

INNOVATION CASE STUDY BRIEFING 3:

# Equal Care Co-op

READING TIME

10 mins

TYPE OF INNOVATION

- Social
- Business model
- Systems

TARGET POPULATION FOR THE INNOVATION

Older people wanting to remain at home; people living with disabilities or chronic illness; neurodiverse people wanting day-to-day support

## 1 THE INNOVATION



- Equal Care is reinventing the home care business model, through the development of a platform co-operative that shifts power into the hands of people involved in individual care relationships. Self-managing care teams are led by the person who receives care and support, and are supported by a cooperatively-owned digital platform that enables them to share information, ensuring high quality care.
- Equal Care aims to improve the lives of people receiving care and support as well as offering a better deal for those giving care and support by offering above-average pay, flexible schedules and growth opportunities, both within their teams and the co-operative as a whole.

### The vision

Equal Care began from its founder's frustrations with the adult social care system, where power, choice and control were held by commissioners and managers rather than the people involved in individual care relationships. Equal Care aimed to disrupt the care system by prioritising the relationship between those who give, and those that receive care and support, empowering both sides of the care relationship as well as tapping into the resources of communities and wider care networks.

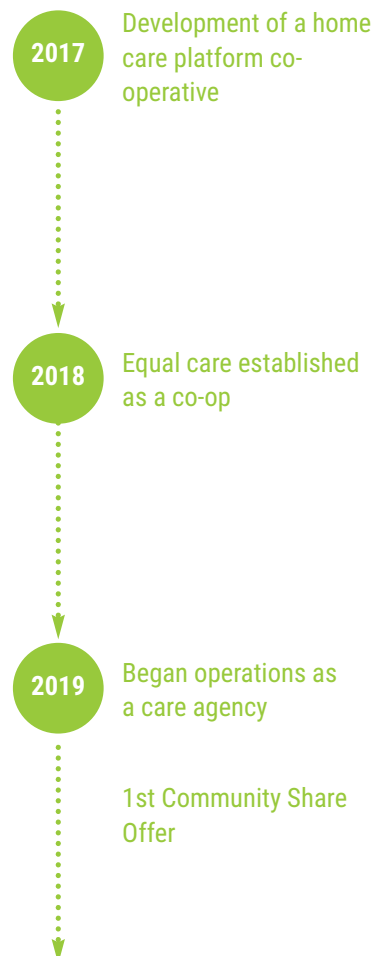
### The innovation journey

Over 2017, the co-operative's founding members (seven people) developed the vision for a new type of home care organisation where power would belong to the people directly involved in the care relationship. They chose sociocracy for governance, which promotes equal responsibility rather than a traditional hierarchy, and developed the concept of self-managing care teams 'owned' by the person receiving care and support.

The seed of the model was developed collaboratively with the local community in West Yorkshire across a series of workshops and discussions, and in February 2018, Equal Care officially became a co-op. A grant from the Paul Hamlyn Foundation enabled a successful crowd-funding campaign, which raised £22k to further develop the model and expand their networks. By early 2019, Equal Care recruited its first workers and began operating as a care agency, with the co-founders taking on key roles.

In September 2019, Equal Care raised £410k through a Community Share Offer<sup>1</sup>, allowing it to hire staff and form technology and operational teams. It joined a Care Quality Commission (CQC) 'sandbox' to develop a regulatory framework for new models of home care and was intending to register under this anticipated new category. However, the onset of the pandemic meant that Equal

### TIMELINE



<sup>1</sup> See [www.uk.coop/support-your-co-op/community-shares](http://www.uk.coop/support-your-co-op/community-shares)



Care registered with the CQC in August 2020 under the rules for home care agencies. It launched a pilot service in Calder Valley, implementing the self-managing teams model and a prototype for supporting local teams called a 'Circle.' The digital platform was developed and tested, and in October 2021, Equal Care became an Approved Contractor for Calderdale Council.

As a relatively new care co-op, the COVID-19 pandemic presented enormous challenges to Equal Care, restricting both the care and support work itself as well as the development of the platform. However, the launch of a second Community Share Offer in late 2021 saw Equal Care's community rally round once more, raising enough to ensure local sustainability and growth.

A recruitment drive in 2022 doubled the number of clients and workers (to 34 and 39, respectively), with monthly turnover exceeding £40k. With the digital platform nearly completed, a £40k grant was secured for the platform maintenance. In April 2022, Equal Care received a 'Good' rating in its first CQC inspection. Equal Care has grown an average 7% per month since October 2022 and now provides work for nearly 100 caregivers and support to over 70 people.

