

A colorful, abstract illustration of a landscape with rolling hills in shades of orange, yellow, green, and blue. Two women are depicted: one is walking on the left, and the other is sitting in a wheelchair on the right. The text "community share offer" is overlaid in white on the right side of the illustration.

community share offer

3% interest
from 2022

Minimum
investment
£100

Eligible for
SEIS tax
relief

Invest at www.ethex.org.uk/equalcare

help us put power back where it belongs:
with the givers and receivers of care and support

offer summary

Equal Care Co-op are undertaking a share issue to raise capital to develop the UK's first platform co-operative for social care.

The board of the society may choose to extend the period of the share offer by up to four weeks if they believe that by doing so they increase the chances of reaching the maximum target.

Minimum target
£ 100,000

Optimum target
£ 300,000

Maximum target
£ 500,000

- **Minimum share subscription per person: £100**
- **Maximum share subscription per person: £30,000**
- **Maximum share subscription per organisation: £100,000**
(restriction not applied to co-operative or community benefit societies)
- **Interest of 3% paid annually from: July 2022**
- **Withdrawal possible from: July 2023**

about equal care

Equal Care and eccoo are the trading names of Equal Care Co-op Limited, a Co-operative Society registered February 9th 2018 under the Co-operative and Community Benefit Societies Act with the Financial Conduct Authority (registration number 4453). The registered address is University Business Centre, 27 Horton Street, Halifax, HX1 1QE.

By subscribing for shares issued by the society in this share offer you will become a member of it thus co-owner of the society and its assets. Our rules and bylaws are available at <https://work.equalcare.coop>.

what are community shares?

Community shares are withdrawable shares that cannot be sold, traded or transferred between Members, unlike shares in a typical company. All Members are entitled to one vote – regardless of how many shares they hold. Members can be paid interest on their shares if the board believe it would be sensible to do so and can also withdraw their shareholding, along with any interest accrued, again subject to the approval of the board.

community shares are fully at risk

You could lose some or all of the money you subscribe. You have no right to compensation from the Financial Services Compensation Scheme, nor any right of complaint to the Financial Ombudsman Service. Please don't invest any money you can't afford to lose.

your invitation to be an angel

Imagine a world where care workers are well paid and supported to use and grow their talents rather than hamstrung by a crazy system that fails them and the people they help.

Imagine a world where care workers are chosen by the people they're helping rather than being allocated by someone on the basis of who's free, not who's best equipped to help.

Imagine a world which genuinely recognises and values the incredible gifts that people giving and people getting support make to our society.

Imagine this wasn't a pipe dream, but something we can start to make happen, right now.

This is Equal Care. We're not imagining this world, but building it. And we need your help.

"I am hugely impressed with the clarity and ambition of Equal Care. This is a once-in-a-generation opportunity to put money behind a venture whose purpose is to bring humanity back into our essential care services."

Ed Mayo, Secretary General
Co-operatives UK

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hello

Welcome to Equal Care's pioneer share offer.

In this document we will lay out the details and the terms of our exciting new share offer and invite you to invest and become a Member. Together we can radically reshape the social care system.

We are setting up the UK's first ever social care 'platform co-operative', starting in the heart of the Pennines in Calderdale. This is an emerging form of digital organisation where the participators in digital markets are in control. They are the individuals with agency and power to join together, to own and to direct the platform's activities.

Whilst working in the care sector I've seen the many ways in which the social care system is structured to disempower people - through the way services are commissioned, the emphasis in many areas on private profit and through the top-down hierarchies favoured by the majority of care providers.

Our purpose is to transform existing power structures in social care to benefit those receiving and those giving support. We want to see a world with a care and support system which puts the relationship between giver and receiver first, shares power and allows care and support to exist in abundance.

We've had a superb response to our idea. The more people hear it, the more they like it, and – luckily for us – some have been prepared to support the idea with their money. But we're now at the inflexion point where we need to get the co-operative started in earnest. We've got ambitious plans to develop the platform and then to offer it beyond the pleasant hills of the Calder Valley. We need £300,000 in seed funding to do this. Usually this kind of money comes in the form of an angel investor for a private company – not an option that's open to us and not an option we're interested in. We're not looking for one individual to support us, but a community of angels to lift us to launch. Please join us!

In co-operation,

Emma Adelaide Back

Founder, Equal Care Co-op

voices from the front-line

Here's some insight into the experiences and stories we're setting out to change.

Nadia has had a team of PAs since she was 8. She's living with cerebral palsy and uses an electric wheelchair to get around and a Dynovox to communicate.

"I am currently living at home with my parents and my little sister. I have had around 40 to 50 different PAs – that's a lot of people coming in and out of my life. I am looking forward to living independently in the future. However, I am worried that without the safety of my mum and dad at home, am I at risk? What happens if my PA doesn't come into work if they are sick? It is very dangerous.

I have no manager to sort out the teams and shifts. I do all of this myself with the help of my PA or my mum will do all of this, but I feel she should not do this. I am very lucky to have my parents because they support me with everything. Without them my mental health would suffer because sorting my care is very stressful. I hope social care improves in the future so that everyone gets the support they need."

Jill is in her eighties and spent nearly ten years managing the care for her husband before he died. They spent all their savings and she now has nothing left for her own care. This was her experience of the care system.

"I found working with the agencies quite complex. There were times when it was very good and there were times when we hit – almost – confrontation too, when it seemed to me that they were almost punitive to some of their employees, if they dared to answer back. That's the thing, if you can't build a team with both the management and the carers then you come adrift and instead of it being a help it becomes just one more damn thing to cope with."

Doug is an experienced care and support worker.

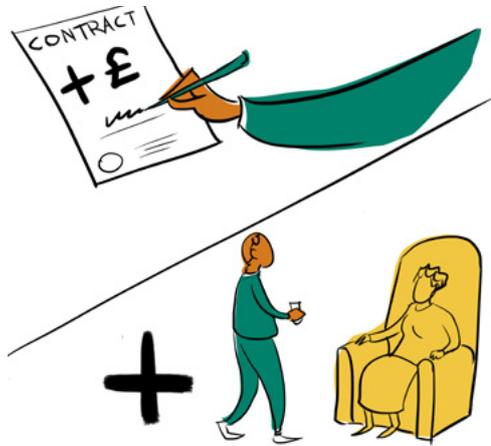
"The care industry is an industry, there's very often not an essence of care in it...It's just seen as a business. As a care worker you're on minimum wage, you're doing a job that's really hard. You've literally got people's lives in your hands.

What Equal Care are looking at is a model where who's being cared for is a part of the team, that you've got smaller teams that are a bit more flexible and where the admin isn't done the same way, not just endless spreadsheets of doom."

Angie and her husband Andrew have been managing the care for Andrew's mum for several years.

"Managing the quality of care is incredibly difficult. We've had four different care agencies in the last two and a half years, upwards of 50 different carers coming through, that's probably higher now, and a constant parade of new people, bedding them in, trying to ensure that they feel comfortable and that they understand what they need to do. I spend a lot of time coaching them in the best way to care. We've got tick lists around the walls - visual cues to keep them on track with what they need to do each time they visit.

