



Centre for Adult Social Care Research
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Social Care Co-operatives in the UK: Executive Summary

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KEY MESSAGES

WHY SOCIAL CARE CO-OPERATIVES MATTER

The social care sector is often described as being under severe pressure. Social care co-operatives are organisations democratically owned and/or controlled and managed by their members. They are increasingly recognised in policy debates and local authority practice as a means of improving outcomes for people drawing on care and the care workforce. However, they remain unevenly available to people drawing on care across local care markets.

A SECTOR WITH LIMITED SCALE BUT A BROAD AND DIVERSE CARE OFFER

Around 25 social care co-operatives are registered as members of Co-operatives UK and deliver regulated adult social care services. Although this figure is unlikely to capture the full extent of co-operative activity, care co-operatives still represent a very small share of the overall provider market. Despite this limited scale, the seven survey respondents supported over 3,000 people in a single year (50 to 1,200 users per organisation), delivering domiciliary and residential services to older people and adults with physical, learning, and mental health needs.

CO-PRODUCED AND PERSON-CENTRED CARE AS A DEFINING FEATURE OF PROVISION

Care quality was defined not only by task delivery but by enabling people to live the lives they value, with an emphasis on co-production, relationships, and continuity. People drawing on care are involved in shaping services through formal governance structures and tailored participation mechanisms. Appropriate oversight supports user-led co-operatives in maintaining care standards.

COMMITMENT TO WORKERS' MATERIAL WELLBEING AND FAIR EMPLOYMENT PRACTICES

All the organisations paid at or above the Living Wage and supported worker voice, conditions which contribute to staff retention. Survey respondents employed almost 3,000 staff (83% in frontline roles). They reported reduced recruitment pressures, improved gender balance, and success in attracting younger workers.

SOCIAL VALUE THROUGH COMMUNITY SUPPORT, LOCAL REINVESTMENT, AND SERVICE INNOVATION

Co-operatives generate social value by supporting unpaid carers and individuals previously in receipt of care, as well as promoting a range of inclusive activities. In 2024, Cartrefi Cymru delivered the equivalent of £250,000 in unpaid assistance. Social care co-operatives also reinvest locally and contribute to sector innovation through redesigned organisational models and care delivery approaches.

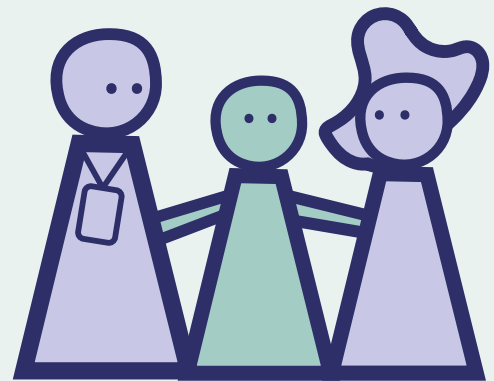
COMMISSIONING PRACTICES ARE KEY ENABLERS OF CO-OPERATIVE CARE AND SECTOR CHALLENGES

Because access relies primarily on local authority and NHS referrals (78% and 14%, respectively), commissioning practices shape market entry and provider diversity. Shifts toward ethical, outcome-focused, and participatory commissioning are therefore promising. Perceptions of co-operatives as equivalent to for-profit providers, alongside limited access to start-up and stabilisation resources, continue to constrain sector development.

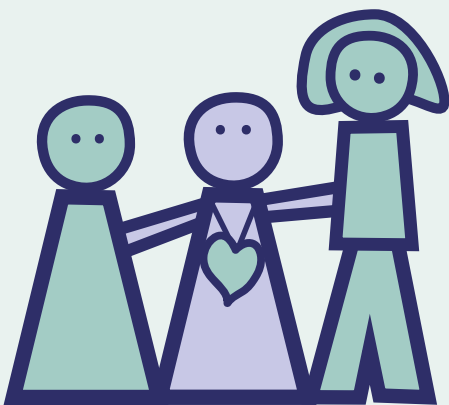
Why Social Care Co-operatives matter



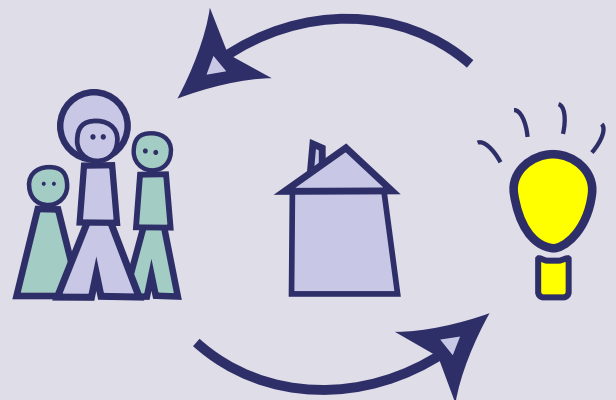
Broad and diverse care offered.



