120,000	3,000,000
Annually Managed Expenditure			
Resource	22,000,000	6,750,000	15,250,000
Capital	2,000,000	450,000	1,550,000
Non-Budget Expenditure	-	-	-
Net Cash Requirement	136,399,000	61,309,000	75,090,000

PART II: SUBHEAD DETAIL

												£'000
	2024-25										2023-24	
	Plans										Plans	
	Resources							Capital			Resources	Capital
	Administration			Programme			Total	Gross	Income	Net	Net	Net
	Gross	Income	Net	Gross	Income	Net	Net					
	1	2	3	4	5	6	7	8	9	10	11	12
Departmental Expenditure Limit (DEL)												
Voted expenditure												
A Competition Promotion	35,721	-3,000	32,721	108,015	-3,000	105,015	137,736	8,120	-	8,120	131,662	12,993
Total voted DEL	35,721	-3,000	32,721	108,015	-3,000	105,015	137,736	8,120	-	8,120	131,662	12,993
Total DEL	35,721	-3,000	32,721	108,015	-3,000	105,015	137,736	8,120	-	8,120	131,662	12,993
Annually Managed Expenditure (AME)												
Voted expenditure												
B Competition Promotion	-	-	-	22,000	-	22,000	22,000	2,000	-	2,000	22,000	2,000
Total voted AME	-	-	-	22,000	-	22,000	22,000	2,000	-	2,000	22,000	2,000
Total AME	-	-	-	22,000	-	22,000	22,000	2,000	-	2,000	22,000	2,000
Voted expenditure	35,721	-3,000	32,721	130,015	-3,000	127,015	159,736	10,120	-	10,120	153,662	14,993
Non-voted expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Total for Estimate	35,721	-3,000	32,721	130,015	-3,000	127,015	159,736	10,120	-	10,120	153,662	14,993

PART II: RESOURCE TO CASH RECONCILIATION

	£'000		
	2024-25	2023-24	2022-23
	Plans	Plans	Outturn
Net Resource Requirement	159,736	153,662	106,434
Net Capital Requirement	10,120	14,993	6,355
Accruals to cash adjustments	-33,457	-32,413	-1,373
<i>Of which:</i>			
<i>Adjustment for ALBs:</i>			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-14,462	-14,413	-10,541
New provisions and adjustments to previous provisions	-24,000	-24,000	9,168
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-	-
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	5,005	6,000	-
Use of provisions	-	-	-
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	136,399	136,242	111,416

PART III: NOTE A - STATEMENT OF COMPREHENSIVE NET EXPENDITURE & RECONCILIATION TABLE

£'000

	2024-25 Plans	2023-24 Plans	2022-23 Outturn
Gross Administration Costs	35,721	34,395	19,851
<i>Less:</i>			
Administration DEL Income	-3,000	-3,000	-137
Net Administration Costs	32,721	31,395	19,714
Gross Programme Costs	130,015	125,267	86,970
<i>Less:</i>			
Programme DEL Income	-3,000	-3,000	-250
Programme AME Income	-	-	-
Non-budget income	-	-	-
Net Programme Costs	127,015	122,267	86,720
Total Net Operating Costs	159,736	153,662	106,434
<i>Of which:</i>			
Resource DEL	137,736	131,662	115,429
Capital DEL	-	-	-
Resource AME	22,000	22,000	-8,995
Capital AME	-	-	-
Non-budget	-	-	-
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-	-	-
<i>Adjustments to remove:</i>			
Capital in the SoCNE	-	-	-
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-	-	-
Other adjustments	-	-	-
Total Resource Budget	159,736	153,662	106,434
<i>Of which:</i>			
Resource DEL	137,736	131,662	115,429
Resource AME	22,000	22,000	-8,995
<i>Adjustments to include:</i>			
Grants to devolved administrations	-	-	-
Prior period adjustments	-	-	-
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	-	-	-
Other adjustments	-	-	-
Total Resource (Estimate)	159,736	153,662	106,434

PART III: NOTE B - ANALYSIS OF DEPARTMENTAL INCOME

£'000

	2024-25	2023-24	2022-23
	Plans	Plans	Outturn
Voted Resource DEL			
Administration			
A Competition Promotion			
Sales of Goods and Services	-3,000	-3,000	-137
Total Sales of Goods and Services	-3,000	-3,000	-137
Total Administration	-3,000	-3,000	-137
Programme			
A Competition Promotion			
Sales of Goods and Services	-3,000	-3,000	-250
Total Sales of Goods and Services	-3,000	-3,000	-250
Total Programme	-3,000	-3,000	-250
Total Voted Resource DEL	-6,000	-6,000	-387
Total Voted Resource Income	-6,000	-6,000	-387

PART III: NOTE C - ANALYSIS OF CONSOLIDATED FUND EXTRA RECEIPTS

No CFER income or receipts are expected in 2024-25 or 2023-24. No CFER income or receipts were received in 2022-23.

