

To whom it may concern,

We welcome the Competition and Markets Authority (CMA) review and broadly agree with its scope and the characteristics it identifies as being important for a well-functioning market.

In Wiltshire, we consider the childcare market to be generally competitive, with a wide range of PVI providers offering parents' choice. As a large rural county, we are heavily reliant on the PVI sector to deliver early years and childcare provision.

However, workforce challenges remain one of the most significant concerns. Many providers are operating below their registered capacity due to difficulties recruiting and retaining qualified staff. Combined with funding pressures and limited ability to offer competitive wages, staffing is impacting the availability of childcare places and the sustainability of some providers.

Areas for consideration:

1. A need for greater national investment in Early Years as a professional, rewarding and financially viable career to address recruitment and retention crisis. In Wiltshire, providers regularly report vacancies remaining unfilled for extended periods and increasing difficulties attracting qualified Level 3 practitioners and managers. As a result, many settings are operating below capacity despite local demand, limiting the availability of childcare places for families.
2. Greater clarity within statutory guidance for the delivery of the Early Years Entitlements to support consistent interpretation and enforcement. Areas such as funded entitlement delivery, charging policies and optional extras can be interpreted differently by providers, creating variation in practice and confusion

for parents.

3. Recognition that the term "Free Early Education" can be misleading for parents. A national review of the terminology used could help ensure parents have a clearer understanding of what is funded and what constitutes an additional charge.
4. Restrictions on how funded hours can be accessed, which can create additional costs and barriers for working families. The way funded hours can be delivered can create practical challenges for working families. We have received some reports that some families experience difficulties accessing funded hours across the full range of sessions offered by providers, which can reduce flexibility for working parents. In rural areas, where availability may be limited and travel distances greater, families can find it difficult to secure provision that aligns with working patterns. These factors can result in additional childcare costs even where a family is fully entitled to funded hours.
5. Charging policies for meals and snacks and restrictive alternatives that may disadvantage some families, particularly those on lower incomes (this links in with point 4 above). We are increasingly hearing reports of providers requiring parents who choose not to purchase meals or snacks to provide a 'like-for-like' alternative. We have received parental feedback suggesting that some charging and alternative meal arrangements can be difficult for families to navigate and may create unintended barriers for lower-income households.
6. Increasing challenges for parents seeking only the universal 15-hour entitlement. Funding and sustainability pressures may create incentives for providers to maximise occupancy through longer attendance patterns, which can affect availability for families seeking only their funded entitlement. Whilst understandable from a business perspective, this can reduce accessibility for families who wish to access only their statutory entitlement and may result in reduced parental choice.
7. The operation of Working Parent Entitlement eligibility rules, which can create barriers for parents seeking employment and delays in accessing funded childcare when eligibility is gained part way through a term. Where eligibility is obtained part way through a term, parents are required to wait until the start of the next funding period before accessing their entitlement. This can create delays of several months, reducing the policy's effectiveness in supporting parents into work.
8. Variations in provider financial profitability, with some organisations benefiting from greater scale or additional income streams than others. There is considerable variation in the financial position of childcare providers. Larger providers or those operating in areas with stronger demand may be able to generate additional income through optional services, extended hours or economies of scale. In contrast, many smaller providers, particularly those in rural communities, face increasing financial pressures from staffing costs, energy prices, premises costs and inflation. These pressures may affect long-term sustainability and increase the risk of market exit, potentially reducing local childcare sufficiency and parental choice.

Overall, while we believe we have sufficient childcare places in Wiltshire, workforce shortages, funding pressures and barriers to accessing entitlements continue to

impact capacity, affordability and accessibility for families. We would welcome further consideration of these issues as part of the CMA's review.

Kind regards

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Families and Children's Commissioning
Wiltshire Council