

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?

A1: Ofsted is broadly in favour of the proposed scope, but consideration should be made to extend the scope to all types of childcare providers in England. Ofsted believes every child should be given the very best possible start in life, it is one of our strategic priorities and the Department for Education's also share this ambition. However, Ofsted continues to push government to consider each and every child, irrespective of their age and the type of setting that provides their care or education. Ofsted is charged with maintaining two registers, the Early Years and General Childcare Register. Childcare provision registered with Ofsted care for children from birth to 18 on both these registers. On the voluntary part of the General Childcare Register, most of these providers are nannies, who care for children of any age. Some activity-based providers who register voluntarily also care for children aged 3 and above and so a child's age is not entirely linked to the early years register alone. Similarly, wraparound providers on the early years register, who offer care exclusively before and after school do not have to meet the learning and development requirements of the EYFS, which is relevant when considering any impact of Early Learning entitlement funding. Choosing to focus on specific ages of children, instead of the type of provision and relevant Ofsted registers, may present a skewed view of the sector, due to how regulation and funding entitlements function in tandem.

It is important that any review of the childcare market considers the whole market offer and the interplay between regulatory regimes and parental choice. For providers on the early years register, we know that most providers meet the legal requirements in educating and keeping children safe. For other providers with less regulatory oversight, neither Ofsted, nor parents, cannot be so assured. Most childcare providers register on both the early years and childcare registers, being able to care for early years children and later years children at the same time. The voluntary part of the childcare sector is the least regulated, with fewer requirements to adhere to and limited regulatory oversight based on a model of risk-based inspection selection that only focuses on 10% of providers registered on the register. Ofsted is working alongside government to improve regulation of providers on the childcare register and is committed to helping parents understand how inspection and regulation varies across provider types, but some parents remain unclear about the respective levels of oversight and Ofsted's limited role in relation to some childcare providers. The former Secretary of State wrote in her [letter](#) welcoming views on how the

childcare market as a whole is working. Ofsted would support a review that captures all regulated provision.

Childminder agencies were introduced by government in 2015. On 31 March 2026, there were 7 childminder agencies registered with Ofsted, 4 of which reported they had a combined total of 1,790 providers on roll. Agency registered childcare represents almost 3% of the entire childcare market. This part of the childcare market that has not grown as intended when implemented in 2014. Any review may want to consider why and their part in the wider market choice. Childminder agencies must provide their registered providers with practice support, including continuing professional development, and provide an additional choice in regulatory regime for childcare providers and further choices for parents in terms of childcare. They are an active part of the childcare market and any whole market review should fully consider the role they play.

Paragraph 27 in the proposed scope states that the CMA is starting by looking at a broad number of areas to build up an overall understanding of how this sector is working. Ofsted would argue that this cannot be effective without considering all regulated childcare choices, including for later years children and those cared for by providers registered with agencies. Footnote 18 states that the CMA proposes to exclude providers which are exempt from compulsory Ofsted registration, yet many providers caring for children from 5-8 for payment for more than 2 hours will meet the requirement for registration on the compulsory part of the general childcare register. Children in this age range are not eligible for the 30 hours funded childcare entitlement, but instead are eligible for Tax-Free or Universal Credit Childcare payments. Local authorities are [expected to promote](#) the use of Tax-Free Childcare and Universal Credit childcare for early years and wraparound provision and encourage providers to sign up to accept both. Again, the whole childcare market and the varied associated funding streams should be considered to better understand the childcare market as a whole and the various choices available to parents.

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?

A2: In 2021 Ofsted asked the Department for Education to review the regulation and inspection of multiple providers, whether multiple providers should be inspected directly and how our inspection and regulation could have the greatest impact. In 2026 Minister Bailey announced that the Department, having concluded their regulatory review of large provider groups, will give Ofsted new powers to identify risks and take actions across these groups, not just individual settings. Ofsted agreed that a well-functioning market should enable providers to anticipate and respond to future demand and should not be subject to *unnecessary* barriers to entry or expansion, but consideration must be made to the way in which regulation of these providers may change. Ofsted believes that the safety

and well-being and quality education of children is paramount and the context of necessary or unnecessary barriers to expansion should be set out in full in the CMA's market review.

In the same vein, parents should absolutely be alert to 'childcare options in their local area before making decisions' as is set out, but they should also be alert to the national oversight and influence of such provision if they are part of a multiple provider group, so that parents can be fully informed about the impact that organisational governance has on settings nationally, such as policies, procedures and arrangements that are not determined at the local setting level.