PART III: NOTE D - EXPLANATION OF ACCOUNTING OFFICER RESPONSIBILITIES

The Accounting Officer prepares resource accounts for each financial year. See Section 2, Part III - Other statements and notes for further details of Accounting Officer responsibilities.

Accounting Officer: Sarah Cardell

Additional Accounting Officer: Erik Wilson for sections A and B

Main Estimates 2024-25: Estimates memorandum for the Competition and Markets Authority (CMA)

1 Overview

1.1 Objectives

The CMA is an independent non-ministerial UK Government department and is the UK's principal competition and consumer protection authority. We help people, businesses, and the UK economy by promoting competitive markets and tackling unfair behaviour.

We derive our powers from the Enterprise and Regulatory Reform Act 2013 and our work is overseen by a Board and led by the Chief Executive and senior team. Decisions in some investigations are made by independent members of the CMA Panel.

Our main functions are:

- Investigating mergers that have the potential to lead to a substantial lessening of competition. If a merger is likely to reduce competition substantially, the CMA can block it or impose remedies to address such concerns.
- Investigating businesses to determine whether they have breached UK competition law and, if so, to end and deter such breaches. We achieve this by fining businesses and seeking the disqualification of directors of the companies involved, as well as pursuing individuals who commit the criminal cartel offence.
- Enforcing a range of consumer protection legislation, including in cases where the unfair treatment of consumers, or the challenges they face in making choices, suggests there may be a systemic market problem.
- Conducting studies, investigations or other pieces of work into particular markets where there are suspected competition and consumer problems. The CMA can take action – and recommend action be taken by others – in markets where competition may not be working well.
- Giving information or advice on matters related to any CMA functions to policymakers and ministers, including how they can design and implement policy in a way that harnesses the benefits of competition and protects and promotes the interests of consumers.
- Providing information and advice to people and businesses about their rights and obligations under competition and consumer law.
- Promoting stronger competition in the regulated industries (gas, electricity, water, aviation, rail, communications and financial services), working with the sector regulators.
- Conducting regulatory appeals and references in relation to price controls, terms of licences or other regulatory arrangements under sector specific legislation.
- Providing advice, reporting and monitoring in relation to the UK internal market, through the Office for the Internal Market (OIM).
- Providing advice, reporting and monitoring in relation to government subsidies, through the Subsidy Advice Unit (SAU).

- Providing analysis and expertise on the issues of UK competition, consumer rights, innovation, productivity, and supply-side reforms through the Microeconomics Unit.

The CMA has a UK-wide remit, with offices in Belfast, Cardiff, Edinburgh, London and Manchester, in addition to the new Microeconomics Unit based in Darlington. We adopt an evidence-based and integrated approach to our work, selecting the tools we believe will achieve maximum positive impact for people and businesses, wherever they live and operate in the four nations. These principles are reflected in our foundational requirements, which apply across our work and set out how we aspire to use our tools.

The Government introduced the Digital Markets, Competition and Consumer (DMCC) Bill in Parliament in April 2023 and it received Royal Assent in May 2024. This legislation provides the CMA with new powers to regulate digital markets.

The Act will also bolster our competition and consumer powers, including through the introduction of an administrative enforcement model for consumer protection. This will mean that the CMA is able to make decisions about when consumer protection law has been broken, and to impose fines on businesses responsible for these breaches.

1.2 Spending controls

The CMA's net spending is broken down into a several different spending totals, for which Parliament's approval is sought.

The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit ("**Resource DEL**") - a net limit comprising day-to-day running costs, less income from Regulatory Appeals and recovery of legal costs from third parties
- Capital Departmental Expenditure Limit ("**Capital DEL**") – a net limit comprising investment in capital equipment and long-term leases under IFRS 16
- Resource Annually Managed Expenditure Limit ("**Resource AME**") – a net limit comprising provisions for pensions, early retirement, dilapidations, and adverse legal costs etc.
- Capital Annually Manged Expenditure Limit ("**Capital AME**") – a net limit comprising provisions for dilapidations relating to fit-out costs.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which requires the CMA to pay out cash in year.

