

Good Afternoon

I have today submitted my CMA Questionnaire.

I would like to emphasise that the overwhelming majority of early years providers entered this profession because they are passionate about giving children the best possible start in life. Providers are resilient, innovative, and committed to delivering exceptional care and education despite increasing financial and operational pressures.

Throughout this questionnaire, I have highlighted the growing gap between Government expectations and the resources available to deliver them. Providers are expected to deliver high-quality education, inclusive practice, safeguarding, family support, early intervention, flexible childcare, and increasing regulatory compliance, while operating within a funding model that does not cover the true cost of delivery. The sector has reached a point where it can no longer be expected to deliver a champagne service on a lemonade budget.

One of the greatest frustrations for providers is that many of the challenges facing the sector are not caused by a lack of commitment or demand, but by policies that are often developed in isolation. Funding guidance, Local Authority requirements, and Universal Credit regulations do not always work together, leaving providers and families caught between conflicting systems. Better collaboration across Government departments, Local Authorities, and the sector itself would result in more practical, effective, and sustainable policies.

I would also encourage policymakers to spend time in early years settings and engage directly with providers before introducing further reforms. Those working in the sector every day have first-hand experience of the challenges families face, the increasing complexity of children's needs, and the practical implications of policy decisions. Meaningful consultation with providers should be an integral part of future policy development.

As a provider, we have witnessed the consequences of the current funding model first-hand, including having to make the heartbreaking decision to close our setting in one of the most deprived communities we served because it was no longer financially sustainable. That decision was not driven by a lack of demand or commitment, but by a system that no longer reflected the true cost of delivering high-quality childcare. No provider should be forced to make such decisions when demand for early years education has never been greater.

I would also encourage the Competition and Markets Authority (CMA) to consider whether the issues identified through this market study warrant a full Market Investigation Reference under Section 131 of the Enterprise Act 2002. The challenges facing the early years sector have been consistently raised by providers for many years, yet they remain unresolved. A full market investigation would provide a more rigorous and independent assessment of how the market is functioning and the impact of the current funding model. While such an investigation could not, on its own, require the Government or the Treasury to increase funding, it could establish an independent and authoritative finding on whether funding rates are sufficient to support a sustainable childcare market. Such a finding would place the evidence on the public record and make it considerably more difficult for the longstanding gap between the true cost of delivering childcare and the funding provided to continue to be overlooked. After years of the sector raising

these concerns without meaningful resolution, an independent finding would provide a strong evidence base for future policy decisions and accountability.

The early years sector is one of the most important investments a country can make. High-quality early education improves children's outcomes, supports families, enables parents to work, strengthens communities, and reduces future demand on education, health, and social care services. Investing in the sustainability of early years provision is therefore not simply an investment in childcare—it is an investment in the country's future.

I hope this market study results in meaningful action. The challenges facing the sector are well understood. Providers do not need further acknowledgement of the problems; they need a funding and regulatory system that reflects the true cost of delivering high-quality early years education and childcare. Without meaningful reform, there is a real risk that more providers will be forced to reduce services or close, ultimately limiting access to high-quality childcare for the very children and families these policies are intended to support.

Kind Regards

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