CO-OPERATIVES UK

CO-OPERATIVE AND MUTUAL ECONOMY 2026

A report on the UK's democratic economy

#COOPECONOMY

SUPPORTED BY:

ACKNOWLEDGEMENTS

This report is independently produced by Co-operatives UK, with the support of our members across the co-operative and mutual movement. It is our members who make this work possible – ensuring we can evidence the scale and impact of the democratic economy and build a stronger case for co-operative growth.

Supported by Co-op Group

We are especially grateful to our largest member, Co-op Group, whose support empowers us to deliver this work at scale. Their backing enables us to publish this report and, as the co-operative movement's biggest supporter, to underpin the wider economy: helping to start new co-operatives, strengthen governance and HR practice, run awareness campaigns, and champion the sector through policy, lobbying, research and communications. Importantly, while Co-op Group supports this work financially, the findings and analysis presented are produced independently by Co-operatives UK.

Other partners

Thank you to our partners in the mutual and co-operative movement, including the Association of British Credit Unions, Association of Financial Mutuals, Building Societies Association, Employee Ownership Association and ICMIF, alongside the co-operatives and mutuals who contributed data, insights and case studies to this year's report.

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1. FOREWORD

It has been two years since the current government committed, in its election manifesto, to doubling the size of the UK's co-operative and mutual economy.[1] Two years on, this report shows why that ambition remains exactly that – an ambition, not yet a reality. While some major government interventions are in progress, the conditions needed to achieve it are not yet in place and the data, although recognising there is a reporting lag, demonstrates this.

Growth doesn't happen in a vacuum. It needs access to finance, advice that treats co-operative and mutual ownership as a genuine option rather than an afterthought, enabling laws, and a business culture that doesn't stubbornly default to a single model of ownership. It also means looking beyond the usual binary choice between private ownership and nationalisation when essential infrastructure fails – and recognising the potential for people and communities to own it themselves. This report shows, clearly and repeatedly, that those conditions are not yet in place at the scale required.

That is despite what this sector already proves is possible. As this report shows, co-operatives outperform businesses generally on fair pay, gender equity, investment in the regions, propensity to scale and resilience. If government's ambition is genuinely for good growth – so growth that is fair, sustainable and broadly shared – it already has a model that delivers exactly that, sitting in plain sight. And increasingly, we've a movement building the tools to prove it.

However, another year on, the same hard truth stands. Co-operatives account for just 0.14% of UK businesses. That's roughly one in every 711 – a tiny proportion.

Growth of the sector has been modest at best – and slower than the wider business population's own growth. New co-operatives formed at roughly the same rate in each of the past five years. At the current rate of growth, doubling the number of co-operatives alone would take more than 150 years. Not one parliamentary term, or two, or even 30...

This is not a story about weak demand, or a lack of evidence. It is a story about a business environment that was never built with co-operative and mutual ownership in mind – where advisers, investors and entrepreneurs default to a single ownership model because it is the one they know, and the alternative rarely gets a fair hearing before the decision is already made.

We know what happens when the environment does change. Employee ownership, a model actively supported through tax incentives to prompt business owners to consider it at the point of succession, grew by 22% in the single year covered by this report. That's what is possible when policy actively makes room for a different kind of ownership, rather than leaving it to chance.

The choice for government is not whether the ambition to double the size of the co-operative and mutual economy is worth having. We consistently evidence why it is.

The choice is whether to build the conditions that make it achievable – or to let another year pass with growth that is, at best, flat.

We are ready to work with government to build that environment. This report adds to an increasing body of evidence that shows what's at stake if we don't.

There is hope. The £1 billion Local Power Plan, the £5 billion Pride in Place Programme, Community Right to Buy powers and investment and credit union reform, already amount to the UK's biggest ever investment in economic democracy.

Co-operatives UK CEO, Rose Marley

If there is an ambition to create good growth in every postcode – and if good growth means resilient businesses that care for their communities, educate people and provide good jobs – then the co-operative movement has ready-made solutions across the economy. The government really now needs to be bold enough to power it up.

Rose Marley
CEO
Co-operatives UK

2. A GROWING DEMOCRATIC ECONOMY (BUT NOT FAST ENOUGH)

The UK's democratic economy grew in scale during 2026, though not evenly, and not always faster than the wider economy around it.

Together, co-operatives, building societies, mutual insurers, employee-owned businesses, NHS Foundation Trusts and other mutual organisations generated more than £241 billion in annual income, employed over 1.7 million people and accounted for more than 70 million memberships across the UK.

These organisations span almost every part of the economy, from retail, agriculture and financial services to healthcare, housing, manufacturing and professional services – proof that businesses owned by and run for people operate at scale right across the UK, not just in a handful of sectors.

This year's figures are mixed. Employee-owned businesses remain one of the strongest-growing parts of the democratic economy: their numbers rose by 22.2%, while combined income grew by 10.9% to £77.4 billion.

8.0%

£241.3bn

Combined income of co-operatives and mutuals

4.9%

11,113

Number of co-operatives and mutuals

3.2%

1.7m

People working in the democratic economy

5.5%

17.6m

Memberships of co-operatives

1.8%

70.4m

Memberships of co-operatives and mutuals

0.4%

8,005

Number of co-operatives

Building societies' combined income rose by 35.7%, although much of that reflects Nationwide's acquisition of Virgin Money rather than organic growth. Employment also increased strongly (+15.5%), while membership grew more modestly (+1.8%).

Mutual insurers had a harder year: income fell by 2.3% and membership by 1.0%, even as employment rose slightly (+3.2%) – a reminder that mutual ownership is not a guarantee against the pressures affecting insurers more widely.

The UK's co-operative economy grew too, but modestly. Annual income reached £43.7 billion, up 1.5% – a nominal increase – but below the rate of inflation. So co-operative income in real terms has effectively stood still. Membership grew more strongly, from 16.7 million to 17.6 million (+5.5%). There are now 8,005 independent co-operatives operating across the UK – growth of just 0.4%, below the 0.7% growth rate of the UK business population as a whole.

Behind the modest headline figures, it has been a challenging period for some of the UK's largest consumer co-operative societies, which have long dominated the sector's numbers.

A major cyber-attack disrupted one of the country's biggest retail societies and the sector saw significant consolidation: Central Co-op came together with Chelmsford Star Co-operative, following a transfer of engagements, in September 2025. Central then completed a merger with Midcounties Co-operative on 26 January 2026 to form OurCoop – now the UK's largest independent co-operative society.

Taken together, this is not a story of the democratic economy pulling away from the rest of the UK economy. Different parts are moving at different speeds, for different reasons. Employee ownership continued its strong growth. Building societies saw a mixed year, with much of the headline growth driven by consolidation rather than organic gains. Mutual insurers had a harder year. And the co-operative sector grew strongly on membership, but with turnover failing to keep pace with inflation and the number of co-operatives growing more slowly than the UK business population, as a whole.

There is significant opportunity ahead, but also a clear challenge. Evidence throughout this report demonstrates that democratic ownership delivers resilient businesses, fairer workplaces and stronger communities. But co-operatives and mutuals, like all businesses, are operating in a tough economic climate, with rising costs, ongoing sector consolidation and evolving threats like cyber-attacks.

WHAT THE NUMBERS TELL US

GROWTH CAN HAPPEN FAST

22.2%
Growth in employee-owned businesses in just one year

CO-OPERATIVE GROWTH IS TOO SLOW

150+ YEARS
To double the number of co-operatives at current rate

GROWING LOCAL OWNERSHIP

10.2%
Community pub growth in just one year

CO-OPS ARE BUILT TO LAST

82.8%
Survive five years versus 38.44% of UK businesses

Co-operatives continue to account for just 0.14% of UK businesses – a small foothold given the evidence of what democratic ownership delivers.

This comes at a pivotal moment. The UK government has committed to doubling the size of the co-operative and mutual economy. On the evidence in this report, the current trajectory is insufficient to meet that ambition. The UK still lacks the enabling environment – not least around access to finance, business support, law and regulation – that strong, organic co-operative growth needs. Meeting it will take proactive policy that creates the conditions for ambitious co-operatives and mutuals to form, and for existing ones to thrive and reach their full potential.

This report provides the most comprehensive picture available of the UK's democratic economy. Drawing together data from across the co-operative, mutual and employee-owned sectors, alongside further research and evidence, it examines how democratic ownership is evolving, where growth is taking place – and where it isn't – and what the evidence tells us about its contribution to people, communities and the wider economy.

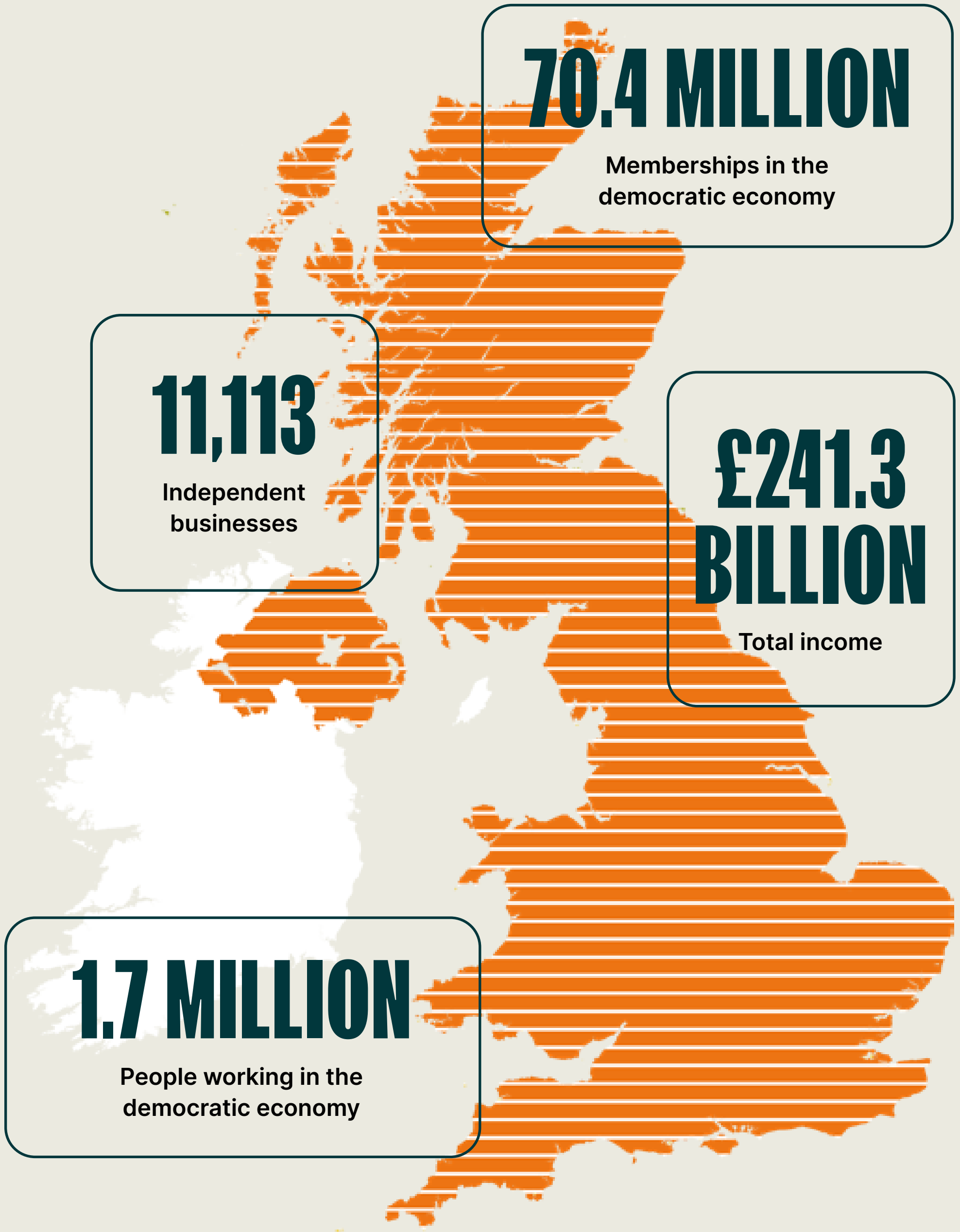
Taken together, the findings present a genuinely mixed picture: real growth in some parts of the democratic economy, most notably employee ownership, alongside a co-operative sector that is essentially flat on income once inflation is accounted for, and a mutual insurance sector that had a harder year.

