Official Response
to the CMA Call for Evidence

EARLY YEARS EDUCATION AND CHILDCARE SERVICES IN ENGLAND

JULY 2026

About Community Union

This is an official response on behalf of members of Community Union

Community is a general Trade Union affiliated to the TUC. We provide legal and casework support to our members and regularly engage with them in determining our response to policy proposals.

Community's Education and Early Years sector represent thousands of serving teachers and support staff, headteachers, lecturers, nursery and early years workers, nannies and other education professionals in schools and academies, nurseries and early years settings, colleges, and universities across the whole of the UK.

This evidence was submitted on behalf of our members working in Early Years and Education in England and as such represents the collective view of our membership.

The information shared within this response is our public response to the consultation and may be used and quoted as appropriate for the purposes it was gathered, with Community Union acknowledged as the contributor. We would be happy to discuss the comments in this response further, please contact us using the details supplied.

Community are happy for this response to be published as part of this consultation process. We will publish this Official Response on our website following the close of the consultation period.

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Background and Introductory Comments

The Secretary of State for Education has asked the Competition and Markets Authority (CMA) to conduct a review into how the early years childcare market is working. The scope of the CMA review covers the impact of market practices, such as private paid hours/fees, on parents and providers, and supply side dynamics, including accessibility in cold spot areas.

Childcare and early years education matter to Community and our members both as a workforce delivering an essential service, often for low pay and in difficult conditions, and as parents and carers who rely on childcare so that they themselves can work.

Community's members consistently tell us they feel undervalued, overworked and underpaid, which is making it increasingly difficult for the sector to recruit and retain qualified professionals.

Community's Early Years Charter[1] formed following our 2024 Biennial Delegates Conference sets out what members want to see to changed, calling for government:

- to recognise that early years staff and nannies are educators, not babysitters;
- to recognise the specialised nature of their work;
- to increase funding for early years settings so it adequately covers the true cost of provision;
- to improve wages in recognition of that specialised work;
- to raise the profile of nannies specifically, who are too often overlooked in policy on this sector; and
- to streamline professional development and progression routes.

The closure of maintained settings and the growth of large for-profit chains, increasingly backed by private equity, have changed the shape of the market.[2] A small number of private groups increasingly dominate provision in some areas, limiting parental choice and raising questions about transparency in how public funding is used. Community believes that a well-functioning early years sector must be built around the people who deliver it with pay and conditions that reflect the skill and responsibility involved, safe staffing levels, and a funding model that allows providers – whatever their ownership model – to deliver care that is high-quality, accessible and affordable.

Community believes that a well-functioning early years sector should provide high-quality provision that is universal, accessible, affordable, supported by public investment, and underpinned by decent pay and employment conditions for the childcare and early years workforce, including the self-employed nannies and childminders who form part of it.

This consultation was submitted via email to:
childcare@cma.gov.uk

[1] Community Trade Union (2023), Early Years Charter
https://community-tu.org/campaigns/early-years-charter/

[2] The Guardian (2026), Nurseries, vets and shops: the sectors where private equity plays a big role
https://www.theguardian.com/business/2026/jun/28/nurseries-vets-and-shops-the-sectors-where-private-equity-plays-a-big-role

Question 1
Are there any specific features of early years education and childcare services in England that you wish to bring to our attention?

Community believes there are four fundamental issues within the sector that must be addressed in order to deliver quality and value for money for children and their families: workforce, safe staffing and ratios, access and affordability, and funding.

Workforce
The childcare and early years workforce is underpaid and undervalued, with many staff experiencing poorer terms and conditions than other parts of the education sector. Limited progression and high workloads make it harder to recruit and retain qualified early years professionals[3] which affects the availability of places and providers' ability to expand or remain open. The high turnover of staff that results reduces continuity of care and undermines the stable relationships central to high-quality early education and can also negatively affect children's learning and development.[4]

In 2025, the median hourly wage for school-based provider staff was £19.43 per hour and the median hourly wage for group-based provider staff was £13.02 per hour.[5] Turnover rates for paid childcare staff were twice as high in group-based providers (14%) as in school-based providers (7%).[6]

Self-employed nannies form a significant, if often invisible, part of the early years workforce. They are frequently excluded from workforce data, funding schemes and sector-wide standards despite carrying out highly skilled and specialised work, and Community believes any assessment of the sector's workforce must not overlook them. The CMA's scope should be broadened to focus on all of the people delivering childcare and not just the providers themselves. A well-functioning childcare sector cannot be assessed without putting the workforce at the centre.