But we're still constantly picking up the pieces, putting things in place to try and minimize the risks. And it's exhausting."



These experiences are sadly all too common. It's not because care and support workers aren't good at their jobs, but that the system we have in this country to allocate workers, pay them and manage them isn't working. These are structural failings of a system not set up as if the lives of people needing care

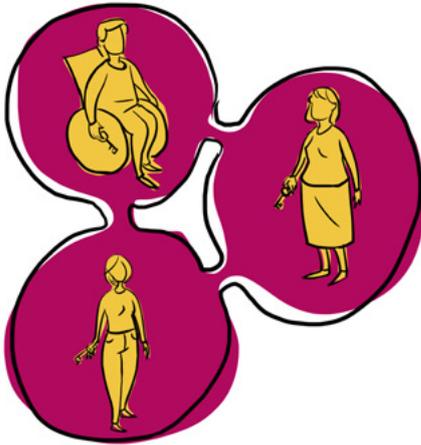
matters. It's set up to make do, to get by and be a sticking plaster when what's needed is a completely different approach. Care and support workers should be paid a good wage for caring, because people with professional skills deserve decent pay for vital work.

If the system gave them the opportunity to build lasting relationships with the people they support (instead of a constant parade of new faces), we think they will give the kind of care they have been trained to give and want to give. We also think that people receiving support have the right to choose and direct who comes into their lives and gives them the help to live as full a life as possible.

Due to the growing popularity of personal budgets and direct payments from local authorities, people getting support have the chance to choose and control more than they've ever done before, but unless there is a system to help them choose the right people, working under the right conditions, it won't make anything like the changes we need to see.

We want to use technology to create a new kind of social care organisation, never before seen in the UK. We're deliberately starting small, in West Yorkshire, but we have big ambitions. The platform we're building will help people needing care and support and their families to find, connect with, book and pay for care workers. It won't matter whether they're getting their support paid for by the local authority, they're paying for it themselves, or they've been referred to us as part of a block or spot contract.

a story of ownership



Our platform will be owned and controlled by the givers and the receivers of care and support. No distant shareholders or mega-corporations taking over these services and no middlemen to take their cut.

Ownership matters. The people who own an organisation are the people who make the key decisions, and the people to whom the organisation's activity is driven towards providing a benefit, usually in the form of profits. So whilst we could say we were building a fair platform for givers and receivers, in reality, we could be pulled in a different direction by our shareholders who might want us to be less fair because that's the only way to make money for them.

So, the only way to guarantee from the get-go that we will always put the needs of givers and receivers at the forefront of our work is by making sure we are, and always will be, owned by those same givers and receivers. By building our platform with a co-operative structure we incorporate ethics, governance and social accountability at a fundamental level. Most importantly, we're creating a culture of membership and control, rather than a consumer-focussed or a 'service user' one based on passivity.

To offer this kind of choice, flexibility and high wages without pricing ourselves out of the market, we need a software platform to do the heavy lifting. The technological support around administration, co-ordination, security and matching can ensure wages to workers remain high and costs for back office functions are kept low. The rise of the Tech Giants has alerted us all to how power is placed in the hands of the people who own a software platform. The only way we can guarantee that the platform remains geared – above all else – to the needs of the people using it, is by placing ownership in those same people.

the challenge of precarious work



Over the past ten years, zero hour contract work in social care has increased ten-fold. At 32% of the care workforce, precarious contracts are at their highest levels ever. Most of this work is badly paid, comes with imposed flexibility from the employer's point of view and offers no collective representation.

We are living in an age of new forms of self-employment and this trend is set to continue as the platform business model reaches into all areas of our lives.

We're not the first people to come up with an idea for a tech platform for social care. In the age of Uber and Airbnb it's pretty obvious. There are around ten venture capital funded, for-profit social care platforms already up and running in various parts of the country (mostly London). It's a profitable model reliant on extracting value from our social care system and ultimately seeking an exit with high rewards for investors and a few founders. This isn't working in the interests of care workers and people getting support.

We're taking the best of what platforms can offer people who use them – flexibility, choice over who you work with and how you work, versatility, spreading your risk of loss of income, deciding who will support you – and leaving out the worst.

equal care has:

- Ownership and collective representation via the co-operative governance structure, through Circles and through collaboration with National Association of Care and Support workers (NACAS)
- Rates which reward and recognise the risks of working freelance
- Option to contribute to SIPP (Self-Invested Personal Pension) and support with starting this
- Salaried and guaranteed hour positions offered as we grow: workers get the choice to opt-in for this and can see better-off calculations with pros and cons for their particular situation. Independent workers on the platform don't have to go through another interview for these roles.
- A growth model that allows for collaboration at scale whilst retaining and respecting local autonomy

investor representation

We want our investors to have a proper stake in Equal Care Co-op and to have a voice, so they are represented in our membership and there are two board positions available for our Investor Members. Investors are invited to our AGM and quarterly members meetings. We're also using online governance tools to make our voting processes easy and transparent.

The overall decision-making though, properly rests with the people who are paying for the service and providing it.

We have four member categories:



Supported members



Advocate members
(family members acting on behalf
of those supported by Equal Care)

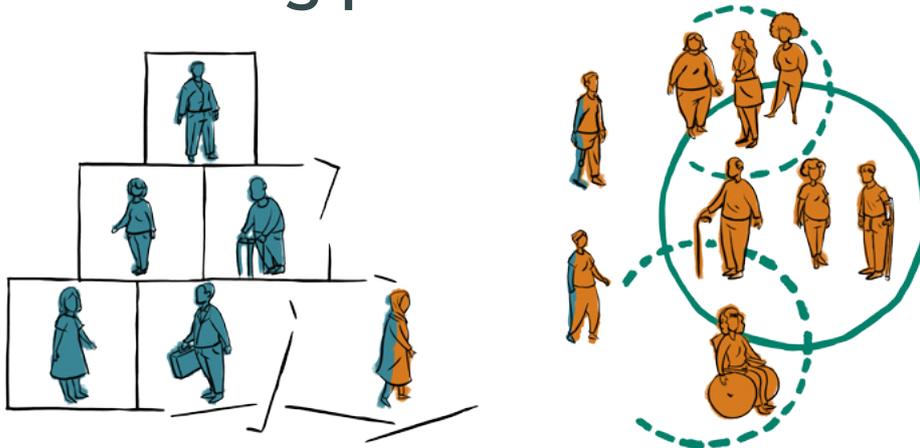


Investor members



Worker members
(paid workers, volunteers
and peer supporters)

sharing power



Ownership is important, but it's just the starting point. To truly tackle the powerlessness that people getting support, their families and care workers experience in the system, we need a few more crucial ingredients.

We are using circle governance: this is a method of organising called sociocracy that keeps decision-making local whilst still being able to act in concert and at scale. It doesn't rely on traditional hierarchical structures to work.