Democratic ownership continues to prove its value where it exists. The challenge now is twofold: helping many more people, businesses and communities benefit from it, and enabling the organisations that already do to scale, grow and thrive – neither of which the current rate of growth will deliver.

LOOKING AHEAD

The figures presented in this report provide both a benchmark and a challenge. They show a democratic economy delivering real value at scale, but one whose potential is far from fully realised. Where the conditions for democratic ownership are in place, we are seeing significant growth. But across much of the economy, those conditions do not yet exist – and overall growth remains far short of the ambition to double the sector.

The chapters that follow explore this evidence in greater detail: the performance and resilience of UK co-operatives, where growth is happening, the contribution of mutuals and employee-owned businesses, and the growing body of evidence demonstrating why democratic ownership matters.



DEFINING DEMOCRATIC BUSINESSES

Co-operatives: A business or organisation that is owned and controlled by its members, to meet their shared needs. Every co-operative shares and adheres to the same Co-operative Values and Principles. Co-operatives can take any legal form, providing it can satisfactorily evidence adherence to the International Co-operative Alliance-ratified values and principles.

Building societies: A building society, or mutual, is owned by its members and run for their collective benefit. Its members are those who bank, save or have a mortgage with the society. A building society is not run for the benefit of shareholders in the same way banks are.

Mutual insurers: A mutual insurer is an insurance company owned by its policyholders rather than external shareholders. In a mutual insurer, the policyholders are both the customers and the owners, meaning they have the right to vote on important company decisions and share in profits or surplus, often in the form of reduced premiums or dividends.

Employee-owned: In an employee-owned business employees are the majority (or only) shareholders. Employee ownership can take three forms. Through direct employee ownership, employees are registered individual shareholders. Indirect employee ownership is when shares are held collectively on behalf of employees. Employee ownership can also be through a combination of individual and collective shared ownership.

NHS Foundation Trusts: Semi-autonomous health organisations in the UK, designed to provide healthcare services under the National Health Service (NHS), while being accountable to local communities through a democratic model of ownership. This model allows local staff, patients, and members of the public to become members and governors, giving them a voice in decision-making and strategic direction of the trust.

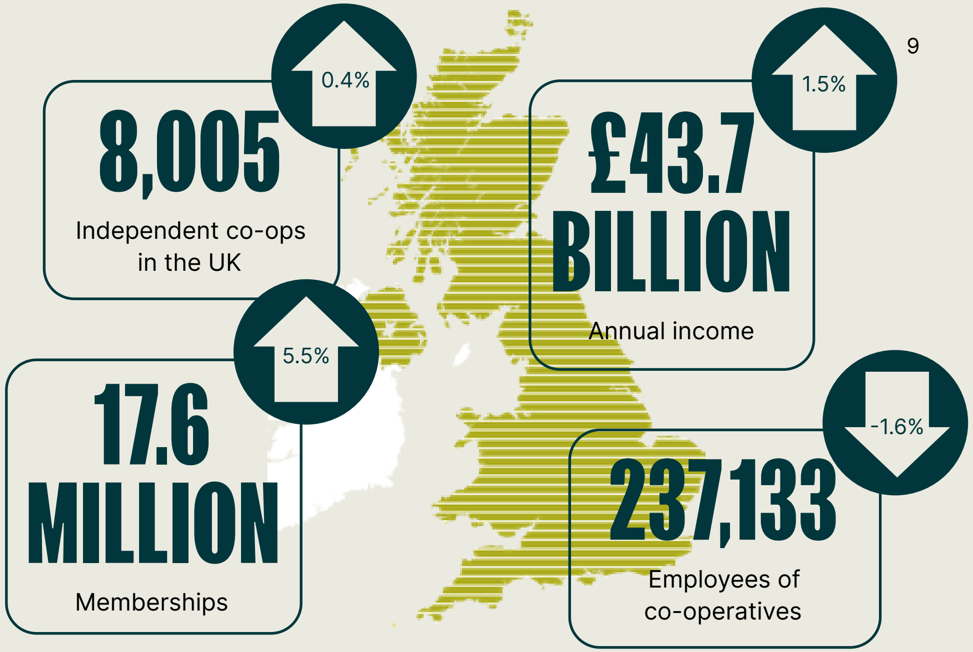
3. THE CO-OPERATIVE ECONOMY

Modest growth, growing impact

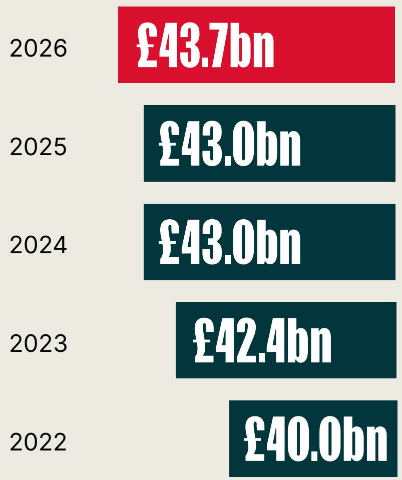
The UK's co-operative economy grew in 2026, reaching 8,005 independent co-operatives with a combined annual income of £43.7 billion – the highest figure to date, though the 1.5% increase is below current inflation.

In real terms, co-operative income has broadly stood still. There are now 17.6 million memberships, up from 16.7 million the year before, an increase of over 920,000. While membership growth is spearheaded by Co-op Group, one of the world's largest consumer-owned co-operatives, the lack of overall movement in business numbers is apparent.

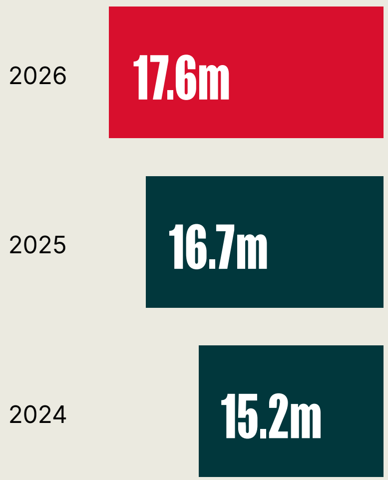
New-starts matter. They are what, in a decade or two, become the next generation of co-operatives large enough to move the headline figures themselves. The number of co-operatives rose by just 0.41%, from 7,972 to 8,005 – positive, but below the 0.68% growth rate of the UK's business population as a whole, leaving co-operatives at just 0.14% of UK businesses.



ANNUAL INCOME



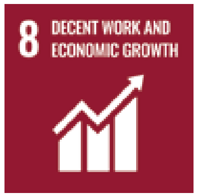
MEMBERSHIPS OF CO-OPERATIVES



The evidence for what co-operatives deliver – growth, resilience, fairer workplaces, long-term value – is well established and covered further in this report. The challenge is twofold: persuading many more businesses to choose the model in the first place, and ensuring the co-operatives that already exist have the conditions they need – not least access to finance – to grow and reach their full potential, rather than simply survive. There remains significant untapped potential if co-operatives are to become a much larger part of the UK economy.

Consumer-owned co-operatives led membership growth

Consumer-owned co-operatives drove much of the year's membership growth, rising from 15.4 million to 16.2 million members. While this category includes credit unions and social clubs, it is the retail societies – primarily Co-op Group – spearheading the upward trend and maintaining their role in introducing millions of people to member ownership.



Doubling the number

Co-operative formation is growing too slowly to double the number of co-operatives in a decade. If this aspect of government's doubling ambition is to be realised, the rate of new co-operative formation will need to increase substantially.

The following sections explore where co-operatives are growing fastest, and the sectors leading the next phase of the UK's co-operative economy.

SUSTAINABLE DEVELOPMENT GOALS AND CO-OPERATIVES

The United Nations' 17 Sustainable Development Goals (SDGs) provide a global framework for building a fairer, more sustainable world – from tackling inequality and creating decent work to supporting sustainable communities and climate action.

Throughout this report, you'll see SDG icons highlighting where the activity and impact of co-operatives connects to these global goals. They provide another way of seeing how democratic ownership contributes value beyond conventional measures of business success.

Later in the report, we explore these connections in more detail and introduce ACT – Accounting for Co-operative Transformation, a new tool enabling co-operatives to measure their contribution to the SDGs and the Co-operative Principles.

Find out more on page 23.

SUSTAINABLE DEVELOPMENT GOALS

4. WHERE GROWTH IS HAPPENING

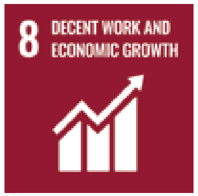
The Joiners Heart in Hackney, London

Co-operatives responding to today's challenges

Growth is being driven by sectors responding to some of the UK's biggest economic, environmental and social challenges – from community-owned pubs to renewable energy, farming and housing. Rather than emerging in response to market opportunity alone, co-operatives are often created where people come together to solve shared problems: protecting valued local assets, improving access to affordable services, or building new economic opportunities within their own communities. Several sectors recorded particularly strong growth this year.

Community-owned pubs: Communities taking ownership

No sector saw the number of co-operatives grow faster during 2026 than food service, accommodation and pubs, with community-owned pubs driving the narrative. The number of co-operatives in this category rose by 10.23% during the year and by 48.43% over the past five years – the fastest rate of business formation anywhere in the UK's co-operative economy.



Income and membership have grown even faster over the longer term: income reached £59.7 million in 2026, up 7.6% year-on-year and 124.9% over five years, while membership rose to 50,293 (4.8%) on the year and 74.3% over five years. This isn't simply more businesses opening – the co-operatives already trading in this space are also growing.

Growth reflects the increasing use of community ownership to protect and revitalise local assets, as communities come together to save cherished pubs. More than preserving businesses, these co-operatives retain employment, support local supply chains and keep valuable community places alive.

COMMUNITY PUBS AT A GLANCE

377
Co-operatives in the food service, accommodation and pubs sector

10.2%
Annual growth in number of co-operatives

48.4%
Growth in number of co-operatives over five years

Energy and environment: Powering the transition

Energy and environmental co-operatives continued their strong upward trajectory. The number of co-operatives in the sector increased by 8.3% during the year and has grown by 17.2% over five years.

As communities seek greater control over energy generation, lower costs and progress towards net zero, co-operative ownership continues to provide an effective model for locally owned renewable energy projects – one likely to matter more as government looks to accelerate community energy as part of the UK's energy transition.

Government’s ambitious Local Power Plan, delivered by Great British Energy, is set to drive faster expansion in community energy across the UK.

Agriculture: Stronger together

Agricultural co-operatives remain one of the UK's most significant sectors. The number of agricultural co-operatives increased by 3.5% year-on-year and has grown by almost 12% over five years.

Farmer co-operatives range from major dairy and arable operations to smaller, local buying and marketing groups, and their core purpose has stayed constant even as the businesses themselves have modernised: giving farmers collective bargaining power, shared infrastructure and a fairer share of the price paid at the till.

While a major component of the co-operative economy, compared with many European countries, agricultural co-operation in the UK remains relatively underdeveloped, suggesting considerable room for growth. The recent commitment to enable farmer co-operatives in DEFRA’s Farming Roadmap 2050 is a much-needed shift in policy in this area.[2]

ENERGY CO-OPERATIVES AT A GLANCE

340
Co-operatives in the energy and environment sector

8.3%
Annual growth in number of co-operatives

17.2%
Growth in co-operative numbers over five years

50 YEARS OF GROWING TOGETHER

Berry Gardens Growers traces its roots back more than 50 years, to 1972, when a group of Kent fruit growers – facing cuts to British Rail's distribution services – banded together to arrange their own transport to market.

