

# EARLY YEARS EDUCATION AND CHILDCARE SERVICES MARKET STUDY

Statement of scope

1 July 2026

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*Website:* [www.gov.uk/cma](http://www.gov.uk/cma)

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# Statement of scope

## Overview

### Why we are launching a market study

1. The Competition and Market Authority's (CMA) Strategy sets out a clear purpose – to promote competition and protect consumers in ways that drive economic growth and improve household prosperity. We think carefully about which actions can help achieve this purpose, including through helping government and public bodies to harness competition and consumer protection in their policymaking and secure value for money in public services.
2. High-quality, accessible and affordable early years education and childcare is highly relevant for improving household prosperity and economic growth. These services play a vital role in children's development and for many parents and guardians they are critical to enabling them to work. Providers deliver an important public service for children and families,<sup>1</sup> often in challenging operating conditions, and across varied local areas and different family needs. We estimate that the size of this sector in England in 2025/26 was in the region of £14 billion.<sup>2</sup>
3. At the same time, the sector is changing. Public funding now shapes a significant part of the sector, with the UK government investing £8.9 billion in 2025/26 in England,<sup>3</sup> families can still face high or unexpected costs, and funded hours may not always be available when and where needed. For example, in 2024, 39% of parents in England said there were not enough local childcare places, up from 26% in 2019.<sup>4</sup> The mix of providers is changing as providers enter and exit the sector. Providers tell us that labour and regulatory compliance costs, amongst other costs, have increased significantly. The number of childminders has fallen significantly over the past decade while the UK government is focusing on growing school-based provision and there is growth in private equity ownership of some nursery groups.
4. We are therefore launching a market study into the supply of early years education and childcare services in England, provided for children from birth until they start

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<sup>1</sup> For ease of reference and unless the context otherwise requires, throughout this document we use 'families' as shorthand to include parents and guardians.

<sup>2</sup> £14bn ≈ £8.9bn/63%, where £8.9bn is the amount of government early years entitlements funding in 2025/26; and 63% is the estimated average provider income funded entitlements in 2024/25. £8.9 bn from Department for Education (DfE) (2025), [Dedicated schools grant \(DSG\) 2025 to 2026](#); and 63% from London Economics for the DfE (2025), [2025 Childcare Provider's Finance Report](#). This estimate is indicative of market size but there is substantial uncertainty around the estimate as: the share of provider income that came from government entitlements in 25/26 was likely higher than 24/25 due to the continued roll out of the expended working entitlement; and estimates of the provider income share from funded entitlement is based on a self-reported survey and is an unweighted average across providers.

<sup>3</sup> DfE (2025), [Dedicated schools grant \(DSG\) 2025 to 2026](#).

<sup>4</sup> DfE (2025), [Childcare and early years survey of parents](#), table 4.5.

school (aged 4 or 5).<sup>5</sup> We will assess how the sector is working and where practical improvements may be possible. We will examine whether the sector is delivering good outcomes for families and providers, and how government funding, public supply, regulation, and information provision work together to shape the sector. Although this market study focuses on England, reflecting that this is a devolved policy area with substantive variation in funding design and regulatory frameworks across the nations, we will actively consider the extent to which our findings and any recommendations may also be relevant to other UK nations.

5. The study sits alongside the UK government’s review of childcare provision in England.<sup>6</sup> In May 2026, the Secretary of State for Education asked the CMA to consider undertaking work under its markets functions so that our independent assessment and recommendations could inform that review.<sup>7</sup> We have factored this request into our scoping, but for some areas we propose broadening our analysis to build a robust, holistic evidence base. Our analysis will pay particular attention to the role of government policy and public bodies and, where appropriate, we will make recommendations that could drive improved outcomes.

## What we plan to cover

6. The market study will focus on early years education and childcare services in England, for children from birth until they start school (aged 4 or 5). This includes childminders, nurseries and school-based settings, and more detail about the scope is explained in our Market Study Notice.<sup>8</sup> It excludes nannies and other informal childcare for which funded hours cannot be used. We will not assess educational standards, which are for Ofsted.
7. We will begin with broad evidence-gathering and then focus on the areas with greatest potential for meaningful improvement. We expect to examine:
  - **access to high-quality services** covering the availability of childcare places and how well provision meets different needs, and barriers to entry and expansion;
  - **affordability and funding** focusing on how costs and the model for government funding shape prices, affordability for families and provider sustainability;

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<sup>5</sup> For ease of reference and unless the context otherwise requires, throughout this document we use ‘childcare’ as shorthand to include education, and ‘supply’ as shorthand to include the acquisition of these services by families.