1.3 Comparison of net spending totals sought

The table below shows how the net spending totals sought for the CMA compares with last year:

Net Spending total Amounts sought this year (Main Estimate 2024-25)		Difference (+/-) compared to final budget last year (Supplementary Estimate 2023-24)		Difference (+/-) compared to original budget last year (Main Estimates 2023-24)	
		£ m	%	£m	%
Resource DEL*	£137.7m	£6.1m	4.6%	£1.1m	0.8%
Capital DEL	£8.1m	£-4.9m	-37.5%	£0.1m	1.6%
Resource AME	£22.0m	£0.0m	0.0%	£7m	46.7%
Capital AME	£2.0m	£0.0m	0.0%	£1.0m	100%

*Including ringfenced depreciation budget.

1.4 Key drivers of spending changes this year

1. The CMA's 2024-25 Resource DEL (RDEL) budget is broadly similar to our 2023-24 Main Estimate, and has increased by 0.8% because:

- The Spending Review 2021 (SR21) allocated the CMA a budget uplift of £5.3m on 2024-25) to support the introduction of new statutory powers for the Digital Markets Unit (DMU);
- A budget switch of £3.0m into CDEL to manage capital commitments the CMA has, to expand its presence outside of London and support the Government's Places for Growth agenda.

2. The CMA's 2024-25 Capital DEL (CDEL) budget is broadly in line with the CMA's 2023-24 Main Estimate and increased by 1.6% because:

- SR21 initially allocated the CMA a CDEL budget of £5.120m (including an uplift to reflect the impact of IFRS 16), with the expectation that most of the CMA's property transformation projects would have been completed in 2022-23. The CMA is also currently undergoing a programme of digital transformation, in line with wider government, which was not taken into consideration within CMA's SR21 submission. The CDEL budget has now been increased via a budget switch (from 2024-25's RDEL budget) due to delays in the property projects and the digital transformation programme. The 2024-25 CDEL budget is £4.9m lower than at the CMA's 2023-24 Supplementary Estimate.

3. The CMA's 2024-25 Resource AME (RAME), which is non- cash, has increased by £7m compared to the CMA's 2023-24 Main Estimate. This expenditure is demand driven and comprises mostly of legal provisions. Therefore, the CMA's RAME budget is subject to annual review with HM Treasury.

Projections for legal provisions are based on consultation with the CMA's Litigation team, and we will assess our AME budget with the Litigation Unit and amend at Supplementary Estimates if required. When, or if, these costs materialise, they are ordinarily covered by CA98 penalty income received and held in the CMA Trust and should not impact the CMA's RDEL budget.

4. The CMA's 2023-24 Capital AME (CAME), which is non-cash, increased by £1.0m compared to the CMA's 2023-24 Main Estimate.

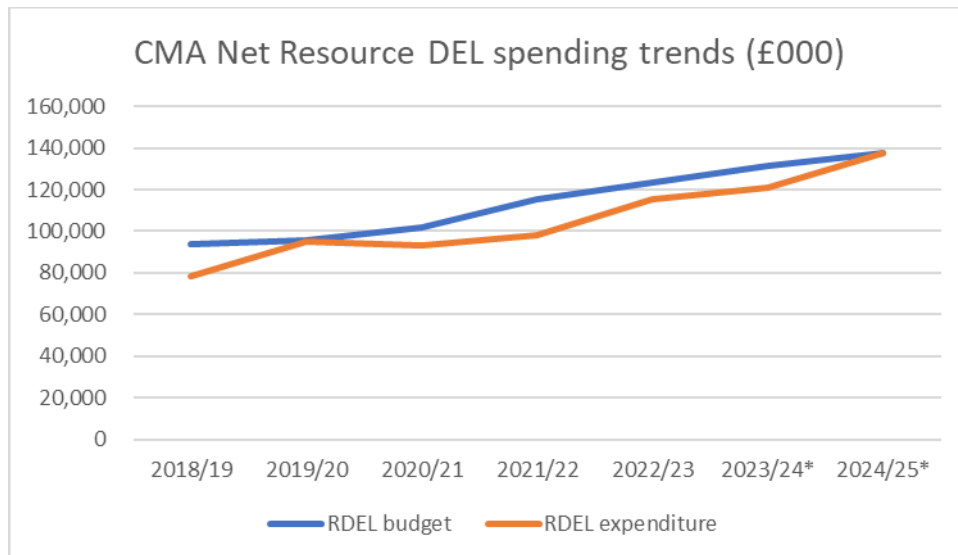
This is to provide the CMA with budget cover for dilapidation costs relating to fit-out costs as part of the CMA's property transformation projects and as required under IFRS 16 The CAME budget will be assessed and amended at Supplementary Estimates if required.