In order to ensure comprehensive understanding about staff pay and conditions, the CMA market study should:

- Explore how to improve terms and conditions for the workforce that address staff retention and career progression, and what impact the lack of a functioning market in the sector has on keeping wages low.
- Consider how the relatively low wages and poor working conditions in the sector impact the quality of care for children.
- Examine if the absence of sector-wide mechanisms for collective dialogue on pay, workforce conditions, and funding contributes to market challenges. It should also consider whether a formal social partnership forum, bringing together government, employers and recognised trade unions, could support better outcomes for providers, workers and families.
- Ensure that self-employed nannies and childminders are captured in the evidence base, given the role they play in the market and their current absence from most workforce and funding data.

[3] NFER (2025), The Early Years Workforce in England
https://www.nfer.ac.uk/publications/the-early-years-workforce-in-england-2025/
[4] OECD (2019), Good Practice for Good Jobs in Early Childhood Education and Care
https://www.oecd.org/en/publications/good-practice-for-good-jobs-in-early-childhood-education-and-care_64562be6-en.html
[5] DfE (2025), Childcare and early years provider survey
https://explore-education-statistics.service.gov.uk/find-statistics/childcare-and-early-years-provider-survey/2025
[6] DfE (2025), Childcare and early years provider survey

Safe staffing and ratios

In 2024, Community responded to the Government's consultation on relaxing childcare ratios. In this response we made clear that increasing the number of children aged two and above that a member of staff can care for risks children's safety, could harm their development, and would increase staff stress and workload.[7] Our members are clear that for children to thrive and grow staffing levels need to be increased, especially with the increasing number of children with additional needs. In the interests of children's safety and the quality of their care, supervision arrangements must be strengthened.

It is our view that a study of value for money and market sustainability in this sector should recognise that diluting ratios to reduce costs is not a sustainable route to affordability. The pressure to reduce costs in a highly competitive market creates incentives for providers to operate at, or seek relaxation of, irrespective of the impact this has on children's safety and development and on staff workload, consequently worsening staff workload, retention and, ultimately, quality.

Accessibility

Community believes that every family should have access to affordable, flexible, high-quality childcare. Universal, affordable, flexible, and accessible early years and childcare is essential to rebalance the responsibility of childcare more equitably and to enable women's equality and participation in the labour market. No one should be worse off because they work and need to use childcare.

Community welcomed the 25th anniversary Coram Family and Childcare survey[8], which found that funded hours have reduced childcare costs for parents but that costs remain high overall because the funding of funded provision does not cover the cost of that provision leaving providers to increase charges for wrap-around care and school holidays, meaning many parents still struggle to cover the cost.[9]

Parents are not ordinary consumers, nor are children. Parents often need childcare at short notice, close to home or work, at times that fit their job, and with confidence in quality and continuity. And Children always need high-quality, professional care in safe settings where their wellbeing is prioritised. In many areas, families have limited choice, particularly those wishing to access funded places. A childcare system that works for families must guarantee access, affordability, inclusion and quality, instead of leaving these outcomes to market forces alone.

Coram's survey also confirmed a worrying disparity in SEND provision depending on where a family lives, which Community believes is a matter of serious concern and should be examined as part of this market study.[10]

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[7]Nursery World (2024), Early years union tells DfE to strengthen childcare ratios not reduce them https://www.nurseryworld.co.uk/content/news/early-years-union-tells-dfe-to-strengthen-childcare-ratios-not-reduce-them/

[8] Coram Family and Childcare (2026), Childcare survey https://www.coram.org.uk/news/childcare-survey-2026/

[9]Community Trade Union (2026), CFC Annual Childcare Survey Welcomed https://community-tu.org/cfc-annual-childcare-survey-welcomed/

Funding

As we have noted in previous conversations and official responses to Government, the level of funding received for early years provision is often insufficient to recruit and retain a highly-trained and experienced professional workforce. And yet, research shows that properly funding the early years can lead to significant cost-savings further in the education system.