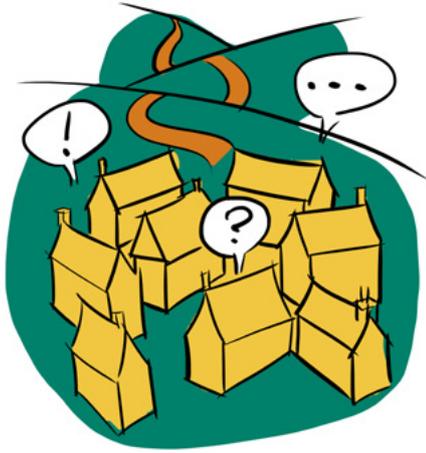
There are already successful organisations around who are using sociocracy or close variants of it. We've been inspired by and are actively collaborating with these proven strategies for grassroots social care governance in the Netherlands ([Buurtzorg](#) has grown from four people to a ten thousand strong community of 900 self-managing teams) and successful examples in the UK ([Cornerstones](#) and [Wellbeing Teams](#)). Perhaps unsurprisingly, if you give care and support workers agency and control over their day-to-day with great back-up, you get much better outcomes for the people they support.

We don't have a pecking order with managers managing more managers. Instead, communities of professional care and support workers and volunteers will come together to co-ordinate support in their own neighbourhoods. They control their budgets, their recruitment, their partnerships and ways of working.

They rely on the larger co-operative community to provide the digital tools, the assurances of quality and the infrastructure to bring in the business.



rural support



This approach works in rural areas too - in fact, it works especially well in rural areas. Rural communities are forced to rely on town-based agencies or find independent people to support them because they can't

sustain a traditional agency. It's rare that they can find someone with the right skills and qualifications who lives in the village.

This results in high-risk situations: people try and manage for themselves longer than they should, increasing the likelihood of crisis and sudden, permanent relocation to residential care. Care workers change even more frequently than the sector average and often the complexity of the terrain is too difficult for agencies to navigate during the winter.

But having a local group of workers, backed up by volunteers, changes everything. With a committed care and support circle made up of members of the community, the isolation becomes a strength: there's a group of people trained and available to look out for one another and if it snows you don't need to cancel a visit - you just put your boots on.



"The great thing about having carers in my village is that they are on my doorstep so I trust that they'll come in all weathers - they won't let me down."

Angie, Blackshaw Head

what's the platform's job?

Give people choice



It's a relationship of equals: each person uses the platform (with human help!) to choose who supports them or their family member and how they are supported, whilst each worker chooses who they support.

Care workers choose employment type and decide their hours. They can offer diverse types of support and activities on the platform. This lowers transaction and recruitment costs because the people directly involved in the relationship make the choices rather than a manager doing it for them (and often getting it wrong in the process).

Make it easy



Care provision is littered with form-filling, paperwork, administration and logistics. Technology can help smooth these paths and put co-ordination power into the hands of the people doing the work. This includes families and the person themselves. They can exchange information and build a team around the person being supported. That person remains in charge of their data and decides who sees what.

Having a high level of transparency over and interaction with your care and support notes and co-ordination can result in better decision-making. It's easier to correct errors and set mutual expectations and agreements.

Facilitate belonging



Being part of a community makes you and keeps you healthy, more purposeful and more contented. People receiving support access a network of professional workers, friends, family, neighbours, peers and volunteers.

Community tools allow people to arrange meetups, events and share stories and advice. The reciprocal nature of the service (described in more detail below) is a key building block of community: instead of being consumers of care, people become producers and participators. This has a direct and transformative impact on health outcomes.

it finishes with a gift



Everyone knows that the population is ageing – thanks to increased affluence and better medical care through our lives, we're living longer. That creates its own pressures and in terms of social care, it has created a popular and persistent narrative that to be elderly or disabled is somehow to be a burden, eroding our sense of the elderly and disabled as thriving, contributing, vital members of our society.

Giving is a natural part of being human and we know that - in the right contexts and with the right support - it can make you happier. Platforms work best when they help consumers transform into producers and play both roles, so within Equal Care, people getting support are welcomed and supported onto the platform as givers in their own right.

We are training people to offer peer support and we're building these resources and values both into the technology and into our approach to recruiting professional care and support workers. Getting support through Equal Care means you'll get access to a mix of professional support, help from community volunteers and from someone who's getting support themselves. This kind of help from people who've really 'been there' is underestimated time and time again in social care services. But it can make the biggest, lasting differences to people's lives.

To facilitate the exchange of peer support and community volunteering, we're using an alternative currency - Care Coins. Inspired by the work of Edgar Cahn on co-production and timebanking, Care Coins can be used as a form of exchange to 'buy' support for yourself or to give to someone else.

Fran Watson, one of our founders and an independent care worker herself, writes of her hopes for Care Coins:

"We see Care Coins as a new way of exchange, owned by and administered for people giving and receiving support. If for a minute you think about what it would be like to be able to produce money directly by caring and how this would change society one starts to get a glimpse of this idea.

Care belongs to us all. We will either give it or receive it and in most people's lives they will do both. And that's what I want Care Coins to do, to encourage us all to care, to see what care we can do, to know real wealth in giving."





help us launch

We need your help to make Equal Care a reality. Although we're very proud of where we are to date and we've learnt a lot in getting to this stage, there's no way we can build a high quality, co-operative platform without the support of socially conscious investors who want to make a transformative impact on how social care gets done in the UK.

People are impatient to see this happen. We've been approached by several councils and groups of care and support workers across the UK who know the current system isn't working and want us to come to their area. Which is amazing when you think about it given that we're still in our pilot stage of development.

support so far

We've raised nearly £80,000 of feasibility & development funding from Nesta, Paul Hamlyn Foundation, Access Foundation and UnLtd and we raised £23,000 in donations from 199 people and organisations through our Christmas CrowdFunder

This has allowed us to employ a small founding team of three people (Kate, Fran and Emma), 2.0 FTE. It's also enabled us to carry out user research and create a prototype with our tech partners **Ayup**. It's even got us as far as recruiting into and developing two pilot circles (communities composed of volunteers and professional care and support workers) in Hebden Bridge and Blackshaw Head.

We participated in the **UnFound** programme last year - the first platform co-operative accelerator to be run in the world (although the US and Australia weren't far behind) and we're on the **Finance Innovation Lab Fellowship** programme this year (to develop Care Coins).

The support we've had to date has been amazing. But we now need to bring in some proper resources to get us off the ground. This seed funding will bring together our full in-house team to co-develop the software and bolster the support team to adequately resource the pilot.

We're targeting £300,000 to raise in this share offer, and we've already had pledged support from the Open Society Foundation via Co-operatives UK of £70,000. We're in talks with Power to Change about them investing in the share offer through their Booster Programme

We're planning to pay investors 3% per year from July 2022, and enabling people to start withdrawing their investment from July 2023, with us making 20% of total capital available in any year after 2022.

“Helping people to live independently and feel connected to their communities is at the heart of our approach here in Calderdale. We are committed to working in partnership with a range of organisations to ensure we have a range of high quality innovative and creative partnerships that share the same aspirations and values.

We have been working and watching the development of the work of Equal Care and are starting to see real progress in some of our more challenging geographies where often traditional home care providers find difficult to sustain. Equal Care’s proposition brings together circles of support that empower people needing support, values the contribution to those offering support, but importantly keeps people connected to their communities and deliver great outcomes.”