1.5 New policies and programmes; ambit changes

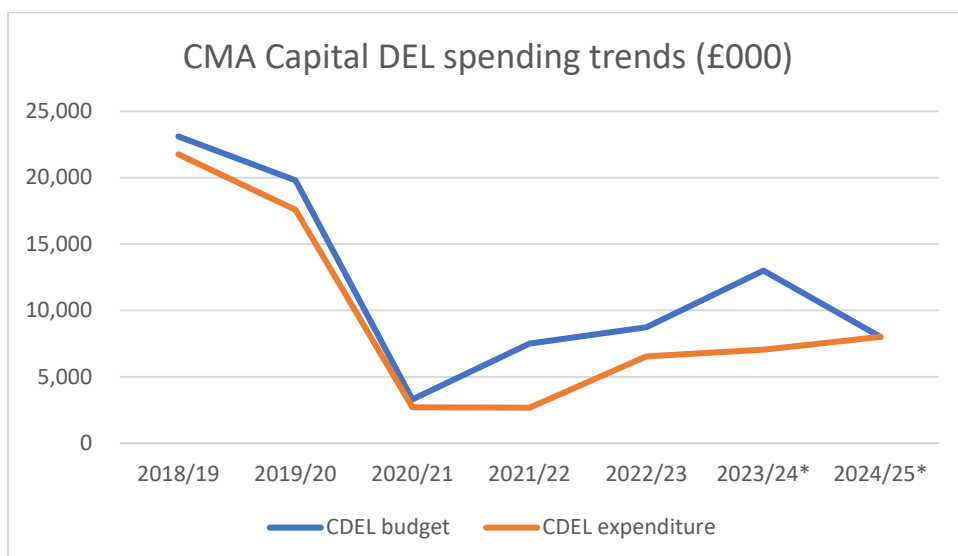
None.

1.6 Spending and income trends

The charts below show overall resource DEL spending and income trends for the last six years and plans presented in 2024-25 Main Estimate.



* Includes pre-audit outturn (2023-24) or forecast data (2024-25)



* Includes pre-audit outturn or forecast data (2023-24) or forecast data (2024-25)

1.7 Administration costs and efficiency plans

Spending total Amounts sought this year (Main Estimate 2024-25)		Difference (+/-) compared to final budget last year (Supplementary Estimate 2023-24)		Difference (+/-) compared to original budget last year (Main Estimates 2023-24)	
		£ m	%	£m	%
Administration costs*	£32.7m	£1.3m	4.1%	£0m	0%

*Including ringfenced depreciation budget.

The CMA's administration costs are not expected to change compared to the 2023-24 Main Estimate. This reflects the CMA having already carried out significant elements of its scale-up of new functions and efficiencies in Corporate Services.

The CMA's administration costs include the CMA's Corporate Services costs which houses functions that directly support the delivery of cases – e.g., property, facilities management, commercial, finance, and human resources. These functions are managed centrally rather than being embedded in the business areas directly. The size of Corporate Services is flexed depending on operational need – e.g., recruitment resource is front-loaded over the Spending Review 2021 (SR21) period to support the setup and delivery of the new functions.

The CMA's administration costs also include IT costs, which is required to support the CMA in achieving its objectives, such as supporting the set-up of the new functions and properties and digital transformation.

Furthermore, our accommodation in London will continue to be used efficiently as we grow while also supporting HMG's PfG agenda by increasing our presence in Edinburgh, Belfast and Cardiff, and establishing new offices in Manchester and Darlington.

The CMA has engaged with HM Treasury (HMT) on the Efficiencies and Savings Review and will continue to take this forward with HMT spending team officials.

1.8 Funding: Spending Review and Budgets

This Main Estimate predominantly relates to the Spending Review 2021 (SR21) settlement with adjustments made for IFRS 16.

For 2024-25, HMT has allocated the CMA a Resource DEL (excluding depreciation) budget of £130.5 million. This includes a combination of a rollover of our SR20 budget with savings and efficiencies built in. New funding has been received to support the Government's Places for Growth programme (£2.3m) and for additional growth of the department to deliver the DMU (£20.2m).