Analysis by the New Economics Foundation indicates that universal, high-quality early years education generates high public returns, boosting future earnings, lowering public expenditure, and reducing crime. The analysis suggests that the extent of the policy's success means that it effectively pays for itself[11] and shows that funding can create lasting public value by supporting both high-quality early years education and decent, secure jobs in the sector. Unfortunately, funding is all-to-often driven by short term targets which rarely support the kind of investment the education sector so desperately needs.

As the major funder of early years education, the government has a responsibility to ensure that there is sufficient funding for the sector to support minimum standards for pay and working conditions, and that this funding adequately covers the true cost of provision.[12] Community has been considering whether greater conditionality should be attached to public funding. This could include conditionality on workforce pay, training, employment standards and financial transparency, to ensure public funding delivers value for money and adequately covers the cost of provision. This is especially appropriate given the concerning growth of private equity ownership in the sector – with places offered by private-equity backed providers reported to have doubled in recent years, while not-for-profit, partnership and childminder provision has fallen. This shift is fundamentally changing the market with too little transparency about how public funding is used and too little regard for its impact on the workforce.

It will be especially important to monitor how increased market concentration and private equity ownership in the early years sector affect affordability, accessibility, quality of provision, workforce terms and conditions, and how public funding is used over the near future and to consider how this sits alongside maintained early years provision. The government's recent expansion of school-based early years provision recognises the uneven access to childcare and the need to increase provision in disadvantaged areas and childcare cold spots, where families face barriers to accessing places.[13]

It will be important to examine how compatible the current market model is with universal access to high-quality, affordable childcare. The current, highly-fragmented market relies heavily on parental fees, government subsidies, and provider decisions. This deepens inequalities and causes childcare shortages in less profitable areas and for children with additional needs.[14]

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[11] New Economics (2023), Investing in universal early years education pays for itself https://neweconomics.org/2023/07/investing-in-universal-early-years-education-pays-for-itself

[12] Early Years education is mainly delivered by the private, voluntary and independent sector but most of the funding comes from national government, via local authorities. Department for Education (2025), Childcare and early years provider survey https://explore-education-statistics.service.gov.uk/find-statistics/childcare-and-early-years-provider-survey/2025

[13] DfE (2025), Parents to save thousands through school-based nursery places https://www.gov.uk/government/news/parents-to-save-thousands-through-school-based-nursery-places

[14] Institute for Government (2025), Policy making blind spots: Why some children are left behind from the start https://www.instituteforgovernment.org.uk/publication/policy-making-blind-spots.
Coram Family and Childcare (2026), Childcare survey https://www.coramfamilyandchildcare.org.uk/research/childcare-survey-2026/

Question 2

Are there any publications, sources of information or organisations you think we should consult for our market study?

As a membership organisation, Community would like its early years, nursery and nanny members and representatives, who have direct frontline experience of delivering childcare and early years education, to be consulted.

Community is a member of the Early Education and Childcare Coalition, alongside other stakeholder organisations, and believes a social partnership approach that brings together government, employers and recognised trade unions would improve outcomes for children, families and the workforce. We would encourage the CMA to engage with the Coalition and with Coram Family and Childcare's annual childcare survey as an established source of evidence on affordability, access and SEND provision.

Trade unions represent the frontline workforce delivering early years education and care and bring invaluable practical expertise on how services operate. Involving them, including unions such as Community that represent self-employed nannies as well as employed nursery and early years staff, helps ensure reforms are informed by those with direct experience delivering high-quality care and education and understanding the needs of the children and families they support.

Question 3

Please share anything else you would like to tell us about early years education and childcare.

Community's Early Years Charter, which sets out our members' priorities for pay, funding, recognition and professional development, may be helpful to reference for the market study:
https://community-tu.org/campaigns/early-years-charter/

Community's 2024 response to the Government's consultation on relaxing childcare ratios, which sets out our concerns around child safety, development and staff workload, is reported here:
https://www.nurseryworld.co.uk/content/news/early-years-union-tells-dfe-to-strengthen-childcare-ratios-not-reduce-them/

Community's response to the 2026 Coram Family and Childcare survey, welcoming progress on funded hours while highlighting continued cost pressures and SEND disparities, can be found here:
https://community-tu.org/cfc-annual-childcare-survey-welcomed/