Co-produced and person-centred care.



A commitment to workers' material wellbeing and fair employment practices.



Added social value through community support, local reinvestment, and service innovation.

EXECUTIVE SUMMARY

Exploration of the impact of co-operatives in the adult social care sector is timely. The sector is presented as 'in crisis', and co-operatives are emerging in policy documents and local authority practice as a promising model for improving outcomes for people drawing on care and the care workforce.

This report draws on a mixed-methods study combining a literature review, 12 interviews with sector leaders, three case studies of social care co-operatives, and an online survey. It was commissioned by Co-operatives UK and Cwmpas and prepared by the Centre for Health Services Studies at the University of Kent in partnership with the Centre for Care, IMPACT, and the Centre for Adult Social Care Research (CARE). In this section we summarise the key findings and concludes with recommendations for national and local decision-makers.

SCALE, REACH AND PROVISION OF SOCIAL CARE CO-OPERATIVES

Around 25 social care co-operatives are currently registered as members of Co-operatives UK. This figure is unlikely to capture the full extent of co-operative activity and represents a very small share of the approximately 19,000 providers operating in England alone. Despite their limited number, the seven co-operatives responding to the survey supported 3,133 people between April 2024 and March 2025, with an average of 448 people per organisation. Provision covered older adults and people with physical, learning, or mental health needs. Services included personal and domiciliary care, support for independent living, and social inclusion activities, alongside complementary provision such as reablement, information and advice, and carer support.

DELIVERING QUALITY AND RELATIONSHIP-FOCUSED CARE

Social care co-operatives adopted a care model focused on quality, relationships, and co-production. Care quality was defined in terms of enabling people to live the lives they value, extending beyond task-based provision to include group and community activities that strengthen social inclusion. This approach was underpinned by a committed workforce and long-standing local presence. These characteristics supported trust and continuity for people drawing on care, their carers, and referral partners. Co-operatives delivered person-centred and flexible support, with choice and control embedded in service design. People drawing on care were involved in shaping or co-producing support through formal governance mechanisms and participation methods adapted to different abilities. These translated organisational values into tangible improvements in lived experience of care and care quality.

WORKFORCE AND EMPLOYMENT CONDITIONS

The size of co-operatives' workforce is indicative of the sector's employment potential. The seven responding co-operatives employed 2,919 staff, with an average workforce of 417, of whom 83 per cent were frontline care workers. Co-operatives paid at or above the National Living Wage and demonstrated a commitment to workers' material wellbeing. Respondents reported that these conditions supported staff retention and reduced recruitment pressures. Co-operatives also reported success in attracting younger workers and improving gender balance. Workers had an active voice in organisational decision-making, and some co-operatives were exploring ways to increase worker autonomy through flexible care delivery approaches.

ADDED SOCIAL VALUE

Care co-operatives supported wider community wellbeing by extending assistance beyond those in receipt of formal care packages. This included the provision of support for unpaid carers and individuals with past care relationships, as well as the organisation of activities open to the wider community. In 2024, Cartrefi Cymru Co-operative estimated that it delivered the equivalent of £250,000 in unpaid assistance, illustrating the scale of this contribution. Social care co-operatives also contributed to local economic activity through reinvestment in nearby businesses, such as sourcing equipment and services locally, and through employment practices that anchored spending locally. Additional value was generated through organisational innovation, including redesigned service models and digital tools developed in co-production with people drawing on care and their carers.

ENABLERS OF SOCIAL CARE CO-OPERATIVES AND PRACTICES FOR SUSTAINABILITY

Organisational, community, and policy-level factors enabled social care co-operatives' development and sustainability. Enablers of co-operative organisations included values-driven cultures, leadership combining entrepreneurial capacity with social purpose, and governance models balancing participation with operational effectiveness. At the community level, collaboration with anchor organisations, championing within local authorities, and trusted local networks supported outreach and engagement. At the policy level, legislative recognition of co-operative models and a more level playing field with commercial providers were a facilitator, although access to finance remained critical. To strengthen financial sustainability, co-operatives pursued collaboration - including forming joint organisations with other co-operatives- diversified their services, generated income by using internal capabilities, and engaged with people self-directing care through Direct Payments.

