



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Bridget Phillipson MP
Secretary of State for Education
Department for Education
Sanctuary Buildings
20 Great Smith Street
London
SW1P 3BT

11 April 2025

Dear Bridget

Re: Early Years and Childcare Providers

We are writing to express our deep concern at the situation facing early years and childcare providers.

It has been well documented that private and voluntary providers are confronting twin crises: in financial sustainability and in recruitment and retention. They face spiralling costs, driven in no small part by the recent NICs hike, while the funding provided for “free” entitlements continues to fall short of the actual costs of delivery in far too many cases.

The recent changes made by your Department to guidance on early entitlement charges has caused further concern in the sector.

This change may have been well intentioned - we can all agree that parents need to have a clear picture of exactly how much childcare will cost.

But when coupled with free entitlement rates that don't come close to covering costs, it risks leading to a situation where cost-cutting is prioritised over high-quality provision.

The simple fact remains that without urgent action to make sure that rates paid for the free entitlement match the true cost of delivery, this will remain a sector on the brink.

The imposition of your Government's ill-thought out NICs rise has left far too many early years and childcare settings wondering how they will even make it through this year.

Shockingly, the Early Years Alliance have recently found that almost a third of providers expect to close permanently in the next year.

Parents across the country are deeply worried that a bad situation is in fact about to get even worse, as more settings go to the wall, and the “childcare deserts” that became all too common under the previous Conservative Government spread even further.

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Private and voluntary settings carry out the vast bulk of childcare and early years provision in this country. Steps to increase the number of school-based nursery settings are welcome, but we cannot risk a two-tier system developing. Without real and urgent action to support private and voluntary providers, the sector will remain in crisis and parents and children will suffer.

That must begin with steps to exempt early years and childcare providers from the damaging NICs hike.

We look forward to your response.

Kind regards



MUNIRA WILSON MP

Liberal Democrat Spokesperson on Education, Children and Families

STEFF AQUARONE MP

ALISON BENNETT MP

ALEX BREWER MP

JESS BROWN-FULLER MP

CHRIS COGLAN MP

VICTORIA COLLINS MP

DAISY COOPER MP

ADAM DANCE MP

STEVE DARLING MP

BOBBY DEAN MP

LEE DILLON MP

TIM FARRON MP

RICHARD FOORD MP

WILL FORSTER MP

ZOE FRANKLIN MP

ANDREW GEORGE MP

SARAH GIBSON MP

RACHEL GILMOUR MP

OLLY GLOVER MP
MARIE GOLDMAN MP
TOM GORDON MP
SARAH GREEN MP
MONICA HARDING MP
PIPPA HEYLINGS MP
WERA HOBHOUSE MP
LIZ JARVIS MP
CLIVE JONES MP
PAUL KOHLER MP
JAMES MACCLEARY MP
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