"We set up over 50 years ago to allow our farmers a more level playing field in conversations with retailers," said Robin Walker, Chairman of Berry Gardens Growers. That single idea, alongside knowledge-sharing, has carried the business – now a grower-owned co-operative spanning Kent to Scotland – through a rebrand and growth of the modern British soft fruit industry.

Since the late 1990s it has held an exclusive UK partnership with Driscoll's, the world's largest berry company. In 2022, Driscoll's acquired Berry Gardens Limited, the sales and distribution business that marketed the co-operative's fruit – but Berry Gardens Growers itself stayed independently owned by its farmer members, demonstrating what a co-operative structure protects even as the commercial landscape changes.

Patrick Bastow, Managing and Sales Director, puts the co-operative's position as “dominant” in some crops. Berry Gardens members produce approximately 50% of the UK's cherries, 80% of its blackberries and 45% of its raspberries. While strawberries were once the dominant crop, the co-operative remains a major producer, particularly of premium, high-flavour varieties. Members also grow blueberries, plums, cobnuts and rhubarb.

Selling as one group is central to how the model works. Growers sell their crop under a single seasonal plan, avoiding the price crashes that hit a market flooded by good weather. Robin said: “We are probably the largest berry supplier in the country – and the importance of selling as one group is addressing the imbalance between growers and retailers.”

The same collective backing has helped new entrants into a sector that's notoriously hard to break into: one member grower who started with blueberries in 2015 is now a successful business due to the "support of the farmers around them" according to Robin.

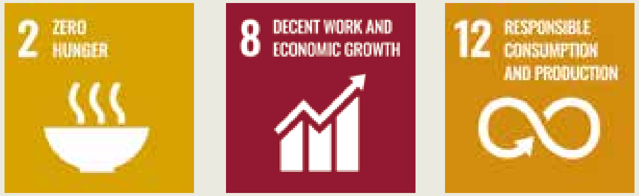
Berry Gardens Growers has invested in over 20 research projects with NIAB, trained more than 40 doctoral researchers through partnerships with seven universities, and led innovation in variety development, controlled-environment growing, robotics and automation, including the Innovate UK-funded Robot Highways project.

But collaboration is now under pressure. For nearly 30 years, EU and UK rules enabled Producer Organisations like Berry Gardens Growers to raise an investment fund – up to 4.1% of production value, half matched by government – to pay for packhouses, irrigation and grower expansion. That scheme closed in 2025 with no replacement confirmed.

Robin said: “We got significant levels of support from government through the Producer Organisation scheme, but that funding has now been scrapped. We’re really disappointed in that. It reduced food security and risks a loss of jobs."

Patrick added: "In the UK, the government doesn't support agricultural co-operatives the way it once did – leaving UK growers up against EU producers who still receive it. We’re on the back foot. And the issue with agriculture is it's so capital intense."

Both argue that any replacement funding scheme should be designed around collaboration, not just farm size. "Any funding should be helping farmers to work together – it should reward collaboration," Patrick said. "Smaller farmers are just as important as big farmers, and they're disappearing." With costs rising sharply – fertiliser prices roughly doubling – and government leaning on supermarkets to keep prices low, Robin feels it amounts to "a watershed moment" for whether government backs co-operative farming.



FARMING AT A GLANCE

533
Co-operatives in the agriculture sector

3.5%
Annual growth in number of farming co-operatives

£9.2bn
Annual income in the agriculture sector

Housing: Meeting local need

Housing remains an important sector within the UK's co-operative economy – and packed with potential. The number of housing co-operatives increased by 2.49% during 2026, and has grown by 4.70% over five years, continuing steady, if modest, longer-term growth. Housing co-operatives provide affordable, secure and democratically managed homes, giving residents greater control over where they live while strengthening communities through shared ownership and participation.

Retail: The UK's largest co-operative sector

Retail continues to represent the largest part of the UK's co-operative economy by turnover and membership. During 2026, retail co-operatives generated £29.2 billion in turnover, while membership increased from 11.5 million to 12.4 million – driven by Co-op Group – accounting for 97% of the overall increase in co-operative memberships during the year. Turnover growth was far more modest, up only around 1% on the year, a reminder that retail's scale comes from its existing size rather than fast current growth.

For millions of people, retail remains their first experience of democratic ownership – bringing more people into businesses in which members have a direct stake and democratic voice.

HOUSING CO-OPS AT A GLANCE

- 824 co-operatives in the housing sector
- +2.49% annual growth in number of housing co-ops
- +4.70% growth in number of housing co-ops over five years

RETAIL CO-OPERATIVES AT A GLANCE

766
Co-operatives in the retail sector

£29.2bn
Annual income for retail co-operatives

12.4m
Memberships in the retail sector

Social clubs

For the first time, this report draws social clubs out as their own distinct category, separate from the wider 'membership associations, social clubs and trade unions' grouping they've historically been counted within. What emerges is a long-established part of the co-operative movement, deeply embedded in local communities – and one that is, to some degree, under threat.

There are 2,502 social clubs in the UK. Nine in 10 (91%) are at least 10 years old, seven in 10 are 50 or older and almost a third (31%) have been running for a century or more. The average age is 70 years old.

Over the past five years, 286 clubs have closed against 139 new incorporations – a net loss of 147 – though the trend is turning. Incorporations have risen every year since 2021 and 2025 was the first year in some time that more clubs opened than closed (36 against 32).

Not every closure is a club disappearing. There is evidence that some clubs are de-registering rather than closing outright, and continuing informally as unincorporated associations. That likely means more clubs are still active, in some form, than the formal count suggests – but it also carries real risk.

Unincorporated clubs lose the legal protections and accountability that come with formal registration, leaving members personally exposed and putting community-owned assets at risk, largely out of sight of official data.

Of the 1,949 clubs that report turnover, combined income comes to £451 million, averaging £231,000 per club. Between them, social clubs support 843,336 members and 14,472 employees. Yorkshire and the Humber has the most clubs of any region (371); the North East has the largest combined turnover (£84.3m) and most clubs per head of population.

Social clubs offer real community value – affordable social space, local jobs and a base for volunteering – but many are financially fragile: 83% rate their financial health as poor or fair, and most report little or no support with fundraising or business planning.[3] Targeted backing, not least access to finance, could help secure their future as resilient, community-owned institutions.

SOCIAL CLUBS AT A GLANCE

2,502
Social clubs operating in the UK

31%
Of social clubs are more than a century old

843,336
Members of social clubs

Credit unions: Building financial resilience

Credit unions occupy a distinctive place in the UK's democratic economy. Owned by their members, they provide savings and affordable credit while keeping the interests of those members at the heart of their operations.

The sector continued to consolidate in 2026. The number of credit unions fell from 363 to 352 (-3.0%), while combined income increased from £419.2 million to £444.5 million (+6.0%). Membership edged upwards to 2.3 million (+0.8%), while employment remained broadly unchanged at 2,575.

Those figures come at a time when the need to build household financial resilience remains acute. The Financial Conduct Authority's 2024 Financial Lives Survey found that 10% of UK adults had no cash savings at all, while a further 21% had less than £1,000.[4] More than two in five had insufficient savings to cover three months' living expenses if their main source of household income disappeared.

That gives credit unions an important role beyond the provision of financial products. By combining savings with access to affordable credit, they can provide an alternative for people who may struggle to access suitable products elsewhere.

The government's Financial Inclusion Strategy also recognises the role credit unions can play in helping people who face barriers to mainstream financial services build savings and a track record of repayment.[5]

An ambition to double membership

The sector has set its sights considerably higher. The Credit Union Growth Plan, developed collaboratively by representative bodies across the UK, aims to double membership to 4.4 million by 2035.[6] Against the 2.3 million memberships recorded in this report, achieving that ambition would extend democratic financial services to millions more people.

The policy environment is changing too. The government's Financial Inclusion Strategy included a £30 million Credit Union Transformation Fund for England, alongside reforms to common-bond rules designed to enable credit unions to grow across Great Britain.[7] The reforms are intended to make it easier for credit unions to expand, merge and reach new members, and are now being taken forward through legislation.

CREDIT UNIONS AT A GLANCE

352
Credit unions operating across the UK

£444.5m
Annual income for credit unions, up 6.0%

2.3m
Credit union memberships, up 0.8%

Industry sectors posting a rise in number of businesses and income.

NUMBER OF CO-OPERATIVES AND INCOME BY SECTOR

Sector	Co-ops	Income
Agriculture	533	£9.2bn
Arts and culture	195	£14.8m
Digital	146	£11.5m
Education	224	£760.9m
Energy and environment	340	£63.2m
Finance	391	£724.5m
Food service and pubs	377	£59.7m
Health and social care	124	£217.4m
Housing	824	£912.2m
Manufacturing	78	£425.9m
Social clubs and trade unions	2,893	£560.0m
Professional and legal services	152	£100.1m
Retail	766	£29.2bn
Sports and recreation	553	£1.2bn
Transport	35	£10.9m
Other	352	£196.3m

5. BUILT TO LAST

Why co-operatives continue to outperform

If one statistic captures the strength of the co-operative business model, it is business survival. New co-operatives have an 82.8% chance of surviving their first five years, compared with just 38.4% of UK businesses overall[8] – more than twice as likely, a gap the evidence has shown consistently for more than a decade.

That resilience isn't only good news for the businesses themselves – it means greater certainty for workers, confidence for customers, and stability for the local economies and supply chains that depend on them.

Much of this comes down to why co-operatives exist in the first place. Unlike many conventional businesses, they're established to meet a shared need their members have identified – a gap in local services, a fragile supply chain, a lack of affordable housing, a community wanting control over an essential asset – which tends to mean long-term purpose rather than short-term financial gain.

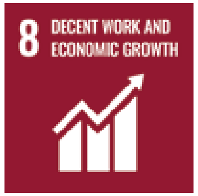
That shapes how they're run, too: rather than prioritising short-term shareholder returns, co-operatives can balance commercial success with the long-term interests of members and communities, encouraging patient investment, stronger loyalty, and a greater willingness to reinvest profits back into the business.

The challenge is starting, not surviving

Business survival is only one measure of success. Throughout this report, the evidence points to wider benefits of democratic ownership too – growing membership, stronger representation of women in leadership, narrower gender pay gaps, and contributions to local communities and the UN Sustainable Development Goals.

Survival tells us something important about the challenge facing the co-operative economy. Businesses that endure retain jobs, skills and investment, while failure carries economic and social costs. With 82.79% of new co-operatives still trading after five years, durability isn't the barrier to growing the sector. The challenge is getting more co-operatives started in the first place.

The evidence suggests the constraint on co-operative growth is not whether new co-operatives can survive. It is whether enough people have the opportunity, support, finance and routes to start them.



6. GOOD BUSINESS FOR GOOD GROWTH

Putting people first

Co-operatives and mutuals punch above their weight economically. Independent modelling by WPI Economics (2025), commissioned by the Mutuals and Co-operatives Together group, found that co-operatives and mutuals make up just 0.2% of UK businesses, yet generate an estimated £35 billion in direct Gross Value Added (GVA) – equivalent to 1.5% of the UK economy.[9] GVA is a standard measure of how much value a business or sector adds to the economy and when the wider knock-on activity through supply chains and spending is added, the contribution rises to £93 billion. It is another clear illustration of the sector's economic weight relative to its size.

Success is often measured through turnover, productivity and profit. While these remain important indicators, they tell only part of the story. The way a business is owned influences how decisions are made, who benefits from success, and the culture that develops within the organisation – democratic ownership creates greater opportunities for participation, encourages longer-term thinking, and places people alongside profit when measuring success. Increasingly, evidence suggests these differences are reflected in workplace outcomes.

Good jobs, not just any jobs

The quality of the employment co-operatives create is as telling as the quantity. Among co-operatives with employees, the average is 69 staff each – more than four times the UK-wide average of 17 for employers generally. More than a third (35%) of co-operatives have 10 or more employees, against almost a fifth (19%) of UK employers as a whole.

We have new evidence that co-operatives have a much greater propensity to achieve a degree of scale than businesses generally. They are under-represented among the smallest, one or two-person operations, and over-represented at every larger size band – most sharply among small employers, where co-operatives are nearly twice as common as the UK average.