<sup>6</sup> In the 2025 Budget, the UK government announced that the Department for Education will also lead a review of childcare provision. The purpose of this review is to simplify the system for providers and families, making it easier to access childcare and increasing the overall impact of the government’s offer. HM Treasury, [Budget 2025](#), accessed on 29/06/26.

<sup>7</sup> [Letter from the Secretary of State for Education to the CEO of the Competition and Markets Authority](#), published 26 May 2026.

<sup>8</sup> The market study notice is placed on our [case page](#).

- **information and consumer choice** to assess whether families can access and use information to make effective decisions, and how market practices affect their choices;
  - **the role of public bodies**, examining how local authorities, mayoral combined authorities and other regulatory levers can harness the sector to deliver good outcomes; and
  - **cost drivers and impact of provider types** to understand the factors driving providers' costs and considering how different provider models and ownership structures affect outcomes in the sector.
8. We set out these proposed areas of focus in more detail in the section 'What we are proposing to focus on' below.
  9. Any outcomes will depend on the evidence provided to us. They could include recommendations to government, for example, on design and distribution of government funding, and on regulatory frameworks; and improvements to information for families and providers. They may also include business or consumer guidance; or, where appropriate, separate consideration of consumer protection issues. More generally, our assessment may support future policymaking. We will take account of the government's fiscal context and overall funding envelope.

## How we will approach the market study

10. The study will be evidence-led, transparent and proportionate, following the CMA's 4Ps approach: pace, predictability, proportionality and process. At launch, we are publishing this Statement of Scope, a Market Study Notice, a Project Roadmap and various 'Call for Views' from different participants in the sector. We will engage through the Call for Views, stakeholder meetings, sector roundtables, qualitative research, information requests and consultation on emerging thinking. Our approach is intended to build trusted relationships, draw on practical sector knowledge and ensure findings are grounded in evidence from those who use, provide, regulate and shape these important services.
11. The statutory deadline for a market study report is 12 months from launch. We currently expect to publish the final report ahead of that, in May 2027. The initial evidence-gathering and analysis phase will run from July to December 2026, followed by consultation on emerging thinking and potential options for improvement, targeted deeper analysis and final reporting. As we build our evidence base and analysis, we will prioritise to ensure we focus on the areas with greatest potential for meaningful improvement.

## Sector background

12. Accessible and high-quality early years education and childcare plays an important role in supporting children’s development and school readiness. For families, they are making significant and often sensitive decisions about their children’s care and development, particularly at moments of vulnerability. It also enables participation in the workforce, particularly for women,<sup>9</sup> which plays an important role in supporting economic growth. It can also affect opportunity and inequality where access to provision is uneven.
13. These objectives are emphasised in the government’s *Best Start in Life* strategy and supported by substantial public funding in the sector to improve outcomes for children and families.<sup>10</sup>

## Sector structure and size

14. Given the range of needs this sector serves, childcare is provided by a mixed range of providers, offering a variety of provision to meet different family needs and circumstances. For example, families can access ‘formal childcare’, by which we mean regulated childcare provision,<sup>11</sup> via childminders, nurseries or school-based providers. This includes childcare services which are regulated by Ofsted directly or via childminder agency registration. It excludes provision exempt from compulsory registration, such as nannies who provide care in a child’s home. Formal childcare providers typically deliver both care and early education, with most provision structured around the statutory Early Years Foundation Stage (EYFS).<sup>12</sup>
15. Among children in England aged 0 to 4 years, overall, in 2024, 1.8 million had received formal childcare during the most recent term-time week.<sup>13</sup>

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<sup>9</sup> DfE (2025), [Childcare and early years survey of parents](#), section 6 and table 6.2. In 2024 over half (54%) of non-working mothers with children aged 0 to 4 said that if they could arrange good quality childcare that was convenient, reliable and affordable, they would prefer to go out to work. Over the same period, ‘having reliable childcare’ was the most commonly cited (64%) factor enabling mothers of preschool children to work.

<sup>10</sup> DfE, [Giving every child the best start in life](#), accessed on 29/06/26.