Iain Baines, Director for Adult Services and Wellbeing, Calderdale Council

“Adults and Health in Leeds is committed to developing high quality support for people to remain living independently in their own homes. In doing so, we want to look beyond the traditional models of homecare delivery.

The offer from Equal Care is of particular interest as it has such a strong focus on values, bringing together the aspirations of both those who use the service and those who deliver the care and support in an equal partnership. Crucially this is backed up with an innovative approach to how that care and support can be delivered, including making use of the community assets surrounding those needing support.”

**Mick Ward, Chief Officer Transformation and Innovation
Adults and Health, Leeds City Council**

Equal Care Co-op are an inspiring example of the next stage radicals in social care, committed to making genuinely person-centred support a reality. We at Wellbeing Teams wish them every success and can’t wait to see the project fully launched so that we can collaborate!

**Helen Sanderson
Founder of Wellbeing Teams**

what's the money for?

Our full team will hold two core jobs over the first twelve to eighteen months: developing our two pilot circles and building the technology.

supporting our circles

The share offer will fund the development and support of these first circles in Hebden Bridge and Blackshaw Head, including the infrastructure costs to support further circles. Hebden Bridge is a small market town and Blackshaw Head is an isolated village on 'the tops' that feels miles away from any signs of civilisation come winter time. Hebden Bridge is large enough to recruit experienced care and support workers to the platform, whereas Blackshaw Head has very few people who are qualified to offer professional support. To achieve a situation where local, trusted support is readily available, we have a town model that's recruitment-led, whereas the village model is training-led and has a circle that's made up mostly of volunteers. It also relies on a key community instigator to bring people together initially and generate momentum.

Following this initial development period, the focus will shift to supporting the emergence of circles in other areas of the Calder Valley. Ultimately, we would like to facilitate the creation of circles in other areas of Calderdale, Yorkshire and the UK with the benefit of co-operatively owned technology.

the money will pay for...

- Support and training for the governance and leadership of the circle (facilitation, volunteer support, and for new support workers in the village)
- Storytelling and open sharing of the development of each circle, creating the seeds for new ones to grow
- Recruitment and co-ordination of the care and support
- Contracting, legal and advice / administrative support for newly independent care and support workers
- Regulatory costs as we apply to the Care Quality Commission as a support provider; this includes employing a Registered Manager
- Communications for prospective and existing members – both worker members and supported
- Working with key stakeholders – the Calder Valley social work team and Calderdale Adult Social Care – to connect up the model with local funding methods, assessment processes and referrals (we won't go into this in detail, but it is slightly different with every local authority)



building the technology

The second use of your money will be to build the technology. We want to fully co-produce and co-design the platform and its associated tools.

We already have a Tech for Good partner in the form of Ayup Agency (based in Leeds), who have worked on our clickable prototype (this is a visual journey of the

technology, but with no code behind it) that's currently in development. With the share offer funds we intend to employ a small dev team in-house who Ayup shall handover to, with Ayup's role gradually changing to a strategic one, helping us to manage and review the progress and work of our in-house team.

We're using agile principles, human-centered design and small development cycles with tight feedback loops. In plain English, this means we don't spend a long and costly time on building something people don't use and don't want. By rooting the development in our emerging circles we will work with established, committed groups (as well as doing user testing in areas where people have never heard of us).

Of course, building technology is expensive. And platforms are nothing new. We don't want to spend all our money creating something that already exists on the open market. We intend to prioritise front-end and UX (user experience) development: the 'look and feel' and the unique journeys of people navigating and participating in a co-operative platform, rather than the engine that sits behind it and does the heavy lifting.

We therefore intend to keep our in-house dev team small and partner with our friends. at ShareTribe (a for-purpose company themselves) for at least the first five years, making use of their highly customisable product ShareTribe Flex. This takes care of backend tools: things like the databases, transaction and booking flows, scheduling and user management.



The technology element of our project is actually more about enabling participation and collaboration with marginalised groups (people who give and get support and their families) than it is about coding.

This covers everything from staff to run training, offer mentoring and run workshops through to accessibly communicating changes and progress with the build through to creating the tools and structures for circles and those they support to review and contribute. This requires things like accessibility equipment, translators, peer support, illustrators, skillsharing, visual contracts, Easy Read and so on.

Transparency, communication and trust are fundamental. We are building a secure system that makes who can see what information highly visible. Despite GDPR, sharing your data with whole organisations remains fuzzy and unaccountable. What about the people that make up those organisations? Do they really need to see all your details? We don't think so. Only the people actively participating in the person's support will be able to see care notes. And the list of the people who have access to what will be under that person's (or family member's) control.

how we intend to grow

Our initial feasibility and prototyping work has resulted in two growth models emerging. We're calling these the village and the town. Both use the circle-based governance principles we described earlier to run. By focussing on organic, community growth we don't need to spend hundreds of thousands of pounds on marketing ourselves. We can 'work into' an area as opposed to scatter-gun marketing campaigns across large regions. This helps each circle balance the books sooner than you would expect to see in platform business models.

key assumptions

That we will offer a service to between 3% and 15% of the total addressable market (this is business salesy talk for the number of people wanting support) in each area.

'Deep' focus on small areas (community connections, relationship-building) will result in higher-quality, higher-trust signups and people stay with us for longer.

Community-led and co-operative approach will be more attractive than making use of traditional agencies so people will choose us.

circles

We want to create a network of interlinking semi-independent circles which can rely on the broader co-operative for infrastructure provision and assurance, support and regulatory roles. Circles may or may not choose to incorporate as separate co-operatives who become organisational members of Equal Care and are free to use the technology.

Circles are semi-independent, have their own identity and are the main arena for co-ordinating and offering support in that area. The platform links them together and broadens the choices that people getting support have available to them (so that workers and volunteers associated with particular circles can still support someone out of that area if they wish and give other circles back-up).

We also anticipate some groups setting up charities to support the community-based and voluntary activities working alongside the professional care-giving to create locally-focussed vehicles for fundraising and providing more resources for the volunteers.

a story of circles



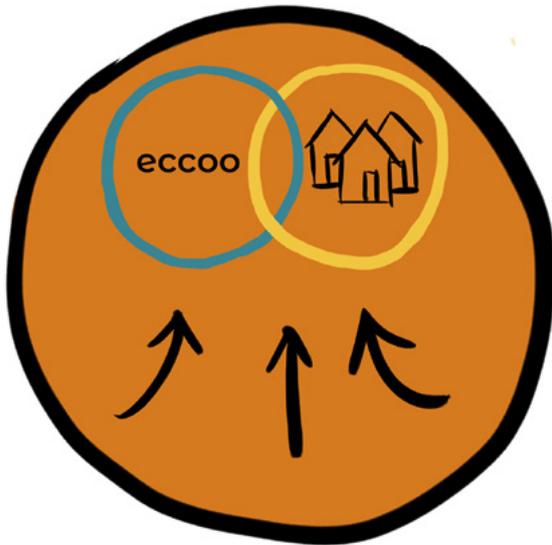
An unhappy rural town or village is in need of care and support workers.



Concerned individuals come together to solve this crisis in their community.