**Spreading the innovation**

Since its inception, Equal Care has attracted interest for its innovative model from all over the world, including Australia, India, Latvia and the US. A group in Hackney started meeting in 2021 with ambitions to start an Equal Care Circle in London. This interest led to the development of a second test of the model: the Clapton Care Circle. Extremely limited access to funding meant its beginnings were gradual, mirroring the early development of Equal Care in West Yorkshire -- with volunteers holding discussions with members of the local community and learning from like-minded people and other community groups.

Through connections it identified a locality (Clapton) receptive to building mutual aid communities and a person wanting support for their mother. A £10k grant from a co-operative development agency helped to build the first care team led by the person and enable development of the model. This grassroots effort expanded into working with a sheltered housing block, developing new relationships and a sense of embeddedness in the care community network. The group's capabilities grew as new members with business and financial skills joined the Circle to gift their expertise.

In 2023, a successful bid for a £100k grant from the London Office of Technology and Innovation (LOTI) funded a pilot of the Equal Care model locally, with Hackney and Southwark Councils as partners and focussing on developing a Care Commons. The grant was "an absolute game-changer" and a vindication of Equal Care's hard work developing a revolutionary concept. It allowed the group to continue their work in Clapton and provided an opportunity to test whether Equal Care's vision for local place-based 'Circles' to support self-managing Teams resolves the disconnect between a care service and community networks.

Members of Equal Care in Calderdale supported the London pilot with resources, platform development and their hard-won experiences. Equal Care's outputs from this work include a playbook, evaluation framework and sample specification for Local Authorities to commission care according to a commons-based, co-operative model.

**Continuing the innovation journey**

Equal Care plans a third Community Share Offer aimed at funding platform development and attracting investment. Success of the London pilot could unlock further funding and enable other community groups to adopt the Equal Care model.

**TIMELINE**





Equal Care’s capacity to grow is dependent on the outcome of the ongoing Law Commission consultation for amendments to the Co-operative and Community Benefit Societies Act. Equal Care are feeding into this work but the ability to raise the investment sums

needed to achieve a fully featured product and national reach is only feasible with changes to this law. The alternative is for the co-operative to grow slowly and organically, which puts a brake on its capacity and appetite for innovation and experimentation.

## 2 ROCKS/CHALLENGES



### Financing

Although Equal Care attracted incredible generosity from its community across two share offers, funding has been the primary challenge for Equal Care’s innovation journey. It had difficulties finding a reliable income stream, limited options for grant funding and a substantial drain on its funds arising from the costs of developing the digital platform. Also, due to current law, its position as a co-operative means it is extremely restricted in the types of investment it can receive and the returns it can offer.

Small grants helped Equal Care to develop the model but, once it had started to employ staff, Community Share Offers were the only funding option available. It was initially too small to secure substantial local authority contracts that could provide stability, yet as a registered provider, it was ineligible for certain grants because it was performing ‘statutory functions’.

These challenges led it to focus on self-funders and people with Council funding through Personal Budgets or a Direct Payment as the main income stream. In London, Equal Care faced ineligibility for care-related community development grants due to the assumption that regulated care providers had access to Council funds.

The impacts of COVID-19 caused a financial crisis for Equal Care in 2022, and disrupted its expansion plans. The pandemic led to reduced interest in care

work, cancelled recruitment events, and paused funding opportunities. The Back On Track share offer enabled Equal Care to continue operating and re-focus on growth.

### Organisational capacity for growing the innovation

As a small organisation, Equal Care has faced challenges in maintaining innovation capacity during periods of crisis, such as the COVID-19 pandemic, and during rapid growth after successful Community Share Offers. However, these pressures have also driven creative solutions, such as the introduction of the ‘hats’ system. This system distributes central responsibilities across all members of the co-operative, offering development opportunities to care workers and maintaining innovation capacity during stressful times.

Initially, embedding the ‘hats’ concept was challenging, requiring a reframing of responsibility and accountability that is shared across a Team or Circle. However, over time, the system has begun to gain traction, with many more members taking on hats and the concept being successfully implemented across different teams. This adaptability ensures that Equal Care remains resilient and capable of sustaining its innovation efforts.

### Care market rules and logics

The competitive nature of the adult social care market and the commissioning practices of local authorities were both

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challenges for Equal Care. Competition prevented carers working for other providers joining Circles for people they supported, limiting the reach of the Equal Care model.

The lack of transparent information on tendering processes made contracting with the Council challenging. The standard model for home care contracts of short visits from multiple care workers, which Equal Care referred to as the “tyranny of time and task”, was a major challenge as it was directly opposed to their relationship-centred approach.