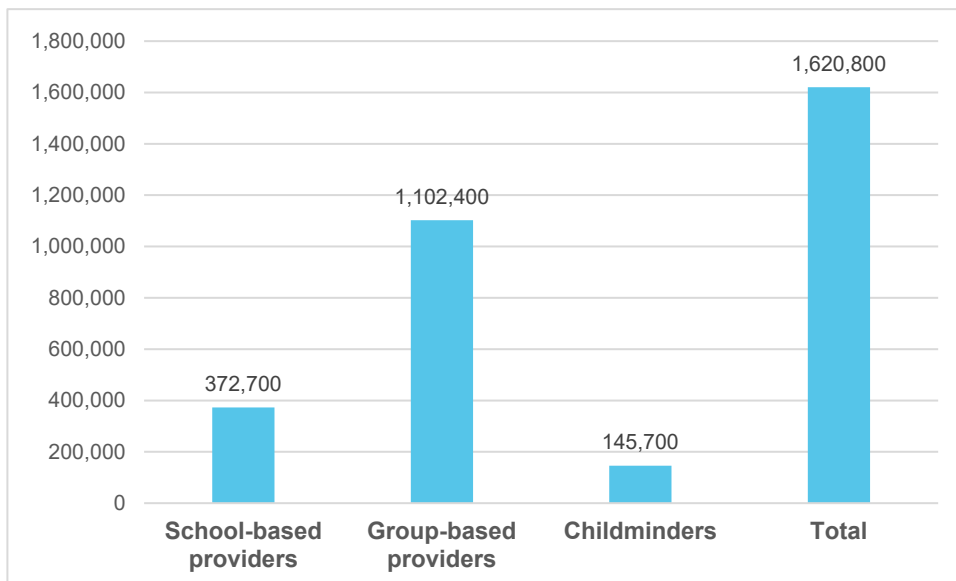
<sup>11</sup> See also paragraph 20.

<sup>12</sup> See also paragraph 20.

<sup>13</sup> DfE (2025), [Childcare and early years survey of parents](#), accompanying table 1.2 (accompanying tables can be found within supporting files). DfE estimates 1,821,223 of children aged 0 to 4 had used formal childcare in the most recent term week. We have excluded wraparound childcare such as breakfast and after-school clubs from this figure.

16. There are an estimated 53,600 childcare providers in England who provide childcare and early years education for children aged 0-4,<sup>14</sup> with an estimated 1.6 million childcare places:<sup>15</sup>

**Figure 1: Number of registered childcare places in England 2025**



Source: DfE (2025) *Childcare and early years provider survey*.

17. The mix of providers is changing as firms enter and exit the sector. The number of childminders has fallen significantly, with an estimated decrease from 36,500 to 22,300 (-39%) between 2018 and 2025.<sup>16</sup> There have been broader shifts in distribution of provider types, with 2025 analysis from University College London showing a decline in the number of childcare places offered by not-for-profit (-8%) and partnership (-28%) providers, and the number of places offered by private equity-backed providers more than doubling between 2018 and 2024 (accounting for 8% of places in 2024).<sup>17</sup>
18. Providers also reported that the costs of delivering their services were high relative to their income. The estimated median income-to-cost ratio (total weekly income divided by total weekly cost) across all providers in 2025 was £1.01 of income per £1 of cost, an increase from £1 in 2023 and 2024.<sup>18</sup> In 2025 staffing costs made up

<sup>14</sup> DfE (2025), [Childcare and early years provider survey](#), section 1. Childcare providers included in this figure are group-based providers, school-based providers and childminders who provide childcare and early years education for children aged 0-4. We note that some providers in these figures may also provide childcare for school-aged children.

<sup>15</sup> DfE (2025), [Childcare and early years provider survey](#), section 2. DfE estimates 1,620,800 registered places based on the number of children that a provider is allowed to look after at any one time. The estimated 1.8 million children using childcare differs from the estimated 1.6 million total available childcare places because 'places' represent provider capacity at a given time, while the number of children reflects parent reported usage over a week, where a child may attend part-time.

<sup>16</sup> DfE (2025), [Childcare and early years provider survey](#), section 1.

<sup>17</sup> Simon, A, Hollingworth, K, Bokhari, T, (2025), [Nursery Closures and Openings in England since 2018: does ownership type matter?](#), table 1. UCL's analysis of Ofsted data excluded childcare on domestic premises.