Supported by Equal Care Co-op, they form a circle, a system of support and communication using shared decision-making methods.



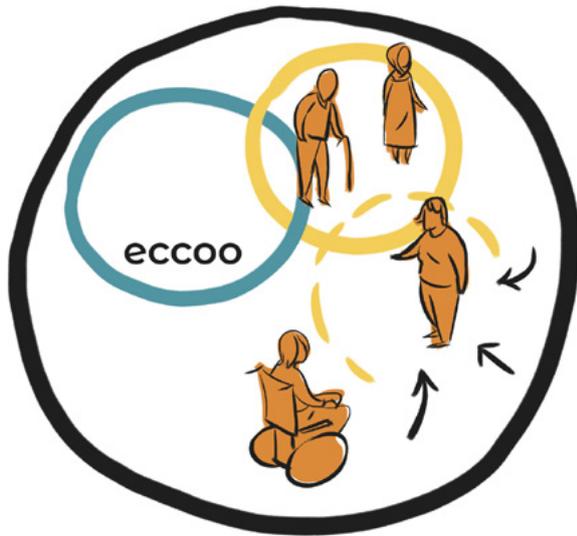


The circle then joins the ecco platform and uses it to invite, recruit and train local people as care and support workers, as well as volunteers.

Giving support can take many forms and people receiving support can share their experiences to help others too.



The result is a stronger and healthier community, giving and receiving local professional, volunteer and peer support.

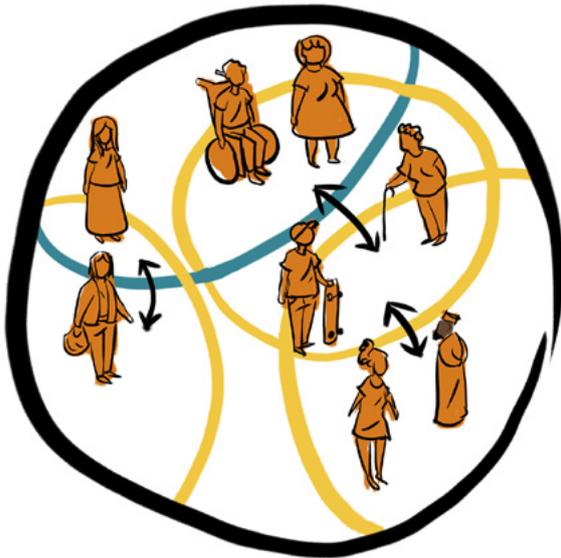


Once the first circle is established, members can help to set up another circle, again using eccoo. Circles can help each other, providing back-up and training. They are also supported by an Equal Care Coach.

Each circle nominates a leader who helps to hold people to account and also represents the broader circle (which covers a larger area). Each circle also nominates a delegate to bring their circle's concerns to the broader circle.

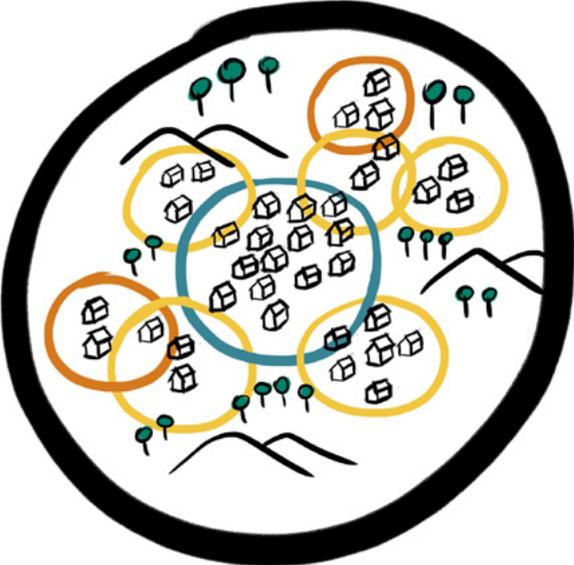


The circle chooses a secretary to be in charge of taking notes and making them accessible. Finally, they nominate a facilitator who leads the circle meetings and guides the circle through decision-making.



The double-linking of each circle through the leader and the delegate ensures good flow of information in both directions.

A circle can even decide to incorporate as a separate co-operative, becoming organisational members of Equal Care Co-op and use the technology. Every member of a circle - whether they are family, giving or receiving support - may become a member of Equal Care Co-op.



Circles of support grow organically, with the help of community, co-operative technology and the power to make their own decisions.

the risks

Equal Care is a new start-up, the first of its kind in the UK (although it does take many elements of its model from existing and proven approaches). We can't sugar coat this any other way so we'll simply say it – this is a risky investment and lots of things need to happen if we're to get to where we want to be, which is a thriving, sustainable co-operative that's changing the world of social care in the UK.

As a start-up business, we're in need of cash early on, and in addition to the share issue, we'll need further grant funding in the next three years. We plan to undertake a further share issue in 2021 having proven the concept.

If we're not successful in securing these additional funds, our pathway to profitability will be much slower and therefore longer; if we're not successful with the grant funding in 2019 and 2020, or the business doesn't develop as planned, then all bets are off. On the other hand, the more cash we can raise in the share issue, the less requirement we will have on those grant funds.

We've explained what we think our main risks are and how we're taking action to reduce or respond to that risk.

operational

Cannot get enough customers or people paying for support are too geographically spread out to support the local service model – cost of care remains too high to support platform model.

Actions to reduce or respond to risk:

We're working in small locations, building close, trusted relationships and aiming for depth rather than spread, which will allow us to reach surplus faster.

We're also reaching out to groups (or they are reaching out to us) so that we're not starting blind in any area but always in collaboration with a group of committed, excited, representative people who want to see this work.

Our marketing work is closer to community development than marketing: connecting with local groups, identifying people with the best networks and having one to ones with them, advertising in local pubs, community venues, churches and focusing on the power of word of mouth.

We know there is increasing interest in this model from those who commission or pay for care and support for large groups of people.

If we see this risk begin to happen we will temporarily pivot away from the software development and invest in more marketing and matching roles. Without the immediate benefits of using the software we will have to charge more for the service (35%) and this will impact on what we are able to pay care workers.

operational

We are out-competed by private care platforms

Actions to reduce or respond to risk:

Carried out full competitor analysis.

We're not starting out in any of the areas targeted by the competition.

We have a unique selling proposition as a platform co-operative offering community-led care and support.

Social care sector is less vulnerable to market domination from one big player (unlike taxi apps for example) both due to statutory constraints on local authority procurement and customer behaviour.

operational

Platform release significantly delayed

Actions to reduce or respond to risk:

Agile ways of working with short feedback cycles

Clear governance and communication arrangements to effectively co-produce the technology

If it happens we will use off-the-shelf care co-ordination tools, stay in our 'minimum viable product' phase for longer and delay a couple of our non income generating aims (Care Coins, peer support and embedded co-production).

financial

Lack of working capital before we reach sustainability

Actions to reduce or respond to risk:

We take a diversified approach to covering core costs and have proven our attractiveness to grant funders through support to date.

We have robust financial forecasting approaches and can act in advance of hitting cashflow problems.