As with all departments, the CMA also received an uplift to its baseline funding for inflation and to support the proposed National Insurance (NI) increases (£2.5m). However, £0.58m has been returned to the Exchequer as the proposed NI increases have been reversed.

HMT have allocated the CMA a Capital DEL budget of £5.120 million for 2024-25 (including IFRS 16 adjustments). See section 1.4 for changes to this budget this financial year.

2 Spending and income detail

2.1 Explanations of changes in spending and income

Resource DEL

The table below shows how spending plans for Resource DEL compare with last year.

		Resource DEL*				
		<i>This year (2024-25 Main Estimates budget sought)</i>	<i>Last year (2023-24 Supp Estimates budget approved)</i>	change from last year		is change significant?
subhead		£ million		%		see explanation, note number
A	Competition Promotion	137.7	131.6	6.1	4.6%	1
	Total Voted and Non- Voted	137.7	131.6	6.1	4.6%	

*Including ringfenced depreciation budget.

Capital DEL

The table below shows how spending plans for Capital DEL compare with last year.

		Capital DEL				
		<i>This year (2024-25 Main Estimates budget sought)</i>	<i>Last year (2023-24 Supp Estimates budget approved)</i>	change from last year		is change significant?
subhead		£ million		%		see explanation, note number
A	Competition Promotion	8.12	7.99	0.13	1.6%	1
	Gross expenditure	8.12	7.99	0.13	1.6%	

Resource AME

The table below shows how spending plans for Resource AME compare with last year.

		Resource AME				
		<i>This year (2024-25 Main Estimates budget sought)</i>	<i>Last year (2023-24 Supp Estimates budget approved)</i>			is change significant?
				change from last year		
subhead		£ million			%	see explanation, note number
A	Competition Promotion	22.0	22.0	0.0	0	1
	Gross expenditure	22.0	22.0	0.0	0	

Capital AME

The table below shows how spending plans for Capital AME compare with last year.

		Resource AME				
		<i>This year (2024-25 Main Estimates budget sought)</i>	<i>Last year (2023-24 Supp Estimates budget approved)</i>	change from last year		is change significant? see explanation, note number
subhead		£ million			%	
B	Competition Promotion	2.0	2.0	0.0	0	1
	Gross expenditure	2.0	2.0	0.0	0	

Note 1. See section 1.4 for key drivers of spending changes since original budget last year.

2.2 Restructuring

Not applicable

2.3 Ring fenced budgets

Within the totals, the following elements are ring fenced i.e., savings in these budgets may not be used to fund pressures on other budgets

Resource DEL

Ring fenced budgets Amounts sought this year (Main Estimate 2024-25)		Difference (+/-) compared to final budget last year (Supplementary Estimate 2023-24)		Difference (+/-) compared to original budget last year (Main Estimate 2023-24)	
		£ m	%	£m	%
Depreciation	£14.5m	£0.1m	0.7%	£0.1m	0.7%

The ring-fenced depreciation budget is discussed further in note 1.4 above.

2.4 Changes to contingent liabilities

Not applicable

3 Priorities and performance

3.1 How spending relates to objectives

Expenditure under subheads A and B supports all the objectives set out in the [2024-25 Annual Plan](#).

3.2 Measures of performance against each priority

The CMA's 2024-25 high-level objectives can be found [here](#) and our performance against these objectives is expected to be published in the CMA's 2024-25 Annual Report and Accounts in July 2024.

The CMA's [2024-2025 Annual Plan](#) sets out the CMA's strategy and vision for the medium and short-term and includes a revised purpose and outcomes-based ambition for the organisation, as well as medium-term priorities and areas of focus for the coming year. Please refer to section 1.1 for the CMA's objectives.

The Senior Executive Team and the Board will monitor the overall portfolio shape as 2024-25 progresses, considering our mix of cases and ensuring they align with the areas of focus we have identified. We also want to be more systematic in looking back on a regular basis at historic decisions, considering what happened after we intervened and what we can learn from them.

3.3 Commentary on steps being taken to address performance issues

Not applicable.

3.4 Major projects

The CMA is committed to the Government's Places for Growth and Levelling Up agendas and is delivering this through the CMA's property transformation projects.

4. Other information

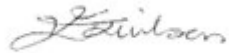
4.1 Additional specific information required by the select committee

No additional information has been requested by the BEIS select committee.

5 Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by HMT and the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by me as Additional Accounting Officer.

A handwritten signature in dark ink, appearing to read 'Erik Wilson', is positioned above the printed name.

Erik Wilson, CBE

Additional Accounting Officer

CMA