<sup>18</sup> London Economics for the DfE (2025), [2025 Childcare Provider's Finance Report](#), table 1 and figure 1. Income represents the total income received from parent-paid fees, entitlement funding, and other sources. Cost represents the total costs such as staffing, property, and food. There is considerable variation in the mean income-to-cost ratio across providers. Around one in four nursery class childcare settings (26%) and one in three childminders (30%) brought in less

the most significant portion of the total costs for all provider types, ranging from 70% for childminders to 88% for school-based providers in 2025.<sup>19</sup>

## Government policy overview

19. Early years education and childcare is a devolved policy area, with substantive variation in funding design and regulatory frameworks across the nations. In view of these differences and the specific request from the Secretary of State for Education, our study focuses on England. In England there are several sources of government support for childcare available to families, with eligibility dependent on the age of the child and family circumstances. This includes funded childcare hours entitlements – with working families eligible for 30 funded hours during term time after their child turns 9 months old until they start school – and wider forms of financial support such as Tax-Free Childcare and Universal Credit childcare.<sup>20</sup>
20. The core regulatory framework is established by the Childcare Acts 2006 and 2016, the Children Acts 1989 and 2004, and associated regulations and statutory guidance, including the Early Years Foundation Stage (EYFS). Ofsted is responsible for the registration and inspection of most childcare providers. Under the Childcare Act 2006, Ofsted maintains the Early Years Register and the Childcare Register,<sup>21</sup> sets standards, and assesses quality through inspection.
21. Local Authorities also play a critical role in this market. They have a duty to secure sufficient childcare to meet the needs of the population, as well as responsibilities for administering government funding and entitlements and shaping local childcare markets.

## What we are proposing to focus on

22. The CMA has powers under the Enterprise Act 2002 that it can use to help ensure that markets work well for consumers, in this case families purchasing childcare. In a market study, the CMA examines the causes of why a particular market may not be working as well as it could be, taking account of regulatory, government and other economic drivers and patterns of behaviour.

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than £0.80 of income for each £1 of costs in 2025. In contrast, over two in five private group-based providers (43%) brought in more than £1.20 of income for each £1 of costs.

<sup>19</sup> DfE (2025), [Childcare and early years provider survey](#), section 5.

<sup>20</sup> The government's [Best start in life](#) website provides further information on all available schemes.

<sup>21</sup> Generally, providers which care for children from birth until 31 August after their fifth birthday must join the Early Years Register. Providers which care for children aged 5 to 8 join the compulsory part of the Childcare Register, and those which are exempt from compulsory registration (such as nannies) may join the voluntary part of the Childcare Register. Many providers are registered on both the Early Years Register and the Childcare Register and deliver provision to both early years and school-aged children within the same setting. Childminders and providers of childcare on domestic premises can choose to register with a childminder agency instead of Ofsted. Where they do so, the childminder agency is responsible for assuring the quality of provision and is itself registered with and inspected by Ofsted. School-based provision is generally regulated by Ofsted through a separate school inspection framework. Ofsted, [Childminders and childcare providers: register with Ofsted](#), accessed on 25/06/26.

23. We propose to focus on the supply of early years education and childcare services in England. We include the following types of services:<sup>22</sup>
- childminders who operate on domestic and non-domestic premises and providers of childcare on domestic premises;
  - nurseries, and other group-based providers operating on non-domestic premises;
  - school-based providers which can be maintained nursery schools or schools offering nursery classes.
24. While we recognise that delivery of education and childcare go hand in hand, we will not assess educational standards of provision (that is for Ofsted).
25. These providers operate under a range of business models and at different scales, both of which we will consider in our analysis, including:
- private, voluntary and independent (PVI) providers;
  - directly publicly funded and local authority operated providers;
  - from small providers operating a single site up to large group operators.
26. We include services provided for children from birth until they start school (aged 4 or 5). While government-funded childcare entitlements for working parents begin from the term after a child turns 9 months old, families may use formal childcare before this point through self-funded provision. These services are typically delivered by the same providers and form part of the same sector.<sup>23</sup>
27. We are deliberately starting by looking at a broad number of areas to build up an overall understanding of how this sector is working. Subject to our initial evidence gathering and engagement, we then expect to focus in on the specific areas that have the biggest potential for improvements. Within this context, the areas set out below represent the main themes we will explore to assess how the sector is functioning.

**Access to high-quality services**

Availability of places, including ‘cold spots’ in certain areas or for particular needs, such as for children with SEND needs, or those requiring non-typical hours; and whether regulation, workforce supply and other barriers to entry and expansion can create challenges to achieving good market outcomes.