If this happens we will delay expansion into other areas, focusing away from product development and concentrate on generating trading income.

We may take out a business loan.

We will continue to build and rely on a large, supportive volunteer base.

financial

We experience revenue troubles

Actions to reduce or respond to risk:

Experienced team members in contracting, financial forecasting and business development.

Good working relationships with our closest local authorities (and evidence of interest further afield).

We may take out a business loan.

Prioritise operational delivery and sales roles over tech development.

We may temporarily increase our fees.

governance

Co-production and alternative governance is ineffectively implemented

Actions to reduce or respond to risk:

Significant investment in training, advisory support, mentoring and governance expertise.

Actively collaborating with other organisations working in this area (Cornerstones, Wellbeing Teams, Buurtzorg BI)

We give governance and co-production equal (or greater) importance to product development

Clear contracts, agreements and memoranda state which roles are accountable for what.

Obviously, all this could change a great deal over the coming eighteen months and the prospects for the co-operative could vary significantly.

We will be keeping all investors connected to developments with quarterly news updates and an annual investment report.

the numbers

If we do not meet the minimum target of £100,000 we will not accept any applications for community shares and all money will be returned to applicants, less the direct and un-recoverable costs incurred by Ethex in hosting the offer, calculated pro-rata to the number of shares applied and paid for at the date of cancellation of the share offer. Money pledged via the Ethex platform will not be drawn and cheques for paper applications will not be cashed.

If we haven't reached the optimum target amount of £300,000 by the share offer closing date the Board reserve the right to extend the deadline for a further two months.

If we raise a sum in-between £100,000 and our £300,000 target amount then we will stagger our workforce hires over a longer time period, giving preference to operational roles that move us to a sustainable position more quickly. If we reach the maximum of £500,000 before the share offer end date then the scheme will be closed early.

what we can achieve

Minimum

Optimum

Maximum

Hebden Bridge Circle offering support to approx 30 people



Blackshaw Head Circle offering support to approx 20 people



“Off-the-shelf” tools and technology to make the care and support as relationship-centred as possible



Accessible, visual participatory budgeting, governance and voting processes



Care Quality Commission Registered Provider



Working digital service facilitating matches and ‘plugged in’ to existing care co-ordination tools



Full ‘flat prototype’ of the whole experience (a complete, user-tested, visual journey of the service)



Six more circles within Calderdale offering support to a total of approximately 300 people



Working digital care co-ordination tools that we’ve built ourselves and demonstrate our values



A complete build of the whole platform, including the code that sits at the ‘back end’ of it as well as the ‘front end’.



if we reach our minimum

We would be much more reliant on grant income and potentially on loan finance.

We would not be able to employ an in-house digital team until 2023. This is assuming that we don't launch another offer at any point.

Calendar year	2019	2020	2021	2022	2023	2024	2025	2026	TOTALS
Revenue from trading	14,610	177,474	601,918	1,154,357	1,764,833	2,456,657	2,958,690	3,399,010	12,527,549
Direct costs	(62,354)	(226,162)	(420,979)	(558,859)	(749,481)	(980,165)	(1,103,742)	(1,178,384)	(5,280,126)
Operating costs	(123,520)	(361,130)	(487,980)	(542,760)	(572,460)	(582,360)	(582,360)	(582,360)	(3,834,930)
Net cash from trading	(171,263)	(409,817)	(307,041)	52,738	442,893	894,131	1,272,588	1,638,266	3,412,493
Grant income	83,000	50,000	100,000	-	-	-	-	-	233,000
Taxation	-	-	-	-	-	-	(66,555)	(121,117)	
Net cash from operations	(88,263)	(359,817)	(207,041)	52,738	442,893	894,131	1,272,588	1,638,266	3,645,493
Community share issue	500,000	-	150,000	-	-	-	-	-	650,000
Loan / mortgage draw down	-	-	-	-	-	-	-	-	-
Loan / Share interest	-	-	-	(15,000)	(19,500)	(15,570)	(12,670)	(10,529)	(73,269)
Dividends	-	-	-	-	-	-	(464,281)	(637,459)	(1,101,740)
Withdrawals / Repayments	-	-	-	-	(81,204)	(109,725)	(80,977)	(99,205)	(371,111)
Net cash from financing activities	500,000	-	150,000	(15,000)	(100,704)	(125,295)	(557,927)	(747,193)	(896,120)
Net increase / (decrease) in cash	411,737	(359,817)	(57,041)	37,738	342,188	768,836	648,105	769,955	2,561,701
Opening cash	25,000	436,737	76,919	19,878	57,616	399,804	1,168,640	1,816,746	
Closing cash	436,737	76,919	19,878	57,616	399,804	1,168,640	1,816,746	2,586,701	

if we reach our optimum

We would be able to launch into product development in earnest whilst simultaneously building the trading side of the co-operative. We might still be able to bring in loan capital to fund our development too, conditional on us being able to afford it whilst meeting the planned returns to investors.

Calendar year	2019	2020	2021	2022	2023	2024	2025	2026	TOTALS
Revenue from trading	4,092	148,548	425,340	757,989	1,196,042	2,001,287	2,464,272	3,053,511	10,051,081
Direct costs	(30,132)	(160,194)	(288,867)	(334,440)	(505,900)	(733,683)	(824,996)	(906,339)	(3,784,550)
Operating costs	(95,800)	(122,100)	(129,600)	(164,800)	(265,780)	(321,000)	(416,040)	(509,760)	(2,024,880)
Net cash from trading	(121,840)	(133,746)	6,873	258,749	424,362	946,604	1,223,236	1,637,412	4,241,651
Grant income	83,000	100,000	-	-	-	-	-	-	183,000
Taxation	-	-	-	-	(17,891)	(44,304)	(94,467)	(117,477)	-
Net cash from operations	(38,840)	(33,746)	6,873	258,749	424,362	946,604	1,223,236	1,637,412	4,424,651
Community share issue	100,000	-	-	-	-	-	-	-	100,000
Loan / mortgage draw down	-	-	-	-	-	-	-	-	-
Loan / Share interest	-	-	(3,000)	(3,000)	(3,000)	(2,214)	(1,634)	(1,206)	(14,054)
Dividends	-	-	-	-	(127,874)	(233,181)	(497,195)	(618,301)	(1,476,552)
Withdrawals / Repayments	-	-	-	-	(16,241)	(21,945)	(16,195)	(11,952)	(66,333)
Net cash from financing activities	100,000	-	(3,000)	(3,000)	(147,115)	(257,340)	(515,024)	(631,459)	(1,456,939)
Net increase / (decrease) in cash	61,160	(33,746)	3,873	255,749	259,357	644,959	613,744	888,476	2,693,573
Opening cash	25,000	86,160	52,414	56,287	312,036	571,393	1,216,352	1,830,097	-
Closing cash	86,160	52,414	56,287	312,036	571,393	1,216,352	1,830,097	2,718,573	-

if we reach our maximum

We would be able to develop fully co-operatively owned technology and be able to employ a full digital and operational team from the get-go.