In practice, a co-operative job is more likely to be a substantial one – part of a team, with structure and room to grow, not an isolated or precarious role. It's consistent with the pattern the rest of this chapter explores: businesses accountable to their members and employees tend to build fewer, better jobs, rather than spreading thin.

PROPENSITY TO GROW

Business size	UK businesses	Co-operatives
Micro (1-9 employees)	81%	65%
Small (10-49 employees)	16%	30%
Medium (50-249 employees)	3%	3%
Large (250+ employees)	1%	2%

Leading by example

Women now lead almost a quarter of the UK's largest co-operatives. Among the top 100 co-operatives by income, 24% had women chief executives in 2026 – more than two and a half times the rate in the FTSE 100 (9.6%).[10] The difference is also clear across the wider FTSE, where women account for 7.4% of FTSE 250 chief executives and 8.2% of FTSE 350 chief executives.

The pattern continues below chief executive level. Among co-operatives required to report their gender pay gap, women made up 55.0% of the highest-paid quartile in 2025-26, compared with 42.1% across all reporting employers. This suggests the difference is not confined to a relatively small number of high-profile chief executive appointments.

RETAIL CO-OPS GO FURTHER

Data collected from a May 2026 survey of the UK's consumer-owned retail societies (10 out of 12 participated).

50%
Boards chaired by women

48%
Of board members are women

40%
Of chief executives are women

GENDER PAY GAP

9.0%
Gender pay gap at reporting co-operatives

11.6%
Across all reporting businesses

Closing the gap

Reporting co-operatives continue to have narrower gender pay gaps than the UK average. Gender pay gap reporting is mandatory only for employers with 250 or more staff, so the fair comparison is between co-operatives that meet that threshold and other employers that do too. Among the 52 co-operatives required to report for 2025-26, the mean gender pay gap was 9.04%, against 11.63% across all reporting employers – and on the median measure, 9.09%.[11]

Fair pay and the Living Wage

Co-operatives remain over four times more likely than the UK average to be accredited Living Wage employers – a public, ongoing commitment to pay the real Living Wage, checked and renewed every year. 2.41% of co-operatives hold Living Wage accreditation, compared with 0.58% of UK active businesses.[12] The real Living Wage, the only UK wage rate calculated on the actual cost of living, stands at £13.45 across the UK and £14.80 in London for 2025-26.

2026 marks 25 years of the Living Wage movement – a moment worth marking, but not one to overstate: 4.4 million UK jobs are still paid below the real Living Wage. Co-operatives' willingness to seek formal accreditation, not simply pay the rate informally, shows a distinctive and verifiable commitment to fair pay – even as the wider picture makes clear how much more there is to do.

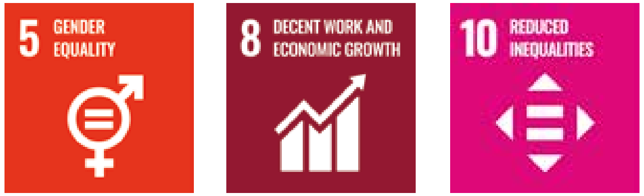
Beyond the numbers

Fairness cannot be measured through representation and pay alone – it is also reflected in workplace culture, opportunity and the everyday experiences of employees.

To coincide with this year's report, Co-operatives UK commissioned a nationally representative survey exploring experiences of sexism in the workplace and attitudes towards equality at work. The findings reveal that many women continue to experience everyday sexism at work, from having their authority undermined and being mistaken for more junior colleagues to being interrupted, overlooked or expected to undertake tasks unrelated to their role.

Yet the evidence presented elsewhere in this report suggests that some workplace outcomes differ in co-operatives. Women are better represented in senior leadership, gender pay gaps are narrower among reporting co-operatives, and co-operatives are more likely to be accredited Living Wage employers.

These findings do not mean ownership alone determines workplace culture. But they do suggest that the accountability, participation and shared purpose associated with democratic ownership can provide a strong foundation for fairer workplaces.



The findings reinforce an important point: how a business is owned can matter not only to its commercial performance, but to how it approaches fairness, representation and reward.

EVERYDAY SEXISM: WHAT BRITISH WORKERS REALLY EXPERIENCE

To mark this year's report, Co-operatives UK commissioned a nationally representative survey of 2,000 UK workers on sexism in the workplace. The findings are stark.

- 38% of men believe sexism is no longer a problem at work – but 62% of women say it's still an everyday reality
- 44% of women have personally experienced sexism at work during their career
- 23% have discovered a male colleague was paid more than them for doing the same job
- 13% have had their ideas credited to a male colleague
- 34% believe men are treated more favourably at work[13]

A WORKPLACE DIVIDE

38%

Of men say sexism is no longer a problem in the workplace

BUT

62%

Of women say sexism is still an everyday reality

CO-OPERATIVES TELL A DIFFERENT STORY

Women lead almost a quarter (24%) of the UK's largest co-operatives – more than two and a half times the FTSE 100's 9.6%.

Among co-operatives required to report their gender pay gap, the mean gap is 9.0% – clearly below the UK-wide average of 11.6%.

Retail co-operatives go further still: 50% of boards chaired by women, 48% of board members women, 40% of CEOs women – against 38.2% across the wider retail sector. Backed, in every case, by governance structures that give members and employees a real voice.

A different kind of workplace

Businesses increasingly recognise that attracting and retaining talented people depends on creating workplaces where everyone can contribute and succeed.

Democratic ownership provides an important foundation for achieving that. By giving members and employees a voice, encouraging transparency and embedding accountability into governance, co-operatives and mutuals demonstrate that commercial success and fairness can reinforce one another.

As employers continue to compete for talent in an increasingly challenging labour market, these characteristics represent an important competitive advantage.

7. MEASURING WHAT MATTERS

A new way to evidence co-operative impact

For more than 180 years, co-operatives have demonstrated that business can create value beyond financial returns alone. Many of these outcomes align directly with the United Nations Sustainable Development Goals (SDGs).

The UN itself recognised this contribution by declaring 2025 the International Year of Co-operatives, highlighting the important role co-operative businesses play in achieving sustainable development.

Yet measuring that contribution consistently has remained a challenge. Much of the evidence has relied on individual case studies, member stories and examples of good practice. While valuable, this makes it difficult to demonstrate the collective impact of co-operatives in a consistent and comparable way.

INTRODUCING A.C.T.

Turning co-operative impact into evidence

To strengthen this evidence base, Co-operatives UK is working with the Centre of Excellence in Accounting and Reporting for Co-operatives (CEARC) at Saint Mary's University, Canada, to adapt Accounting for Co-operative Transformation (ACT) for a UK audience, with funding from The Co-operative Bank.

ACT will enable co-operatives to measure and demonstrate their contribution to the UN Sustainable Development Goals and the Co-operative Principles, translating everyday business activity into evidence of social, environmental and economic impact.

Rather than creating additional reporting requirements, ACT builds on activity many co-operatives are already undertaking. It provides organisations of every size and sector with a practical, common framework for demonstrating their wider value to members and other stakeholders.

From individual impact to collective evidence

As more co-operatives use ACT, that evidence base will grow. Future editions of this report will increasingly be able to look beyond turnover, employment and membership to show more fully the difference democratic ownership makes to people, communities and the environment.

Discover more about ACT:
>> www.uk.coop/sdgtool

TWO FRAMEWORKS, ONE PICTURE OF IMPACT

ACT connects two complementary frameworks for understanding co-operative impact: the seven Co-operative Principles, which describe how co-operatives put their values into practice, and the UN Sustainable Development Goals, which provide a global framework for social, economic and environmental progress.

Together, they help show not only what co-operatives do, but how the way they are owned and governed can contribute to wider outcomes.

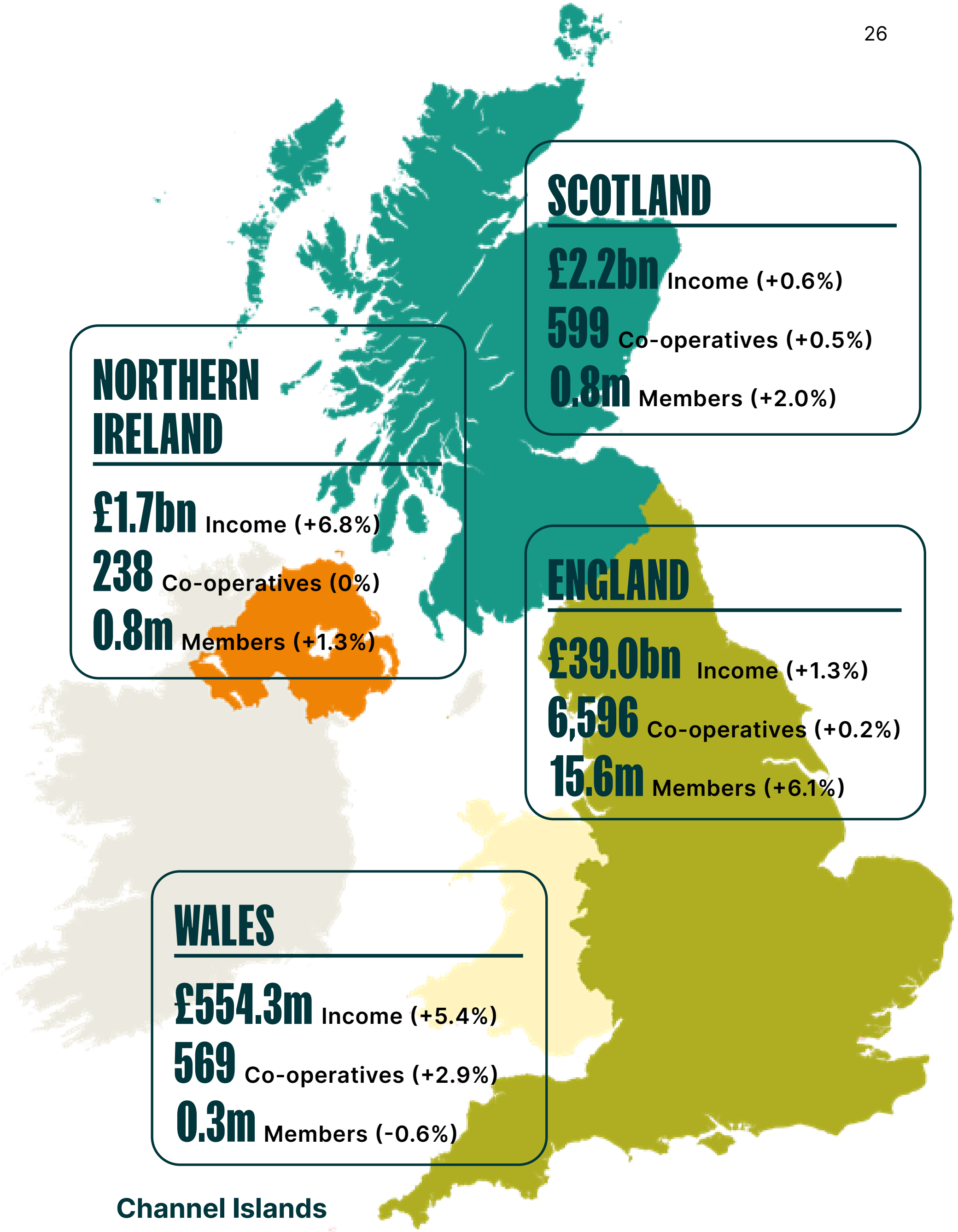
CO-OPERATIVE PRINCIPLES

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Co-operation among Co-operatives
7. Concern for Community

8. CO-OPS ACROSS THE UK

Co-operatives contribute to every nation and region of the United Kingdom. The movement's roots lie in Rochdale, but democratic ownership is now embedded across the whole country – from community-owned pubs in rural villages to housing co-operatives in cities, agricultural businesses, retail societies, renewable energy projects and worker co-operatives – supporting local economies, creating employment and providing services that reflect the needs of the communities they serve.