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<sup>22</sup> We propose to exclude providers which are exempt from compulsory Ofsted registration and are therefore not included in government’s funded hours entitlements, such as nannies.

<sup>23</sup> Some childcare providers deliver both early years and school-aged provision, serving multiple age groups within the same setting and business model. We propose to include such providers in our analysis, focusing on their early years services.

<b>Affordability and funding</b>	Whether government-funded hours cover delivery costs, how providers manage costs and use cross-subsidies, and how this affects affordability for families. How the model for government funding affects market dynamics, family choices, incentives for providers and their financial sustainability.
<b>Information and consumer choice</b>	Whether families can access and use information at the right time to choose childcare that meets their needs and understand funding entitlements. How market practices and contract terms are affecting how families make effective choices.
<b>The role of public bodies</b>	How local authorities, mayoral combined authorities and other regulatory levers harness the sector to deliver good outcomes.
<b>Cost drivers and impact of provider types</b>	What factors drive the providers' underlying cost base, such as labour, property and regulatory compliance, the extent to which this varies by provider and service type, how it affects provider sustainability, and whether there could be potential to reduce system costs. The impact of different provider ownership types on outcomes in the sector and understanding whether there are specific challenges from certain provider models.

28. We propose that the geographic scope of this market study is England. Early years education and childcare is a devolved policy area, with substantive differences across the UK nations, including variation in design of government support, regulatory frameworks and supply-side characteristics. From our engagement with UK and devolved governments during scoping, we also note that the governments are at different stages of the policy cycle. Within this geographic scope, we are interested in learning from the experiences in Northern Ireland, Scotland and Wales and will draw out lessons from our analysis for devolved governments' consideration. We will engage with the devolved governments to seek any input and share these insights.
29. We also recognise the fiscal context in which this sector operates and will take account of the overall funding envelope in our assessment.

## **A 'well-functioning market' for early years education and childcare services**

30. The CMA describes a well-functioning market as one that delivers positive outcomes for consumers, including through effective competition between market participants, and, where relevant, harnesses competitive dynamics to deliver government policy objectives. This concept is a benchmark for evaluating the

current state of a market and potential improvements.<sup>24</sup> A well-functioning market for early years childcare could have the following characteristics:

- a. **Availability of supply:** families – including parents and guardians - can access a range of affordable, high-quality childcare options. Providers can anticipate and respond to future demand, and are not subject to unnecessary barriers to entry or expansion.

Where it is reasonable to expect it, provision caters to different working patterns. The system as a whole ensures that families with diverse needs, including SEND, can access the care they need.

Government funding delivers good value for money, and is strategically targeted at gaps in provision and to achieve additional policy objectives, such as increasing labour market participation, supporting child development, improving affordability, and reducing inequality.

- b. **Effective competition between providers:** childcare providers compete effectively to attract and retain families, on both price and quality. They are incentivised and disciplined – both by competitive pressures and regulatory requirements – to meet consumers’ preferences and needs efficiently and effectively.

Central government, local authorities, and mayoral combined authorities are able to assess demand, signal childcare needs to providers, and take effective action to prevent or address gaps in provision.

- c. **Informed and engaged consumers:** families have access to clear, accessible, and impartial information about childcare options in their local area before making decisions. This enables them to make informed choices between a range of providers.
- d. **Well-designed regulatory environment:** a clear, predictable and proportionate regulatory environment ensures appropriate standards of safety and quality to give confidence to families and provides market participants with the clarity and certainty they need to invest, innovate and compete.

## Possible outcomes

31. A market study can result in a range of outcomes. These include a finding of no material competition or consumer concerns, recommendations to government or

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<sup>24</sup> For further detail, see [Markets regime Guidance \(CMA3\)](#), paragraphs 4.18 to 4.20.

businesses, action to improve information for families, or further CMA work where evidence suggests it may be needed and relevant legal tests are met.<sup>25</sup>

32. Any outcomes will depend on the evidence we gather and analyse. At this stage, we are not assuming that any particular intervention will be necessary or appropriate. Subject to our findings, potential outcomes could include the following:
- **Making recommendations to government** (including UK and local government). If the evidence supports doing so, we may make recommendations on issues such as the design and distribution of government funding, the regulatory framework, the provision of information to families and the local government stewardship role. This might include proposing options for consideration by government, where trade-offs exist between policy objectives.
  - **Shining a light on areas** by sharing the evidence gathered and analysis, for example on the cost of providing childcare services relative to government funding. This evidence may underpin some of the other outcomes and provide a base to inform future policy development and analysis by others.
  - **Making recommendations to providers and/or taking consumer-facing actions** if the evidence shows that clearer information or changes in market practices could improve outcomes. This may include steps to help families understand and compare childcare options and funding entitlements; or improving guidance to providers about how to disclose key information and prices. Evidence gathering may also identify issues that warrant action to investigate and enforce consumer and/or competition law.