Consequently, Equal Care sought approved provider status as an outreach provider. However, it found it difficult at times to secure work despite being on the framework, since its commitment to check with workers first before responding to a ‘call off’ opportunity was putting it at a disadvantage compared to other providers that agree to contracts before talking with care workers.

*[Framework contracting is] our absolute nemesis ... the hardest thing for us ... to have to shoehorn ourselves into.*

Current regulatory requirements are ill-suited to Equal Care’s model

### Regulations for care organisations

The ‘sandbox’ project aimed to explore how to adapt the regulatory framework for new types of home care organisations like Equal Care; however, it was discontinued due to COVID-19 and staff turnover at the CQC. This meant Equal Care had to adapt to traditional regulatory expectations.

Regulatory requirements are ill-suited to Equal Care’s model, as the Registered Manager position assumes all organisations have a hierarchical structure. Fitting into requirements created additional work and innovative practices were not being recognised due to a focus on expected practices for hierarchical organisations.

## 3 NAVIGATING ROCKS



### Leadership

Equal Care’s business model is grounded in its strong values. These values have been imprinted in the organisation through the ‘gestation’ activities of the founding members, discussing and debating how the vision could work in practice. They guide its structure, governance, culture, power-sharing practices and decisions.

Equal Care aims for distributed leadership informed by sociocratic principles, something which takes time and training to implement but has proven effective when understood by all participating members. While its founders remain the driving force behind the co-ops’ development, wherever possible Equal Care is continuing to develop the concept of distributing ‘Hats’ among both Teams and Circles, allowing for customising of

the Hat Roles by members of the group using them.

Equal Care is navigating the transitional process of its founders taking steps to leave the organisation and this is producing positive impacts for others to take on the responsibility of embedding and living its values around distributing power.

### Learning

Equal Care considered its extensive ‘gestation’ phase essential for constructing a robust model, informed by ideas, research evidence and community engagement.

In response to the various challenges it faces, Equal Care has embraced a proactive and experimental approach to innovation. Its journey is characterised by

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a series of strategic experiments aimed at refining and enhancing its alternative business model for home care, in line with its core vision. Through the support of funding opportunities, Equal Care has been able to develop new elements of the model, learning and growing through reflection and continuous improvement.

Equal Care has actively sought opportunities to collaborate and learn with others, shaping the environment to better align with its home care business model. This collaborative learning has involved working with Councils and participating in projects such as the CQC sandbox and an Open Tendering project with the Health Foundation.

*... learning from them, you know, Councils that want to seek cooperative providers and are willing to give a bit of time to help us think through our strategies and our next steps and also curious a bit about the problems we're having .... I've tried to develop more knowledge and understanding for the context we're operating in.*

In addition, Equal Care has made significant progress in building an evidence base for its innovative model.

Through surveys, case stories, and feedback, it has gathered and shared evidence of the positive outcomes its relationship-centred approach delivers, further validating the impact of its work.

**Relationships with organisations and individuals**

Relationships with 'like-minded' people, organisations and the communities in which the self-managing teams are based were central to the development of the model. All elements of Equal Care's approach have been co-designed with the supported people, workers, the local community, volunteers and other co-operative members.

Although some relationships have brought specific skills to Equal Care, e.g. in the case of a skilled IT specialist to develop the platform, relationships have largely supported model development through helping Equal Care to shape its environment. Its expansion to support the Clapton pilot, which is experimenting with Circles, and its relationship with Co-operatives UK and members of parliament who are now in government to change the law around finance for co-operatives are examples of this.

Equal Care has sought collaborating and learning opportunities, shaping the environment to better align with its business model

All elements of Equal Care's approach have been co-designed with the local community, volunteers and co-operative members

**4 KEY LEARNING**



Equal Care has a clear, value-driven vision that serves as a touchpoint for all decision-making. The entrepreneurial spirit and persistence of the founders in the face of challenges has been crucial in overcoming obstacles during its development, particularly in securing funding and pushing the model forward.

Equal Care's innovation journey has been challenging, as it tries to establish a very different model of care that aims to disrupt multiple aspects of the existing system. Recognizing the difficulty of this task, Equal Care embraces the mindset of "shape or be shaped," always striving to shape its environment rather than be constrained by it.

While some challenges remain complex, the co-op continues to make steady progress by experimenting, learning, and collaborating with others, chipping away at obstacles and consistently moving closer to its vision of transforming care.

The entrepreneurial spirit and persistence of the founders has been crucial



**Key areas that continue to need innovative efforts or shaping are:**

- Sources of funding to support their growth
- Commissioning and contracting arrangements which currently create philosophical and practical barriers
- CQC regulations and inspection process that favour hierarchical structures

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