The data shows this is about more than presence. Compared with UK businesses generally, co-operatives are more likely to be based, trading and generating wealth in exactly the places that need it most: rural areas, deprived neighbourhoods, and the nations and regions furthest from London. In the North East, for example, co-operatives are more than twice as prevalent, relative to the size of the local business population, as the UK average – among the clearest evidence in this report that co-operatives don't just serve every part of the UK, they're disproportionately rooted in the parts of it most often overlooked.



Channel Islands

£220.2m Income; 3 Co-operatives; 128.1k Members

That comparative picture holds more widely too. The differences between nations and regions are not just in the number of co-operatives, but in their economic contribution and levels of membership. Those variations look quite different once weighed against population and the wider business landscape, rather than raw counts alone.

A movement with national reach

Of the 8,005 co-operatives operating across the UK, England is home to the largest number in absolute terms, reflecting its much larger population and business base. But looking beyond absolute numbers reveals a different geography.

The numbers for Wales stand out. It has more co-operatives per head than any other UK nation, while co-operatives make up around twice the proportion of businesses in Wales as they do across the UK overall.

CO-OPERATIVES BY NATION

Nation	Co-operatives	Per 100,000 people	Business prevalence index*
England	6,596	11.25	94
Scotland	599	10.80	118
Wales	569	17.86	208
Northern Ireland	238	12.35	122

*Compares the share of businesses that are co-operatives in each nation with the UK average. 100 = UK average; a higher number indicates a greater prevalence of co-operatives within the local business population. Across the UK as a whole, around one in 711 businesses is a co-operative.

CO-OPERATIVES BY REGION

Nation	Co-operatives	Per 100,000 people	Business prevalence index*
North East	481	17.42	230
South West	1,051	17.84	156
Yorkshire and the Humber	747	13.17	119
North West	789	10.20	101
East Midlands	529	10.45	100
West Midlands	638	10.31	98
South East	942	9.77	78
East of England	555	8.44	71
London	863	9.49	56

*Compares the share of businesses that are co-operatives in each region with the UK average.
100 = UK average; a higher number indicates a greater prevalence of co-operatives within the local business population. These differences reflect the varied character of local co-operative economies – shaped by factors including industrial and social history, sector mix and the strength of local co-operative networks and support.

Strong local ecosystems

Within England, co-operative activity varies considerably between regions – and the pattern changes depending on how you measure it. By raw count, the South West has the largest number of co-operatives (1,051), followed by the South East (942) and London (863).

Adjusted for population and for the size of the local business community, a different picture emerges: the North East and South West stand out. London and the South East – despite their large raw totals – record lower rates per head and lower business prevalence than many other English regions. These differences reflect a combination of local history, sector strengths, support infrastructure, and economic and social conditions.

Economic contribution

The economic contribution of co-operatives varies across the UK. England accounts for the largest share of turnover, generating £39.0 billion, while Scotland, Wales and Northern Ireland each make a meaningful contribution to their own economies – one that looks different again once measured per person. Northern Ireland has the highest co-operative turnover per capita of any nation (£868.86), ahead of England (£665.87) and Scotland (£401.47). Wales, despite leading on co-operatives per head, has the lowest turnover per capita (£173.96).

Taken together, these measures show that the geography is more complex than headline size suggests. The places with the most co-operatives are not necessarily those where co-operatives are most prevalent – or where they generate the greatest economic activity per person.

Membership continues to grow

Co-operative membership reached its highest level on record during 2026: more than 17.6 million memberships are now held across UK co-operatives, with growth driven primarily by the retail sector. England accounts for the largest proportion of memberships, although co-operatives continue to enjoy strong public engagement across every nation.

TURNOVER BY NATION

Nation	Turnover	Turnover per capita	Turnover as % of nation GDP*
England	£39.0bn	£665.87	1.68%
Scotland	£2.2bn	£401.47	1.09%
Northern Ireland	£1.7bn	£868.86	2.65%
Wales	£554.3m	£173.96	0.60%

*GDP by nation is the latest available (ONS, 2023).[14] Turnover and GDP measure different things – gross sales and value added respectively – so this is an indicator of relative economic scale, not the share of each nation's economy generated by co-operatives.

Membership by nation

The continued growth in memberships demonstrates that increasing numbers of people are choosing businesses where they have both a stake and a voice – though it's worth noting Wales is the one nation moving in the other direction, with membership down slightly on the year.

Beyond the numbers

Regional statistics tell only part of the story. Some of the UK's most innovative co-operatives operate in rural communities, coastal towns and neighbourhoods that have experienced economic change or market failure. Others are emerging in cities where people are coming together to create affordable housing, generate renewable energy or develop new worker-owned businesses. In every case, democratic ownership reflects local priorities.

WATER CO-OPS: A DIFFERENT WAY TO DELIVER AN ESSENTIAL SERVICE?

Few services are more fundamental than water. Yet in England, privately owned water companies have faced intense scrutiny over pollution, ageing infrastructure, rising bills, executive rewards and shareholder returns.

In July 2026, Ofwat found that Severn Trent Water had breached its statutory wastewater and sewage duties;[15] the following month, Environment Agency enforcement action saw Severn Trent pay more than £2.2 million to environmental charities for illegal sewage discharges.[16]

Government proposed sweeping reforms in its white paper, A new vision for water,[17] while an Independent Water Commission report called for "a fundamental reset" of the sector.[18] Could co-operatives offer a viable, sustainable alternative to shareholder-owned water companies as part of a fundamental reset?

Dalavich: investing in water and community

Dalavich is a remote community on the shores of Loch Awe in Argyll. Much of the village was built by the Forestry Commission in the 1950s, which also provided its water and sewage infrastructure. In time, the village's homes, holiday cabins and water infrastructure passed into private ownership. When the company providing water and sewage ceased trading, residents and holiday-home owners decided to take collective responsibility.

Formally established in April 2026, **Dalavich Water** now oversees water and sewage services for 127 properties. Membership is open to people who live in or have an interest in the village, with each £1 member having an equal say.

The co-operative is already tackling neglected infrastructure and planning for the long-term resilience of its systems. Its structure also opens up other possibilities, including accessing grants and potentially raising capital through community shares. Its ambitions extend beyond water, too: it uses local suppliers and plans to employ a villager to administer the service, keeping more money circulating within the community.

"We try to localise all of our contractors as far as possible," said founding director Scott Allan. "We try to boost investment in the village, employ people in the village and make it a sustainable place that can continue to be lived in. The more we invest in the local economy, the better."

The co-op's aims for service provision are straightforward: "The key thing is to ensure the resilience of the water supply and sewage treatment," said Scott. "That's about planning for the future and upgrading the infrastructure as appropriate.

"Going forward, we need to ensure there's lifetime maintenance and replacement built into all our infrastructure. And we need to do adequate studies to ensure we've got enough water and are producing effluent to the required standard."

It's basic water-provider practice – but something the current, failing sector doesn't always deliver. Scott believes the model has the potential to operate at far greater scale.

"A larger co-operative with professional expertise could similarly invest to improve services," he said. "When you have a private company, the levels of capital you can raise through borrowing is constrained by the need to generate profit and pay shareholders.

"A co-operative, as a non-profit making organisation, can invest all surpluses into improving services. This increases the capacity of co-operatives to invest in infrastructure through borrowing.

"For example, a local co-operative hydro scheme, largely financed through borrowing, will soon have repaid all capital loans and will generate even larger surpluses that can be reinvested in the community.

"Significantly, our co-operative as a community enterprise, can access grants, such as community benefit from wind farms. This source of finance is not available to private limited companies.

"We're small but there's no reason you couldn't operate co-operatively at a wider level. If you have a community-driven approach to strategic planning, there's a stronger incentive to satisfy the customers and provide a viable, high-quality service."

Dalavich demonstrates a different relationship between a utility and the people who rely on it: customers becoming members, a community having a direct voice, and money generated by an essential service being used to sustain that service and the community it serves.

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

9. DEMOCRATIC OWNERSHIP IN PRACTICE

Different sectors. Shared principles

The democratic economy is made up of organisations operating in very different sectors, from financial services and healthcare to retail, manufacturing and construction. What unites them is not what they do, but how they are owned.

Across the UK's democratic economy, ownership shapes decision-making in ways that differ from conventional shareholder-owned businesses. It encourages long-term thinking, creates greater accountability to members, employees and communities, and enables organisations to balance commercial success with wider social value. The latest figures demonstrate that these organisations continue to grow their economic contribution while remaining rooted in the people they exist to serve.

The following sections explore how democratic ownership is creating value across different sectors of the economy.

Building societies: Investing in people and places

Building societies remain one of the largest and most established parts of the UK's democratic economy, demonstrating that member ownership can deliver commercial success while supporting local communities and long-term financial wellbeing.

The sector continued to grow during 2026. Combined income rose from £9.26 billion to £12.6 billion (+35.7%), while membership increased from 26.8 million to 27.3 million (+1.8%) and employment from 52,949 to 61,134 (+15.5%). The number of building societies remained at 42.

Much of the increase in income reflects Nationwide Building Society's £2.9 billion acquisition of Virgin Money, completed in October 2024, rather than organic growth. The acquisition brought Virgin Money's income into the building society sector's figures for the first time, making membership and employment important additional measures of the sector's underlying trajectory.

Unlike shareholder-owned banks, building societies exist to benefit their members. Without pressure to maximise returns for external investors, they are able to prioritise customer value, financial resilience and investment in local communities. That difference is reflected not only in their financial performance, but in the wider contribution they make.

BUILDING SOCIETIES AT A GLANCE

£12.6bn
Income up 35.7% in one year

27.3m
Memberships of building societies

61,134
Employees in the sector, up 15.5%

Independent research estimates that building society branches generate £7.6 billion in social value, including £1.9 billion in benefits to the public sector.[19] Around 74% of customers believe their local branch helps keep the high street thriving, while 70% say it makes a strong contribution to their community.

Branches also continue to play an important role in tackling financial exclusion. Almost half of customers surveyed rarely or never use digital or telephone banking, while more than three-quarters of younger customers said visiting a branch had increased their confidence in managing money.

As many high street banks continue to reduce their physical presence, building societies demonstrate how mutual ownership can influence decisions about long-term investment, accessibility and community service. Yet their potential is not fully reflected in the wider business and policy environment. Like other forms of democratic ownership, building societies too often operate within systems designed around shareholder-owned business and without an equivalent voice in the decisions that shape their markets.

The opportunity is therefore not simply to create more building societies, but to create the conditions in which mutual ownership can grow in scale, reach and impact – and play a fuller role in the future of UK financial services.

Employee-owned businesses: Growing through shared ownership

Employee ownership continues to be one of the fastest-growing parts of the UK's democratic economy, demonstrating how businesses can thrive when employees have a genuine stake in their success.

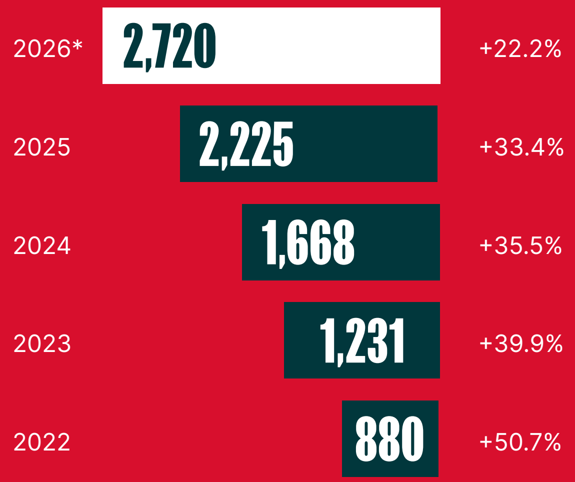
The number of employee-owned businesses rose from 2,225 to 2,720[20] – growth of 22.2%. Combined income rose by 10.9%, to £77.4 billion, while employment rose from 413,787 to 458,719, an increase of 10.9%. The growth is even more striking over a longer horizon: the number of employee-owned businesses has grown more than four-and-a-half-fold over the past five years, from 584 to 2,720 today – an increase of 366%, though the annual growth rate has itself slowed in each of the last four years, even as the absolute numbers keep climbing.