## How we will approach the market study

33. We are committed to undertaking this market study in line with our '4Ps' framework, with a strict focus on pace, predictability, proportionality and process, as set out in the CMA's approach to markets work.<sup>26</sup> Focusing on how we work aims to reduce market uncertainty and burdens for market participants. We have already adopted a 4Ps approach, through engagement with industry bodies, the UK and devolved governments ahead of the launch of this market study to help us understand market dynamics, and develop our approach. Looking ahead:
- On **pace**, we will draw in sector expertise to inform our thinking, and as the market study progresses, based on evidence gathering and our emerging

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<sup>25</sup> The CMA could also take action to investigate and enforce consumer and competition law, consider making a market investigation reference where there are reasonable grounds to suspect that a feature or combination of features of a market prevents, restricts or distorts competition, or accept undertakings in lieu of a market investigation reference.

<sup>26</sup> CMA (2025), [CMA's approach to markets work](#).

thinking, we will focus in on the specific areas that could have the biggest potential for improvements. Our Project Roadmap sets out expected timings for the market study.

- On **predictability**, we have published a Project Roadmap and will update stakeholders on our progress and emerging thinking at appropriate stages in the market study.
- On **proportionality**, we will take a targeted approach to evidence gathering, including when requesting information under our statutory powers, and ensure it is proportionate to the anticipated importance of the issues for our understanding and ultimate findings. We will reassess the scope of the market study at key points.
- On **process**, we will engage with businesses and wider stakeholders to understand likely impacts of our emerging thinking, to inform key decisions; we will keep parties updated on our progress and emerging thinking at appropriate stages in the market study.

34. We are also committed to undertaking the market study in line with the government's strategic steer to the CMA,<sup>27</sup> and to engaging closely with the UK government, mayoral combined authorities, local authorities and regulatory bodies throughout the study. The success of our work will depend on our ability to draw on the deep expertise and knowledge of public bodies that already work in this sector, including to ensure that any recommendations are appropriately calibrated to policy objectives and reflect practical delivery realities. We welcome the commitment from the UK government that their resources and expertise will be available to ensure the CMA has access to the best possible information and analysis and is able to take due account of relevant policies and objectives.
35. Launching a market study triggers statutory time limits, with a requirement to publish a market study report within 12 months from launch, setting out our findings and the actions (if any) we propose to take. We acknowledge that the Secretary of State for Education would welcome the final report by Spring 2027, in order that it can inform the government's ongoing Childcare Review.
36. The study will be structured in the following phases:
  - **July to December 2026:** Undertake initial evidence gathering and analysis to understand whether the sector is working as well as it could. This will include engagement a range of stakeholders to inform our assessment. We will refine our areas of focus against the evidence gathered, informed by tools such as internal state of play (ISOP) meetings. During this period, we

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<sup>27</sup> CMA (2025), [Strategic steer to the Competition and Markets Authority](#).

may provide public updates as our understanding develops. At the end of this period, we expect to publish our emerging thinking and (if we identify concerns) possible options for improving outcomes.

- **December 2026 to April 2027:** We will invite views from interested stakeholders on our emerging thinking and any possible options for improving outcomes. Alongside this, we will undertake further targeted evidence gathering and analysis to deepen our understanding of the sector and shape possible options for improvements.
- **May 2027:** we expect to publish our final report.

37. Our Project Roadmap sets out more detail on key staging points. This includes two webinars where the project team will explain how the market study will run, what it means for the sector and how to engage with us throughout the market study. Our first webinar for anyone with an interest in the early years education and childcare sector (excluding providers) is on 15 July 2026, 10:00-11:00am. To attend, please visit the [registration page](#). There will be another webinar specifically for providers of early years education and childcare services on 16 July 2026, 6:15-7:15pm, for which you can visit the [registration page](#).