Calendar year	2019	2020	2021	2022	2023	2024	2025	2026	TOTALS
Revenue from trading	14,610	177,474	601,918	1,154,357	1,764,833	2,456,657	2,958,690	3,399,010	12,527,549
Direct costs	(62,354)	(226,162)	(420,979)	(558,859)	(749,481)	(980,165)	(1,103,742)	(1,178,384)	(5,280,126)
Operating costs	(128,800)	(304,040)	(487,980)	(542,760)	(572,460)	(582,360)	(582,360)	(582,360)	(3,783,120)
Net cash from trading	(176,543)	(352,727)	(307,041)	52,738	442,893	894,131	1,272,588	1,638,266	3,464,303
Grant income	83,000	150,000	150,000	-	-	-	-	-	383,000
Taxation	-	-	-	-	-	-	(75,713)	(121,000)	-
Net cash from operations	(93,543)	(202,727)	(157,041)	52,738	442,893	894,131	1,272,588	1,638,266	3,847,303
Community share issue	300,000	-	300,000	-	-	-	-	-	600,000
Loan / mortgage draw down	-	-	-	-	-	-	-	-	-
Loan / Share interest	-	-	-	(9,000)	(18,000)	(15,642)	(13,902)	(12,618)	(69,161)
Dividends	-	-	-	-	-	(154,826)	(470,495)	(636,843)	(1,262,164)
Withdrawals / Repayments	-	-	-	-	(48,723)	(65,835)	(48,586)	(57,621)	(220,765)
Net cash from financing activities	300,000	-	300,000	(9,000)	(66,723)	(236,303)	(532,983)	(707,081)	(952,090)
Net increase / (decrease) in cash	206,457	(202,727)	142,959	43,738	376,170	657,828	663,892	810,184	2,698,501
Opening cash	25,000	231,457	28,729	171,688	215,426	591,596	1,249,424	1,913,317	-
Closing cash	231,457	28,729	171,688	215,426	591,596	1,249,424	1,913,317	2,723,501	-

about our trading income

We will use a mixed trading model, using the commission basis adopted by other platforms, supporting people funding their own care and people receiving Local Authority direct payments and Continuing Health Care Payments from the NHS. Commission will be on a per hour basis and start at 15%.

By taking on-going responsibility for the care and support we offer and giving regulated provision, we shall move beyond this to engage directly with commissioning opportunities offered by local authorities and the NHS. We want to offer a genuine alternative to the privately-run for-profit social care providers that currently dominate the market.

This includes:

- 'Individual Service Funds' and other forms of managed personal budget which requires a tendering process
- Block contracted home and community social care services covering a fairly broad range of service types and ensuring we support a mix of ages and experiences of different conditions e.g. domiciliary care provision, floating support contracts, time-banking project, peer support and befriending services
- Framework Agreements with local authorities to respond to spot purchasing contracts for individual care and support
- Any Qualified Provider agreements with NHS community based services
- Private contracts with other care providers requiring emergency/ agency staff

For these contracts we will set aside a small surplus charge to re-invest in the co-operative. We expect to become fully sustainable by 2022.

our share offer

This is a community share issue, which is a much snappier name for what they are legally-speaking: 'withdrawable shares in a co-operative society'.

Unlike shares in companies, you'll not get a dividend nor are you able to sell them to someone else. Withdrawable shares share some features in common with a bank account in that rather than owning a piece of a company (as with 'normal' shares) you have money invested in the society which can be withdrawn. However, whereas with a bank account you can withdraw your money when you want it back, Equal Care can only enable you to get your money back if we're doing well as a business and have sufficient trading surpluses and ready cash.

Like a bank account, we will pay interest each year on the investment, which we plan to be 3% from the third year after the investment. We will pay the interest to you directly every year or you can choose to leave the interest with us to be withdrawn in a lump sum when you withdraw your initial investment at some point in the future. We will send you an annual statement of shares.

Each year, the Board will decide how much interest to pay. Interest is capped in our rules to a maximum of 5% per year, or 2% above Bank of England base rate, whichever is higher; if we aren't doing well financially, we can suspend the right to withdraw shares until such time as we've turned a corner.

This share offer is eligible for Seed Enterprise Investment Scheme tax relief, so in order to meet the conditions of this tax relief laid down by HMRC, no withdrawals will be possible for the first three years after the investment is made. Thereafter, the board will decide each year whether they can afford to allow shares to be withdrawn, and if so, how many, and will communicate the process for doing so to members.

(Obviously, the investment isn't in a bank account nor covered by the Financial Services Compensation Scheme, and we're using it as an analogy to help you understand your investment!)

The other way to get your money back is through new investor members joining and giving us their money in a separate share issue. We do plan to open up the share offer to new members but that won't be for a few years after this first share issue.

Either way, the best way to get your money back is to continue to support Equal Care and crucially, persuade other people to support us too. That's the real secret of co-operative ownership – we make the rewards of our success something we can share with the people who matter the most to us.

We will be ploughing the fruits of that success back into Equal Care and the people who generated it through being our workers and our supported members. As these dividends are only available to people who are directly linked to the co-operative's day-to-day trading, investors will not receive any dividend payments unless they also happen to be supported, advocate or worker members.

Individuals over the age of 16, charities and other organisations may invest in this offer.

tax relief

This share offer has Advance Assurance from HMRC that it qualifies for Seed Enterprise Investment Scheme Tax Relief. That means investors will be able to claim tax reliefs on the value of their investment:

- **50% of their income tax liability for the current or previous tax year (you choose which one to claim it against)**
- **50% relief of Capital Gains Tax on any capital gains used to invest into the share issue**

So, if you invested £500, you would be eligible to reduce your tax bill by £250. If you used a capital gain to make the investment, you'd also reduce your capital gain tax liability on it from £140 to £70, giving a combined tax benefit of £320

In order to benefit from the tax relief, you must be a UK income and/or capital gains tax payer with tax due to pay equal or greater than the amount of relief you're seeking.

We would be likely to apply for the tax relief certificates in summer 2019, and send them to investors shortly after that. The tax relief can be applied to the year you choose – either the year the investment was made, or the previous tax year.

If you pay tax via PAYE, you send the certificate to the tax office that processes your employer's payroll tax collection, and if you do self-assessment, you claim the relief when completing your tax return (unless you want to backdate it for a tax year you've already filed a return for, in which case you have to contact HMRC directly).

SEIS investment is only available the first £150,000 of investment from individuals (i.e. excluding organisational investment).

Individual investments after the first £150,000 will be eligible for Enterprise Investment Scheme relief at 30% of the total invested, but note that there is no capital gains tax relief with EIS.

As a condition of being able to offer the relief, no investment can be withdrawn for at least three years after the date of the investment, and Equal Care will therefore not be in a position to consider withdrawal requests until 2022 at the earliest, and our financial projections are built around this withdrawal starting the following year, in 2023.

We cannot give tax advice, and can only vouch that the investment is a valid investment for tax relief. Anyone considering investing with tax relief in mind should contact a financial advisor to establish whether they themselves would be eligible.

who will run equal care?

At our first AGM on June 12th (the day the share offer launches) we'll elect our first proper board of Directors, who'll serve for a mixture of 1, 2 or 3 years. There will be up to five supported or advocate members, five worker members and two investor members.