Childcare providers cannot arguably compete effectively to attract and retain families, on both price **and** quality but rather on the type of provision they offer. In November 2024, government introduced further flexibilities for childminders and childcare on domestic providers to remove burdens to entry and to enable more adults to work together under one registration from domestic and non-domestic premises. This further enabled providers to be creative in the types of childcare on offer, and despite low numbers of registrations of the new 'childminder without domestic premises', childcare providers utilise the additional flexibilities introduced at the same time to offer bespoke childcare options to compete to attract and retain families.

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.

A3. N/a

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?

A5: This year, Government published a new [Find a childcare provider](#) tool that is currently in Beta testing. This service does not yet account for all childcare providers registered with Ofsted or a childminder agency. At the same time, local authorities also have locally available tools to help parents find childcare through the Family Information Services. Ofsted also publishes information and [reports](#) about childcare providers and has recently published [Ofsted: Explore an Area](#). Local authorities have a duty outlined in the Childcare Act 2006 to secure sufficient childcare for parents, and parents have their own choices to make. Each service providers some level of information that may help parents, but no service provides the whole picture.

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)?

A6: Research being [carried out by Nuffield Foundation](#), examining the challenges and benefits of childminding in England, as well as research from other research based organisations, should feed into any whole market review. The Department for Education (DfE) also consulted on recruitment and retention of childminders in 2024. Ofsted responded to the consultation to state that childminders, especially lone working childminders, could benefit from increased support, to aid retention in the childcare sector. Childminder agencies provide an alternative route for childminders and childcare on domestic premises providers (5 of more adults providing or assisting with childcare), and offer practice support as any training, advice or assistance. They may in agreement with their childminders, provide invoicing services, manage parental fees on behalf of childminders, administer paperwork for tax and National Insurance (NI) contributions on behalf of childminders and/or their assistants, and/or arrange accountancy services for childminders. For all providers, including childminders, registered with Ofsted, the local authority has a duty under section 13 of the Childcare Act 2006 to provide information, advice and training to support childcare providers. It is clear the level of support required for providers will vary depending on the registration type and regulatory body, but consideration must be made to childminders and the impact any barriers are having on their long-term sustainability, given their numbers have [dramatically reduced](#) in recent years.

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?

A8: N/a

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?

A9: N/a

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?

A10a: Ofsted is a force for improvement through the intelligent, responsible and focused use of regulation, inspection and insights. We report on findings publicly for parents, and

report to parliament. This helps to support parental choice and drive improvement and better outcomes in the sector. Ofsted is working with government to support regulatory reform on multiple providers, who make up a large part of the childcare sector. Any review should consider any government proposals and the impact they may have, given the timescales of this review covers periods where sector reforms are being considered.

However, Ofsted cannot address parent's individual disputes with providers, particularly where they fall outside of the legal requirements a provider must follow, such as fee disputes, complaints about contractual issues and wider individual practices that meet or fall outside legal requirements.

Ofsted inspects and regulates in line with the requirements set by government. Ofsted risk assesses information shared with us, along with other data and information we hold about the provider, and can set actions for a provider to improve and meet requirements. We may call the provider to discuss the information, visit to carry out regulatory activity or carry out an inspection as a result of concern. Or, information is logged and discussed at the next inspection if deemed not urgent for example the provider has already taken all action needed to meet legal requirements, or closed if this is not within our legal remit.

Some providers are legally responsible for their childcare provision as an individual, such as a childminder, nanny, or sole trader nursery owner. In these cases, there is no further managerial oversight. A parent can only complain with one individual, or seek advice from sector representative bodies. Regulations state providers must have a complaints process and Ofsted can take action if complaints are not handled in line with requirements, yet this sometimes does not assist with the issue itself and parents still look to Ofsted to resolve issues that fall outside of our remit.

Following recent high-profile abuse cases in the sector, some parents are calling for a new national reporting and escalation mechanism for safeguarding concerns in early years settings. Ofsted risk assesses each individual piece of information shared with us by parents or providers themselves through notification. Government has also recently published information for parents to help them understand the [difference between concerns and complaints](#). Any further mechanism for escalation in the sector risks yet another system being introduced which only has part of the wider overall picture. Learning reviews following complex cases have previously demonstrated that organisations fail to share information to create an overall picture that would help agencies take action quickly and effectively to keep children safe.

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?

A10b: N/a

Ofsted response to Early Years Education and Childcare Services Market Study
July 2026

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?

A11: N/a