CHALLENGES FOR ESTABLISHING AND GROWING SOCIAL CARE CO-OPERATIVES

Across the evidence reviewed, social care co-operatives face structural barriers to establishment and growth. The co-operative model remains poorly understood and is frequently assessed as equivalent to for-profit provision in funding and commissioning decisions, while access to finance is insufficient to support start-up, stabilisation, or growth. While in some cases legislative recognition of co-operative models has acted as an enabler, co-operatives continue to operate within a limited legal framework. As access to services relies primarily on local authority and NHS referrals (78% and 14% respectively), commissioning practices are a key driver of market development. Current models concentrate demand among large providers, reward task-based delivery, and undervalue social value. However, shifts toward ethical, outcome-based, participatory, and longer-term commissioning are emerging.

RECOMMENDATIONS AND STRATEGIC ACTIONS

On the basis of the evidence collected, this research proposes a package of short-, medium-, and long-term strategic actions to support the development of co-operatives delivering regulated adult care services. This would expand choice for people drawing on care and help consolidate a promising segment of the UK care economy.

In the short term (1–2 years)

Priority should be given to improving commissioning practices, strengthening strategic planning, and providing early-stage capacity-building.

Local authorities should be encouraged to **adopt commissioning criteria that better reflect the contribution of social care co-operatives**, with greater emphasis on criteria such as co-design, sustained independent living, and fair work. This would support national objectives on prevention and population health, while enabling more transparent and equitable competition with for-profit providers.

Strategic use of the light-touch regime under the Procurement Act would enable more proportionate and flexible procurement, reduce barriers for co-operative providers, and support place-based care models.

Alongside this, **a national strategic platform for social care co-operation** could help align stakeholders' priorities, translate shared objectives into concrete actions, and define sector-specific success measures. Building on relationships and evidence developed by Co-operatives UK, Cwmpas, and other relevant organisations, the platform would strengthen the sector's visibility and recognition.

Finally, **targeted capacity-building support for existing and emerging social care co-operatives** should be piloted, focusing on governance, regulation, commissioning readiness, workforce conditions, and financial sustainability. This would create the conditions for more structured regional support hubs in the medium term.

Over the medium term (3–5 years)

The focus should shift towards creating better defined market-entry routes for social care co-operatives and addressing scale constraints within local care markets.

Piloting commissioning partnerships between neighbouring local authorities could facilitate collaboration on joint market shaping and demand forecasting. By pooling commissioning capacity, these partnerships could create clearer pathways into commissioned local care markets for social care co-operatives and other not-for-profit providers.

In parallel, the **development of regional care co-operative support hubs** would strengthen organisational capacity across the sector. By offering shared administrative, financial, and legal services, alongside incubation and mentoring for new providers, such hubs would lower operating costs and accelerate the formation of new co-operatives. Supported through blended funding models, they would mobilise existing expertise and generate economies of scale for small providers.

Improving access to long-term, mission-aligned capital is also critical in the medium term. This may require adapting existing public impact and social development investment instruments to reflect the operating realities of social care co-operatives. In parallel, there would be scope to strengthen specialist financial institutions serving the co-operative and social economy, for example through co-investment mechanisms.

in the longer term (beyond 5 years)

These measures should be complemented by structural reforms aimed at creating an enabling ecosystem for co-operative care. While ongoing legal reforms may **modernise the co-operative framework**, they are unlikely on their own to overcome the structural disadvantages faced by not-for-profit providers. **Targeted tax and financial incentives, alongside recognition of social care co-operatives within sector-relevant legislation and guidance**, would help embed these models more firmly within the care system. Further long-term reforms could include **removing profit extraction in adult social care**, to protect service quality and reduce the distortive effects of extractive practices. Finally, sustained **investment in research and evaluation** would be essential to build robust evidence on the outcomes and impacts of social care co-operatives to care, and to inform future social policy interventions.

Together, these recommendations outline a phased and coherent pathway for supporting social care co-operatives, aligned with national and local health and care priorities and oriented toward prevention, quality, and fairness.

ABOUT THE RESEARCH

The full report and the underpinning research have been funded by Co-operatives UK, Cwmpas and Social Business Wales with additional capacity and support from the Centre for Care and Centre for Adult Social Care Research (CARE). It was written by Serena Vicario, Nadia Brookes, and Kate Hamblin as part of the Centre for Care and Sarah Jenkins from CARE.

CARE brings together multi-disciplinary expertise from across Cardiff University and fosters collaboration with organisations and groups across the UK. We are funded by Health and Care Research Wales.

The Centre for Care is a collaboration between the universities of Sheffield, Birmingham, Kent and Oxford, the London School of Hygiene & Tropical Medicine, the Office for National Statistics, Carers UK, the National Children's Bureau and the Social Care Institute for Excellence. Working with care sector partners and leading international teams, it addresses the urgent need for new, accessible evidence on care. Led by Centre Director Kate Hamblin and Deputy Director Nathan Hughes, its research aims to make a positive difference in how care is experienced and provided in the UK and internationally.

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