The first elections in which investor members can stand or vote will be in 2020. Any investor can stand to be an investor member of the board, and people elected serve for three years. Regardless of how much you have invested, each investor director only gets one vote at board meetings.

The ultimate decision-making authority in the co-operative is the General Meeting of all members. To ensure the primacy of ownership remains with our supported and worker members, investor members will be restricted to 10% of the votes on any resolutions, and can't vote at all in any special resolutions required to change the corporate status of the co-operative.

We are – and will remain – locally rooted. This is in our core mission. The operational and local strategic decision-making takes place within each neighbourhood circle and the workers, peer supporters and volunteer members offering support in those areas work as self-managed teams.

The Founding Board are...



Amber Wright
Chair of the board

Amber has worked in Health and Social Care for over fifteen years as a Personal Assistant and care co-ordinator for a number of individuals with a range of physical and mental health issues.

She currently leads a team of five PAs working with a young tetraplegic woman who has complex care needs. This includes her experience designing a 'platform for one', a recruitment and co-ordination tool built around one person. Amber has experience of working in the voluntary sector in development organisations and is a committed networker, ready to share skills and expertise with other partnership projects.



Emma Back

Emma built her career in social care and community development. Previously a business development manager working for a major mental health and then an advocacy organisation, she offers insight into the commissioning environment for care services and the broad range of service models and purchasing arrangements available in the market.

She is experienced in financial modelling and management for care services and voluntary organisations. Her experience as Treasurer, crisis manager and trustee of Stepney City Farm, a now-successful community-based charity in London's East End, complements a broad skill base in developing organisations and services.



Kate Hammon

Kate ran and transformed a small social enterprise in London working with ex-offenders. She is a very experienced manager and an expert in getting things done.

She has worked closely with vulnerable adults and supported people with challenging behaviour to work in a professional environment.

She has also given front-line support in residential care settings and spent four years as personal carer for her mother.



Fran Watson

Fran has worked as an independent care worker for ten years, mainly with people suffering from dementia and Parkinson's disease and more recently with younger people.

She runs a community project focussed on using art to understand oneself and have fun. She is qualified in community work and careers guidance. She brings her experience of the realities of self-employed support work to the co-op, having set up a small local business providing independent care.

frequently asked questions

● How can I invest?

We are running this share offer through the Ethex website. So, go to www.ethex.org.uk/equalcare ; when you click to invest, Ethex will send you an email with instructions about how to make a bank transfer to them. They will hold the funds until the share is successful, and pass it to us, or unsuccessful, in which case your money will be returned to you, less the direct and un-recoverable costs incurred by Ethex in hosting the offer, calculated pro-rata to the number of shares applied and paid for at the date of cancellation of the share offer.

● What is the minimum and maximum investment?

The minimum investment is £100. The maximum is £30,000 for individuals and £100,000 for organisations.

● Who can invest?

Anyone over the age of 16 can invest (but only people aged 18 or above can serve as directors).

● Can organisations and businesses subscribe for community shares?

Yes. A representative of that organisation will need to become a member of the society as nominee for their organisation/business.

● **Can people club together to buy shares?**

Yes, but as with organisations, you'll have to nominate a member of your group to be the named shareholder in our share register.

● **What happens if I didn't get all my investment back?**

Although we are registered as a society with The Financial Conduct Authority (FCA), the sale of withdrawable shares in the society is not regulated by the FCA. Like many investments, these community shares are at risk and you could lose some or all of the money you invest.

Unlike deposits with high street banks, community shares are not covered by the Financial Services Compensation Scheme, nor is there any right of complaint to the Financial Ombudsman Service. If you are considering investing a significant amount then you may wish to seek independent financial advice before doing so.

Investors who have claimed tax relief would also be eligible to claim loss relief against their tax liability for the difference between what they invested less any tax relief already claimed and what was returned to them.

So, let's say someone has invested £1,000, as a Seed Enterprise Investment Scheme investor, using the cash made from selling an asset that's deemed a capital gain. They can claim 50% of it against their income tax, and also reduce the Capital Gains Tax bill by half. All told they reduce their tax bill by £640, meaning they have invested £1000 at a cost to them ultimately of just £360.

Let's say Equal Care then goes bust, and no one gets their money back. As far as HMRC are concerned, that means the investor has lost the value of their investment less their 50% income tax relief, so they'll be able to declare that £500 loss against their tax liability. If they pay 40% tax, that's another £200 saved of the investment, reducing the total loss again to just £160.

● **What if the society isn't financially successful enough to survive?**

If we did become insolvent, the ability of investors to recoup the funds they have invested would depend on firstly the value we (or the appointed insolvency practitioners) could get for the assets of the society and secondly, the value of our debts at that point.

In the event of our insolvency or orderly winding-up, the proceeds from the sale of those assets and our cash would firstly pay off all our creditors, and if there were any funds left at that point, would be used to pay back shareholders as much of their investment as they have outstanding as possible, on a pro-rata basis.

As a 'common ownership' society, our rules state that should there be any surplus after returning funds to investors this would have to be given to another organisation supporting the co-operative movement and which has a similar common-ownership clause.

● **Can my investment be gift aided?**

No, because we aren't a charity.

● **Can I sell my shares or leave them in my will?**

You cannot pass on your shares while you are alive. They are yours only. This investment is in withdrawable share capital which cannot be transferred, sold or given to anyone else. However, if you die they can be passed on to someone you have nominated and told us about up to the level of £5,000 of investment. Any investment above £5,000 requires your beneficiary to be explicitly named in your will.

● **Can shares increase in value?**

Shares cannot rise in value, so there will never be a capital gain. They may be reduced in value if our auditors instruct us to do so if they believe that the value of our assets has fallen.

● **Will I get a Share Certificate?**

Everyone who invests will receive a community share certificate.

● **What will you do with my personal details and data?**

Your personal details as submitted on the application form will be held by the society and used in accordance with the provisions of Equal Care Co-op's rules and of the 2014 Co-operative and Community Benefit Societies Act. Only members can inspect the members' register and view members' names and addresses (but not how much they have invested) but the society will not share, sell or provide your details to any other individual or organisation and will ensure compliance with the GDPR regulation in accordance with its responsibility as a data controller.



Our heartfelt thanks goes out to those people and organisations that have helped get us to this point - to the 199 people and co-operatives that supported our Crowdfunder, to the Reach Foundation, Power to Change, Nesta, UnLtd, Paul Hamlyn Foundation, Finance Innovation Lab and Co-operatives UK.

And to all those marvellous people who helped bring our share offer into the world: Matthew Shallow, Dave Boyle, Andy Woodcock, Dominique Brouwers, Phil O'Farrell, Mark Simmonds, Jenni Lloyd, Dave Hollings, Angie Mossman, Simon Borkin, Frances Flaxington, Adrian Roper, Jim Ledwidge and James de le Vingne.

Thank you.



✉ hello@equalcare.coop

🐦 [@equalcarecoop](https://twitter.com/equalcarecoop)

Equal Care Co-op, also known as eccoo, is a registered co-operative society no. 4453

help us radically reshape the social care system