Much of this growth has been driven by the Employee Ownership Trust model, which has provided business owners with a practical route to succession while preserving businesses for future generations.

GROWTH IN EMPLOYEE OWNERSHIP

22.2%

Growth in number of employee-owned businesses in one year



*All employee-owned figures calculated to year-end 2025. The Employee Owned Business Register records 2,800 EOBs in total. The 2,720 figure here represents businesses confirmed as transitioned by the end of 2025; the precise transition year of a further 80 EOBs has not yet been established.

The sector's rapid expansion is also supported by growing evidence of its performance. Research comparing more than 300 employee-owned businesses with over 15,000 comparable firms found employee-owned businesses were significantly less likely to become insolvent and more likely to achieve sustained growth.[21]

The continued growth of employee ownership shows what's possible when the conditions are right. The task now is making sure more businesses have practical routes into democratic ownership, and that those which already have it have the conditions – not least around succession finance – to scale, grow and thrive.

CHOOSING A DIFFERENT FUTURE

Ayrshire-based engineering and technology business **Booth Welsh** has experienced several different forms of ownership during its 37-year history – from family ownership and management buyouts to becoming part of an international corporate group. In 2025, it chose another path: employee ownership.

The decision followed a period that demonstrated how much ownership matters. Booth Welsh became part of Australian engineering group Clough in 2014, but when its parent company entered voluntary administration in 2022, the underlying Booth Welsh business remained strong. A management buyout returned it to independent ownership the following year.

When a subsequent opportunity for a trade sale emerged, the leadership instead chose to protect the company's independence, culture and long-term future through an Employee Ownership Trust (EOT). Today, the trust holds 77% of the business on behalf of its current and future employees, with employees represented within its governance structure. Booth Welsh employs more than 300 people.

The transition has accompanied strong commercial performance. In 2024–25, Booth Welsh reported 18% growth while more than doubling profit. Following the move, an employee survey found 93% would recommend Booth Welsh as a great place to work, while 90% expressed trust in its leadership.

Its transition was named EO Transition of the Year at the 2026 UK Employee Ownership Awards.

Booth Welsh's journey illustrates why employee ownership can be about more than succession. For a business that had experienced several ownership structures first-hand, it offered a way to combine growth with independence, employee voice and long-term stewardship.

Democratic governance in public services

Democratic ownership extends beyond commercial organisations. NHS Foundation Trusts demonstrate how participation and local accountability can strengthen public services, giving patients, staff and local communities a greater voice in the governance of their hospitals and healthcare providers.

During 2026 there were 143 NHS Foundation Trusts across England, together generating more than £96 billion in income and employing around one million people. More than 2 million members were involved in Foundation Trust membership structures, helping elect governors who represent the interests of patients, staff and local communities.

Although Foundation Trusts operate within a different legal framework to co-operatives and mutuals, they share an important characteristic: accountability to the people they serve. By embedding democratic participation within public services, Foundation Trusts demonstrate that ownership and governance models can strengthen transparency and accountability.

Investing for generations

Mutual insurers continue to demonstrate how member ownership supports long-term thinking in financial services.

The number of mutual insurers reduced slightly during 2026, reflecting continued consolidation across the sector, while revenue and membership also fell. Combined income decreased from £23.5 billion to £23.0 billion, while membership fell from 23.3 million to 23.0 million. The number of people employed in this sector, however, grew to 21,419 (+3.2%).

Unlike shareholder-owned financial institutions, mutual insurers exist to benefit their members. Free from the pressure to maximise short-term returns for external investors, they are able to invest patiently, develop products around customer need and reinvest profits to strengthen services over the long term.

This approach has become increasingly important as providers respond to changing customer expectations, advances in technology and growing demand for financial resilience.

OneFamily provides a powerful example of these principles in action. As one of the UK's largest financial mutuals and a leading provider of Child Trust Funds, the organisation demonstrates how member ownership enables businesses to invest for future generations and respond to needs that might otherwise be overlooked.

MUTUAL INSURERS AT A GLANCE

£23.0bn
Mutual insurers income, down 2.3%

23.0m
Memberships in the sector

21,419
Employees of mutual insurers, up 3.2%

THINKING BEYOND THE NEXT QUARTER

What happens when a financial institution is free to think beyond quarterly returns? **OneFamily's** story shows how mutual ownership can create better outcomes for members, build financial resilience and invest in future generations.

When Child Trust Funds (CTFs) were introduced in 2005, many financial providers saw little commercial opportunity. Small investments, long holding periods and modest returns meant they didn't fit comfortably into a world driven by quarterly profits and shareholder expectations.

But where others saw limited returns, a financial mutual saw something different. OneFamily recognised the value of helping young people build financial resilience, becoming the UK's largest CTF provider and helping millions of children begin their savings journey. The decision was rooted not in short-term profitability, but in the belief that small investments made early in life can transform long-term financial wellbeing.

It is a powerful example of how mutual ownership changes the way organisations think. Without pressure to maximise short-term shareholder returns, mutuals can invest patiently, take a longer view and focus on creating lasting value for members and society.

Jim Islam, CEO of OneFamily, said: “We are not constrained by a short-term view of commercial return in the way that many of our competitors are. We have that patient capital advantage. We can take longer-term views with member benefit at its heart."

That philosophy has shaped OneFamily's growth and culture. Today, it is one of the UK's largest financial mutuals, serving millions of customers through savings, investments and protection products. Its roots lie in the Friendly Society movement, with a history stretching back more than half a century and strengthened through the merger of Family Investments and Engage Mutual in 2015, bringing together two organisations with a shared commitment to member ownership and long-term stewardship.

Rather than pursuing growth for growth's sake, OneFamily believes mutuals have a wider role to play. Jim added: "For us it's not simply about growing market share. It's about growing the market. That means helping more people build financial resilience, particularly at a time when younger generations face mounting economic challenges.

"People are looking at earning, for the first time, less than their parents. If we can help people build a nest egg to get them started in life – perhaps savings towards a first home – it really goes a long way. We're creating faith and trust in a time when many social bonds are under strain."

Mutual ownership also shapes how OneFamily responds when members face unexpected challenges. CTFs were opened for around 6.2m children. This included an estimated 80,000 people who would be deemed unable to manage accounts independently when they matured, due to mental incapacity. For such families, accessing those savings once a child reached adulthood would mean navigating the Court of Protection, a process that could take a full 12 months – or even longer.

Rather than accepting that as unavoidable, OneFamily worked with families and industry to design a simpler route while lobbying to change the system. Jim said: "Our closeness to our customers, to our members, enables us to come up with solutions and lobby on their behalf. So we set up our own process.”

It is a reminder that member-owned businesses don't simply respond to regulation. They can help shape processes to better serve their customers. For OneFamily, supporting young people doesn't end when a Child Trust Fund matures.

OneFamily CEO, Jim Islam

The organisation has continued to develop products and services designed around younger generations, recognising changing expectations around digital services, sustainability and financial wellbeing.

Paul Bridgwater, OneFamily’s Head of Strategy and Investment, said: "Gen Z's interest in social purpose means many young people are drawn to the idea of mutuality. We have a competitive advantage. They want, for example, climate-focused funds and to be able to make that investment in 10 minutes. So we created a digital journey that enables that to happen.

"Our strong position with younger people helps shape us. The way we engage with customers, the language we use, how we invest and even the culture in the organisation."

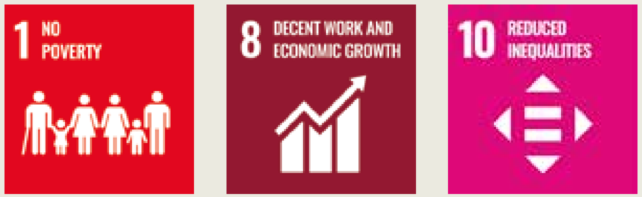
Financial education is also central to that mission. Paul added: "We want our members, especially younger people, to have a personal lesson in how money grows. It’s building financial knowledge and resilience."

Like many financial organisations, OneFamily is investing heavily in technology, but with a clear focus on improving member experience rather than replacing people.

Paul said: "We were using AI before it became a buzzword. We use speech analytics to help customer service. It captures information so our service colleagues can focus on customers and enhance their experience. It's never about replacing customer service with AI."

Jim sees technology as an enabler of great service rather than an end in itself. He said: "When you think of OneFamily, think of an organisation known for a great customer experience enabled by technology." As OneFamily looks to the future, the question is not simply how to grow the business, but how mutuality can once again create a breakthrough product that changes lives. Jim said: "Child Trust Funds are a legacy product. How can we find that next big something?"

For mutuals, success isn't measured only in market share or quarterly profits. It is measured in stronger financial resilience, greater trust and better outcomes for members. OneFamily's story shows what can happen when finance is built to serve people first.



10. WHY OWNERSHIP MATTERS

Different sectors. Shared principles

Throughout this report, one theme has consistently emerged: ownership influences outcomes.

Across the UK's democratic economy, organisations operate in different sectors, serve different customers and pursue different commercial objectives. Yet they share a common characteristic: they exist to serve the long-term interests of the people with the greatest stake in their success – whether members, employees, customers or communities.

Ownership changes incentives. It influences who decisions are made for, how success is measured and where value is created. Without the same pressure to maximise short-term returns for external shareholders, democratic businesses can take a longer view – reinvesting profits, investing patiently and responding to needs that might otherwise go unmet.

The evidence throughout this report shows what that can look like in practice: growers investing collectively to strengthen their position in the market; mutuals making long-term investments for their members; building societies maintaining services in communities; and employee-owned businesses giving workers a direct stake in the organisations they help build.

This does not mean every democratic business performs better in every circumstance, or that ownership alone guarantees success. Strong leadership, commercial discipline and effective governance remain essential.

But ownership determines something fundamental: who ultimately has a stake in the business, who has a voice in its future, and whose interests shape the decisions it makes.

At the John Lewis Partnership, that relationship between ownership, voice and decision-making has been tested at scale for more than a century.

OWNERSHIP CHANGES...

WHO HAS A STAKE

Members · employees
customers · communities

WHO HAS A VOICE

Who participates in decisions and holds leaders accountable

WHAT BUSINESSES PRIORITISE

Long-term value · reinvestment
resilience · unmet needs

WHERE VALUE GOES

Back to members · employees
communities · the business itself

MORE THAN A VOICE

The **John Lewis Partnership** (JLP) – encompassing John Lewis and Waitrose – has served as a defining model for employee ownership, long-term stewardship and democratic participation in business for over a century. Conceived as a radical experiment by founder John Spedan Lewis, who transferred financial ownership to employee trusts in 1929 and 1950, the Partnership was built on the belief that a business thrives when its workforce shares in both commercial success and strategic decision-making.

Today, as one of the UK's largest employee-owned enterprises, JLP continues to demonstrate how embedding Partner voice into governance can shape the way a major business is run.

Giving Partners a genuine say ensures leadership decisions are grounded in frontline reality, fostering trust and mutual accountability. While many conventional businesses consult with their employees, few go so far as to codify those rights in a formal constitution that cannot be arbitrarily withdrawn. This distinction between voice and codified power underpins JLP's governance, allowing strategy and direction to be co-created rather than directed.

In response to shifting societal values, JLP recently sharpened its vision with nearly 14,000 Partners – 20% of the workforce – co-creating a refreshed mission: "Working in Partnership for a happier world." JLP also introduced its "Partner Difference" framework to clarify the mutual value exchange of co-ownership, while the "Democracy for All" programme refreshed governing bodies, introduced flexible local forums and enhanced representation across the workforce.

Democracy is not without effort. A democratic model can take more time, meaning the organisation must work harder to keep democratic principles alive alongside commercial agility. Democracy is not a mechanism designed to avoid hard choices; rather, democratic governance is what makes those tough commercial decisions transparent, survivable and legitimate. The democratic model does not remove the trade-offs and tensions inherent in running a business – instead, it is how the Partnership holds and balances those tensions that builds its long-term resilience.