38. In broad terms, we plan to engage with market participants and wider stakeholders through the market study to ensure we can benefit from a wide range of perspectives. This will include engagement via: a Call for Views from families, childcare providers and professionals, and other interested people, commissioned research, requests for information (including using our statutory information gathering powers), sector roundtables, and consultation on our emerging thinking. We expect to engage with the following groups, amongst others:

- Childcare providers and professionals – ranging from large corporate groups (and their employees) to small and medium-sized providers to independent childminders;
- Sector and professional representatives;
- Consumers (in this case families, carers and guardians) and consumer groups;
- Organisations with a policy interest in early years education and childcare services;
- The UK government and the devolved governments;
- Local Authorities and Mayoral Combined Authorities;
- Investors and owners of childcare providers;

- Regulatory bodies.

39. We will draw in sector expertise – which may include business experts, academics, and policy researchers – to assist with the CMA’s emerging thinking as we progress through the market study. This will help to ensure outcomes, including any recommendations the CMA may make to the UK government or the sector, are informed by expert knowledge and insight.

## Invitation to comment

40. We want to hear views from a broad range of market participants now and at other points during the market study. This will be vital to develop our understanding as we progress our work, and especially as we develop any possible options for improvements if we find that the sector is not working as well as it could.
41. Below are some initial questions focusing on the scope of our work and what we propose to look at in the market study. If you have views on these, we would welcome your response.
42. As noted in paragraph 10 above, we have also launched a separate Call for Views from families,<sup>28</sup> childcare providers and professionals working in the sector,<sup>29</sup> and other interested people.<sup>30</sup> The Call for Views invite responses to fewer, more general questions on how the sector is working as a whole, including your experiences as a provider or purchaser of childcare services. If you respond to the questions below, there is no need to respond to the Call for Views.
43. In the Call for Views, we welcome responses from childcare businesses and their representative groups, childcare professionals, organisations representing families/consumers, potential market entrants/investors, as well as anyone with an interest in or information on how the early years education and childcare services sector functions.
44. Additionally, and as set out in the market study notice, we are inviting written representations on whether the CMA should make a market investigation reference under section 131 of the Enterprise Act 2002. In a market investigation, given the possibility for direct remedial intervention by the CMA, a more detailed, in-depth assessment would be required to determine whether competition is being prevented, restricted or distorted and if so whether remedial action should be taken.
45. You can choose to respond to any or all of the questions that are most relevant to your experience and knowledge.

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<sup>28</sup> [Families call for views.](#)

<sup>29</sup> [Professionals and providers call for views.](#)

<sup>30</sup> [Other interested people call for views.](#)

## Questions

**In responding, please state if your response(s) relates to a specific English region, and if so, which region.**

**Q1:** Do you agree with our proposed scope (both the services and geographic scope) for this market study, as set out in **paragraphs 23-26, 28**. If not, what areas would you suggest we include, exclude or prioritise, and why?

**Q2:** Do you agree with our articulation of the characteristics of a 'well-functioning market' for childcare services as set out in **paragraph 30**? If not, what should be changed and why?

**Q3:** Do you consider that the childcare sector currently displays the characteristics of a 'well-functioning market' set out in **paragraph 30**? For each 'yes' and 'no' response, please explain why you consider this to be the case, what is driving this, and for 'no' responses how this could be remedied.

**Q5:** Are there any specific areas we should focus on in relation to the consumer journey and choice, including families' ability to make informed choices, access and switch childcare services, or aspects of the consumer experience? Why?

**Q6:** Are there any specific areas that we should focus on because they have the potential to disproportionately affect vulnerable consumers (for example, those who may be at greater risk of poor outcomes or face additional barriers, including due to low income, disability, mental health, or because they are making decisions under stress or emotional pressure)?

**Q8:** Are there any specific issues we should focus on in terms of how, and the extent to which, childcare providers compete to gain consumers and are incentivised/disciplined to meet consumers' preferences and needs? Why?

**Q9:** Are there any particular types of conduct or practices we should focus on that may adversely affect consumers or competition? What are they and why should we focus on them?

**Q10a:** We are interested in whether the regulatory frameworks in this sector, and their enforcement, along with complaint and redress mechanisms, support good competition/consumer outcomes. Are there any particular areas we should consider? Why?

**Q10b:** Are there elements of these regulatory frameworks that create unnecessary or disproportionate barriers to competitive dynamics, such as entering the childcare sector, expanding existing businesses, introducing new business models?

**Q11:** More generally, are there any barriers to entering the provision of childcare services, or to expanding existing businesses, that you believe are unnecessary or disproportionate? If yes, please explain. Are there any particular barriers for smaller businesses?

## Responding to the consultation and next steps

46. Please email written submissions to [childcare@cma.gov.uk](mailto:childcare@cma.gov.uk) by **26 July 2026**.
47. Please ensure that all personal data, other than your contact details, is redacted or excised from your response and any documents you submit to us.
48. We propose to publish full responses, or where appropriate, a summary of responses to this Statement of Scope. Therefore:
  - (a) Please supply a brief summary of the interests of organisations you represent, where appropriate.
  - (b) Please consider whether you are providing any material that you believe to be confidential either to yourself or another person or organisation, and if so, please explain why this is the case. Please provide both a confidential and non-confidential version of your response where applicable.
49. If you are responding as an individual (ie you are not representing a business or other organisation), please indicate whether you wish your response to be attributed to you by name or published anonymously.
50. An explanation of how we will use the information provided to us is in **Appendix A**.

## **Appendix A: Use of information provided to the CMA**

1. This appendix sets out how the CMA may use information provided to it during the course of this market study, in line with our legal responsibilities.

### **Why is the CMA asking for information?**

2. The information you provide will help the CMA to understand the sector for the supply of early years childcare and identify any competition or consumer issues.

### **What will the CMA do with the information I provide?**

3. Your information will inform the CMA's final market study report, and any interim updates. The CMA may publish information you provide and identify you as the contributor of it in a report, or alongside it on our website. The final market study report will set out the CMA's findings and any proposed remedies to any existing or potential issues it finds.
4. The CMA may disclose any information provided by you for the purposes set out in sections 6, 7, 170 and 241 to 243A to F of the Enterprise Act 2002, where it considers such disclosure to be appropriate. In particular, the CMA may choose to put information provided by you to third parties, such as other government departments and other parties providing information to the CMA, for the purpose of facilitating any further related work. The CMA may also appoint one or more experts to assist us in understanding information provided to us or obtained by us.
5. Where appropriate, the CMA may share your information within the CMA to facilitate the performance of its functions. The CMA may also use information you provide to take enforcement action, including against businesses operating in the markets within the scope of this study, using its competition or consumer powers. The CMA may also share your information with another enforcement authority or with another regulator for them to consider whether any action is necessary.
6. Unless an exemption applies, the CMA may disclose the fact that you have provided information to it, and the information you have provided, in accordance with its obligations under the Freedom of Information Act 2000.

### **Will the CMA take steps to protect my information?**

7. The CMA may only publish or share information with others in specific circumstances set out in legislation (principally Part 9 of the Enterprise Act 2002). In deciding whether to publish or otherwise disclose information received, we will have regard to, among other considerations, the need for excluding, so far as is

practicable, any private information or commercial information.<sup>31</sup>

8. The CMA will redact, summarise, or aggregate information in published reports where this is appropriate to ensure transparency whilst protecting legitimate consumer or business interests.

### **How will the CMA handle any personal data I provide?**

9. Any personal data you provide to us will be handled in accordance with the CMA's obligations under the UK General Data Protection Regulation and the Data Protection Act 2018. The CMA's [personal information charter](#) sets out the standards you can expect from it when it collects, uses or shares personal data and provides details of your rights in relation to that personal data as well as information on how to contact the CMA.

### **What should I do if I have concerns about how the CMA will use any information I provide?**

10. You should make clear to the CMA any information that you consider to be confidential when you provide it to the CMA and set out why you consider it to be confidential.
11. If the CMA wants to include any sensitive commercial or personal information in a document that will be published it will, save in exceptional circumstances, give you an opportunity to tell it about any concerns you may have regarding that publication.

### **Where can I find further information?**

12. Further details of the CMA's approach can be found in [Transparency and Disclosure: Statement of the CMA's Policy and Approach \(CMA6\)](#).

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<sup>31</sup> Under section 246A of the Enterprise Act 2002 private information means information relating to the private affairs of an individual whose disclosure the public authority concerned (here, the CMA) thinks might significantly harm the individual's interests; and commercial information means information relating to any business of an undertaking whose disclosure the public authority concerned (here, the CMA) thinks might significantly harm the undertaking's legitimate business interests.