By granting employees an active role in stewardship, JLP builds a culture of shared responsibility. Unlike conventional corporations driven by quarterly shareholder returns, the co-owned model allows JLP to navigate economic pressures by prioritising multi-generational health and reinvesting profits into the business and people. Encouraging open challenge also enables frontline staff to actively contribute ideas to improve customer experience, retail propositions and operational efficiency.

JLP's experience highlights three practical considerations for organisations seeking to deepen employee engagement. First, true engagement requires formal governance structures that grant genuine power – codifying rights rather than settling for informal consultation. Second, democratic channels regularly evolve to stay accessible and relevant to a changing workforce, while balancing the speed and cost of participation. Third, leadership must bridge the gap between purpose and practice, ensuring employee voice shapes daily commercial decisions and helps navigate strategic trade-offs.

More than a century after John Spedan Lewis began his experiment in employee ownership, JLP continues to show what it looks like when employee participation is embedded not simply in workplace culture, but in the formal governance of a major British business.

11. THE ROAD AHEAD

Unlocking the UK's democratic economy

The UK's democratic economy enters the second half of this decade from a position of strength.

Together, democratic businesses now generate more than £241 billion in annual income, employ more than 1.7 million people and account for more than 70 million memberships and customer relationships. Across much of the sector, income, employment and membership continue to grow, although at markedly different rates.

Yet this report also highlights a clear paradox. The evidence supporting democratic ownership has never been stronger, but co-operatives continue to account for just 0.14% of UK businesses – about one in every 711.

Although the number of co-operatives increased during 2026, growth remained below that of the wider UK business population. At the current rate, doubling the number of co-operative businesses would take more than 150 years.

The challenge is therefore not one of evidence. It is one of awareness and action, in communities, in business and in government.

If democratic ownership is to become a more significant part of the UK's economy, more people must have the opportunity to establish, grow and invest in businesses owned by and run for people.

This report points towards several areas where progress could make the greatest difference.

Building awareness

Too many communities, entrepreneurs, businesses, investors and advisors remain unfamiliar with democratic business models or only encounter them after key business decisions have already been made. Increasing awareness of co-operative, mutual and employee-owned models, at relevant junctures, will be essential if more people are to explore and adopt democratic ownership.

Supporting business creation and growth

The well-evidenced success of co-operatives demonstrates the potential of this model to generate good growth at scale. But this will require a step-change in the number of co-operatives being formed, and more enabling conditions for all co-operatives and mutuals to thrive and reach their potential.

Expanding access to finance

Long-term, patient investment remains fundamental to many democratic businesses. Improving access to appropriate finance will be essential if co-operatives and mutuals are to expand into new markets, invest in innovation and respond to emerging opportunities.

Enabling mutualisation

The rapid growth of employee ownership demonstrates how enabling policy can unlock democratic business models at scale, by mutualising existing assets and enterprise. Similar opportunities exist across other parts of the democratic economy, as business owners seek an exit, the third sector looks for new ways to deliver impact, and government moves to secure essential services. This broader mutualisation will involve not just employees, but also service users and local communities.

Building the evidence base

As expectations around responsible business continue to grow, the ability to demonstrate wider social, environmental and economic impact will become increasingly important. The new ACT framework introduced in this report represents an important step towards building a stronger evidence base for the co-operative movement.

12. CONCLUSION

The evidence is here. Now the conditions must follow.

The UK's democratic economy is already a significant economic force. Across the democratic economy, more than 11,000 organisations generate £241.3 billion in annual income, employ 1.7 million people and support more than 70 million memberships.

But scale alone is not the most important finding of this report.

The evidence shows what different forms of ownership can achieve. Co-operatives are more than twice as likely as businesses generally to survive their first five years. They perform strongly on measures of fair work and women's leadership.

Across the country, communities are using democratic ownership to retain local assets and respond to needs that conventional markets do not always meet. And the rapid growth of employee ownership demonstrates how quickly alternative forms of ownership can expand when there is a recognised route, appropriate support and an enabling policy environment.

Yet that potential is far from fully realised. There are just 8,005 co-operatives across the UK, representing only 0.14% of UK businesses. Their number grew by just 0.41% this year – more slowly than the wider business population. At that rate, doubling the number of co-operatives would take more than 150 years.

That contrast lies at the heart of this report. The challenge is not a lack of evidence that democratic businesses can succeed. It is that the wider business environment has not been built with democratic ownership in mind.

For too many entrepreneurs, employees and communities, conventional ownership remains the default. Finance, professional advice, business support, regulation and policy do not yet make democratic ownership as visible, accessible or straightforward as other ways of starting, growing or transferring a business.

Changing that matters because ownership matters. It shapes who has a voice, where accountability lies, how value is shared and the time horizons over which decisions are made. The examples throughout this report – from farmers working collectively and communities owning essential assets to employees becoming owners and mutuals investing for the long term – demonstrate the different possibilities that follow.

The ambition to grow the co-operative and mutual economy will therefore require more than growth from the organisations that already exist. It means enabling many more people to start, grow, convert and transfer businesses into democratic ownership – and creating the conditions in which those choices can thrive.

The evidence for a stronger democratic economy is already here. The task now is to build the conditions that allow it to fulfil its potential.

CO-OPERATIVES – TOP 10

Top 10 2026 (2025)	Organisation name	Industry sector	Income	Members
1 (2)	The John Lewis Partnership	Retail	£11,723,000,000	65,700
2 (1)	Co-op Group	Retail	£11,025,000,000	7,200,000
3 (3)	Arla Foods	Agriculture	£3,032,722,000	1,919
4 (4)	National Merchant Buying Society (NMBS)	Retail	£2,220,063,000	1,367
5 (5)	OurCoop*	Retail	£844,602,000	2,225,929
6 (6)	The Midcounties Co-operative*	Retail	£801,748,000	758,000
7 (7)	Dale Farm Co-operative	Agriculture	£722,433,000	1,387
8 (11)	First Milk	Agriculture	£570,000,000	699
9 (8)	Mole Valley Farmers	Agriculture	£555,783,000	150,000
10 (10)	The Southern Co-operative	Retail	£543,891,000	300,432

*OurCoop and The Midcounties Co-operative are listed separately because the accounts used here cover periods before the societies joined forces in January 2026 and had not been consolidated.

CO-OPERATIVES BY NATION – TOP 5

England 2026 (2025)	Organisation name	Industry sector	Income	Members
1 (2)	The John Lewis Partnership	Retail	£11,723,000,000	65,700
2 (1)	Co-op Group	Retail	£11,025,000,000	7,200,000
3 (3)	Arla Foods	Agriculture	£3,032,722,000	1,919
4 (4)	National Merchant Buying Society (NMBS)	Retail	£2,220,063,000	1,367
5 (5)	OurCoop	Retail	£844,602,000	2,225,929

Scotland 2026 (2025)	Organisation name	Industry sector	Income	Members
1 (1)	First Milk	Agriculture	£570,000,000	699
2 (2)	Scotmid Co-operative	Retail	£432,229,000	191,129
3 (3)	ANM Group	Agriculture	£181,841,000	4,928
4 (new entry)	United Farmers	Agriculture	£136,088,515	33
5 (4)	Tarff Valley	Agriculture	£102,730,485	1,229

Wales 2026 (2025)	Organisation name	Industry sector	Income	Members
1 (1)	South Caernarvon Creameries	Agriculture	£97,986,094	156
2 (2)	Clynderwen and Cardiganshire Farmers (CCF)	Agriculture	£69,970,333	7,551
3 (3)	Trivallis	Housing	£66,328,000	328
4 (4)	Bron Afon Community Housing	Housing	£56,019,000	2,281
5 (5)	Cartrefi Cymru	Health and Social Care	£42,912,687	Undisclosed

Northern Ireland 2026 (2025)	Organisation name	Industry sector	Income	Members
1 (1)	Dale Farm Co-operative	Agriculture	£722,433,000	1,387
2 (3)	LacPatrick	Agriculture	£381,133,637	Undisclosed
3 (2)	Fane Valley	Agriculture	£315,877,002	1,045
4 (7)	Co-Ownership	Housing	£50,828,871	30
5 (4)	South Armagh Farming Enterprises (SAFE)	Agriculture	£25,169,338	3,018

CO-OPERATIVES BY SECTOR – TOP 5

Agriculture 2026 (2025)	Organisation name	Income	Members
1 (1)	Arla Foods	£3,032,722,000	1,919
2 (2)	Dale Farm Co-operative	£722,433,000	1,387
3 (5)	First Milk	£570,000,000	699
4 (3)	Mole Valley Farmers	£555,783,000	150,000
5 (4)	Openfield Group	£479,107,000	4,041

Digital, Media and Communications 2026 (2025)	Organisation name	Income	Members
1 (1)	Together TV	£1,780,560	220
2 (3)	Calverts	£1,485,152	12
3 (2)	Developer Society	£1,388,022	20
4 (4)	Ethical Consumer	£937,929	202
5 (5)	Morning Star	£915,083	41,975

Energy and Environment 2026 (2025)	Organisation name	Income	Members
1 (1)	Bath and West Community Energy	£3,508,006	988
2 (3)	Westmill Solar Co-operative	£3,008,656	1,537
3 (2)	The Low Carbon Hub	£2,944,514	1,941
4 (6)	Bristol Energy Co-op	£2,863,418	1,807
5 (4)	High Winds Community Energy Society	£2,426,704	1,133

Health and Social Care 2026 (2025)	Organisation name	Income	Members
1 (1)	Cartrefi Cymru	£42,912,687	Undisclosed
2 (2)	Local Care Direct	£36,823,872	663
3 (3)	Community Dental Services	£33,352,000	Undisclosed
4 (5)	Bury And Rochdale Doctors On Call (BARDOC)	£18,067,929	398
5 (4)	The Shropshire Doctors' Co-operative (ShropDoc)	£14,180,295	Undisclosed

Housing 2026 (2025)	Organisation name	Income	Members
1 (1)	Eastlight Community Homes	£110,151,000	4,347
2 (2)	Trivallis	£66,328,000	328
3 (3)	Rochdale Boroughwide Housing	£63,641,000	4,769
4 (6)	Watford Community Housing Trust	£56,179,000	1,939
5 (4)	Bron Afon Community Housing	£56,019,000	2,281

Retail 2026 (2025)	Organisation name	Income	Members
1 (2)	The John Lewis Partnership	£11,723,000,000	65,700
2 (1)	Co-op Group	£11,025,000,000	7,200,000
3 (3)	National Merchant Buying Society (NMBS)	£2,220,063,000	1,367
4 (4)	OurCoop	£844,602,000	2,225,929
5 (5)	The Midcounties Co-operative	£801,748,000	758,000

CO-OPERATIVES – TOP 50

Top 50 2026 (2025)	Organisation name	Industry sector	Income	Members
1 (2)	The John Lewis Partnership	Retail	£11,723,000,000	65,700
2 (1)	Co-op Group	Retail	£11,025,000,000	7,200,000
3 (3)	Arla Foods	Agriculture	£3,032,722,000	1,919
4 (4)	National Merchant Buying Society (NMBS)	Retail	£2,220,063,000	1,367
5 (5)	OurCoop*	Retail	£844,602,000	2,225,929
6 (6)	The Midcounties Co-operative*	Retail	£801,748,000	758,000
7 (7)	Dale Farm Co-operative	Agriculture	£722,433,000	1,387
8 (11)	First Milk	Agriculture	£570,000,000	699
9 (8)	Mole Valley Farmers	Agriculture	£555,783,000	150,000
10 (10)	The Southern Co-operative	Retail	£543,891,000	300,432

*OurCoop and The Midcounties Co-operative are listed separately because the accounts used here cover periods before the societies joined forces in January 2026 and had not been consolidated.

Top 50 2026 (2025)	Organisation name	Industry sector	Income	Members
11 (9)	Openfield Group	Agriculture	£479,107,000	4,041
12 (12)	Scotmid Co-operative	Retail	£432,229,000	191,129
13 (15)	Greenwich Leisure	Sports and Recreation	£390,543,987	3,898
14 (16)	LacPatrick	Agriculture	£381,133,637	Undisclosed
15 (13)	East of England Co-op	Retail	£367,762,000	320,307
16 (14)	Fane Valley	Agriculture	£315,877,002	1,045
17 (18)	Lincolnshire Co-op	Retail	£304,081,000	303,231
18 (17)	Anglia Farmers	Agriculture	£297,167,212	2,843
19 (19)	Fram Farmers	Agriculture	£281,883,799	1,280
20 (29)	The Housing Finance Corporation	Finance	£266,693,000	8

Top 50 2026 (2025)	Organisation name	Industry sector	Income	Members
21 (20)	Scott Bader Company	Manufacturing	£252,342,000	Undisclosed
22 (23)	The Co-operative Academies Trust	Education	£238,812,000	Undisclosed
23 (21)	GrainCo	Agriculture	£238,242,461	Undisclosed
24 (new entry)	Rugby Football Union	Sports and Recreation	£228,000,000	1,520
25 (22)	The Channel Islands Co-operative Society	Retail	£220,434,000	128,134
26 (26)	ANM Group	Agriculture	£181,841,000	4,928
27 (25)	Kite Packaging	Other	£168,191,000	Undisclosed
28 (new entry)	United Farmers	Agriculture	£136,088,515	33
29 (31)	Freedom Leisure	Sports and Recreation	£133,982,749	8
30 (27)	Woldmarsh Producers	Agriculture	£132,566,210	1,100

Top 50 2026 (2025)	Organisation name	Industry sector	Income	Members
31 (32)	The Wine Society	Retail	£129,661,000	516,389
32 (33)	Agricultural Central Trading	Agriculture	£128,881,655	2,922
33 (30)	Brandsby Agricultural Trading Association (BATA)	Agriculture	£121,925,274	2,941
34 (37)	Eastlight Community Homes	Housing	£110,151,000	4,347
35 (34)	Tarff Valley	Agriculture	£102,730,485	1,229
36 (35)	Yorkshire Farmers Livestock Marketing	Agriculture	£99,892,259	242
37 (24)	United Oilseed Producers	Agriculture	£99,502,044	3,735
38 (38)	South Caernarvon Creameries	Agriculture	£97,986,094	156
39 (39)	G's Growers	Agriculture	£97,358,000	Undisclosed
40 (42)	Speciality Produce	Agriculture	£95,510,547	15

Top 50 2026 (2025)	Organisation name	Industry sector	Income	Members
41 (36)	Heart of England Co-operative	Retail	£94,721,000	188,000
42 (41)	Long Clawson Dairy	Agriculture	£92,886,000	121
43 (43)	Meadow Quality	Retail	£85,396,716	Undisclosed
44 (61)	Bedfordshire Schools Trust	Education	£80,977,000	Undisclosed
45 (47)	Aquascot	Manufacturing	£77,315,931	Undisclosed
46 (48)	Clynderwen and Cardiganshire Farmers (CCF)	Agriculture	£69,970,333	7,551
47 (49)	Trivallis	Housing	£66,328,000	328
48 (50)	Rochdale Boroughwide Housing	Housing	£63,641,000	4,769
49 (52)	BMAT Education	Education	£62,082,000	Undisclosed
50 (51)	Suma Foods	Retail	£61,131,822	238

13. METHODOLOGY

Periods

The co-operative economy year runs from February 1 to January 31. Where a year is referenced, it is the year that the final day of the period falls. For example, the economic year that runs from 01/02/2025 to 31/01/2026 is called 2026.

Geographic data

Geographic data is based on the organisation's registered address.

Sources

Financial mutuals: Association of Financial Mutuals and the International Co-operative and Mutual Insurance Federation.

Credit unions: Prudential Regulation Authority's Annual Credit Union Statistics and Co-operatives UK's own list of credit unions.

Building societies: Building Societies Association's BSA Yearbook, supplemented with data from annual reports collated by the BSA for financial year ends, before 3 February 2026.

Employee-owned businesses: Data is from the UK Employee Owned Business Register, produced by the Employee Ownership Association and White Rose Employee Ownership Centre. Figures used in the report's time series cover confirmed employee ownership transitions to the end of calendar year 2025.

Public records are updated at irregular intervals and transition dates, particularly for recent transitions, may be estimated. At the time of analysis, 80 confirmed employee-owned businesses had not yet been assigned a precise transition year, explaining the difference between the end-2025 time-series total of 2,720 and the headline total of approximately 2,800.

Employee and turnover figures are aggregated across each employee-owned business's corporate structure. This increases coverage compared with the previous year's dataset, which included only the ultimate parent corporate entity. Where annual financial data is missing within the time series, the Register uses time-limited imputation based on the nearest available observations.

Some employee-owned businesses in the top 50 are also co-operatives; these are only counted once in democratic economy figures.

NHS Foundation Trust: Identifiers and data come from the Care Quality Commission register and published annual reports/accounts.

Resilience data (2019–2024)

Data on companies comes from the Office for National Statistics' Business Demography, UK: 2024 report. https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/businessdemography/2024

Replacement rate figures

2025 Data: ONS Business demography, quarterly experimental statistics, UK, Quarter 1, 2026 edition https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/businessdemographyquarterlyexperimentalstatisticsuk

Earlier data: ONS Business Demography, UK: 2024 report. https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/businessdemography/2024

Inclusion of co-operatives in a given year

Typically a co-operative will be included in data using its registration/deregistration date on the registrar’s page. In some circumstances we may use different dates if, for example, we become aware that a co-operative has ceased trading but has not officially shut down.

Income, employees and number of members

Financial data is included in the year that the ‘year end’ reported in the accounts falls. Where data is missing for a given year we use previously reported figures.

Financial data for societies is taken from their AR30. For larger co-operatives, and where potential discrepancies are identified, figures are checked against the organisation’s accounts.

Companies have different reporting requirements to societies. There is no requirement to report number of members. Smaller companies are not required to report income.

14. GLOSSARY OF TERMS

Association of British Credit Unions (ABCUL)
The main trade association for credit unions in the UK.

Association of Financial Mutuals (AFM)
The trade body that represents mutual and not-for-profit insurers, friendly societies and other financial mutuals across the UK.

Building Society
A building society, or mutual, is owned by its members and run for their collective benefit. Its members are those who bank, save or have a mortgage with the society. A building society is not run for the benefit of shareholders in the same way that banks are.

Building Societies Association
The trade body for all 42 UK building societies as well as seven credit unions.

Charitable Community Benefit Society
When the activities of a community benefit society fall under one of the 13 charitable purposes, and the governing document is wholly charitable, then the society can apply to HMRC for exempt charity status.

Community Benefit Society (CBS/Bencom)
A community benefit society is a legal form, registered under The Co-op and Community Benefit Societies Act 2014, that serves the broader interests of a community, in contrast to a co-operative society, that serves the interests of its members. A CBS can also be a co-operative, with thousands of co-operatives across the UK taking this legal form.

Community Energy
Community energy is the delivery of community-led renewable energy, energy demand reduction and energy supply projects, whether wholly owned and/or controlled by communities or through a partnership with commercial or public sector partners. Community ownership and control is often delivered through community shares.

Community Land Trust (CLT)
A community-led organisation that owns and manages land and assets for the benefit of a defined local community. CLTs ensure these assets are used – and kept – in ways that benefit local people, with profits reinvested for community gain. Membership is open to those who live or work in the area and members control the trust.

Community Owned
Ownership and control lies with members of the community in which the organisation operates.

Community Shares
Community shares is a user-friendly name for withdrawable, non-transferable share capital; a form of equity uniquely available to co-operative and community benefit societies. Community shares is a flexible and effective way to raise finance and provide co-operative ownership to people and communities. It is an interest-bearing, patient, form of equity investment.

Community Shares Unit
Co-operatives UK is at the heart of the Community Shares Unit (CSU), a long-standing partnership with Locality and Plunkett Foundation, and funding partners Power to Change and Access – the foundation for social investment. The CSU works to develop the community shares market through innovative programmes and market intelligence and promotes best practice, embedded through its Community Shares Standard Mark.

Community Shares Standard Mark
The Community Shares Standard Mark is awarded to community share offers that meet national standards of good practice.

Consumer Retail Society
A type of retail co-operative owned by its customers. Co-op Group is one of the world's largest consumer co-operatives, owned by millions of members.

Co-operative
A business or organisation that is owned and controlled by its members, to meet their shared needs. Every co-operative shares and adheres to the same Co-operative Values and Principles. Co-operatives can take any legal form (e.g. a PLC, community benefit society, community interest company, partnership, company) providing it can satisfactorily evidence adherence to the International Co-operative Alliance-ratified values and principles.

Co-op Economy Report
The nation's only comprehensive report on the UK's co-operative sector and forerunner to The Co-operative and Mutual Economy.

Co-op Group
Co-op Group is one of the world's largest consumer co-operatives, owned by millions of members.

Co-operative Movement
Co-operatives operate across the globe and collectively form the Co-operative Movement. The Co-operative Principles are the foundations upon which all co-operatives operate and underpin ways of doing business. While revised and updated, the Principles remain essentially the same as those practised by the Rochdale Pioneers in 1844.

Co-operatives UK
As the voice of the UK's Co-operative Movement, Co-operatives UK empowers and supports co-operative enterprise with specialised knowledge and expertise, to grow the co-operative economy and create a fairer society.

Co-operative Values and Principles
There are seven co-operative principles that define how a co-operative operates as ratified by the International Co-operative Alliance. Co-operatives are also based on 10 values. See uk.coop/ValuesPrinciples

Credit Union
A credit union is a financial co-operative which provides savings, loans and a range of services to its members. It is owned and controlled by its members.

Employee Owned
In an employee-owned business employees are the majority (or only) shareholders. Employee ownership can take three forms. Through direct employee ownership, employees are registered individual shareholders. Indirect employee ownership is when shares are held collectively on behalf of employees, normally through an employee trust. Employee ownership can also take place through a combination of individual and collective share ownership.

Employee Ownership Trust
A trust that enables a company to become employee owned. It can be set up by a company's existing owners, perhaps as part of their succession strategy, or founders starting a new employee owned business. It was created by the Finance Act 2014 with significant tax breaks.

Employee Ownership Association (EOA)
The EOA represents the UK's employee owned sector.

Financial Conduct Authority (FCA)
The FCA is an independent, financial regulatory body. Any organisation carrying out regulated business (including co-operative societies and community benefit societies) must be registered with the FCA. Co-operatives and community benefit societies registered under The Co-operative and Community Benefit Societies Act 2014, must register with the FCA.

Federals
Federal organisations are usually themselves a member organisation that represent a certain sector of The Co-operative movement. Federals concentrate their support and activities to one particular type of co-operative. Examples include workers.coop (worker co-ops) and ABCUL (credit unions). For a full list see end of glossary.

Freelancer Co-operative
A freelancer co-operative is usually made up of self-employed or sole trader businesses that come together and form a single entity in order to enjoy collective benefits such as shared costs, resources, knowledge and expertise.

Friendly Society
A friendly society is a mutual association for the purposes of insurance, pensions, savings or co-operative banking.

Housing Co-operative
There are several different types of structures for a housing co-operative. All models revolve around the owning, renting or management of residential properties. Housing co-operatives can be either fully mutual, where all tenants are members (and vice-versa) or non-fully mutual, which can have a wider membership base.

International Co-operative Alliance (ICA)
The apex body representing co-operatives, which are estimated to be around three million worldwide, at a global level. It provides a global voice and is a forum for knowledge, expertise and co-ordinated action for and about co-operatives.

Member
A member is a person or organisation (see secondary co-operative) that trades with or benefits from the activity of a co-operative or mutual. Examples include customers, workers, suppliers and tenants.

Membership Shares
Shares can be issued that are neither withdrawable nor transferable but are forfeited when the member leaves the organisation. These are the typical form of the shares in most common ownership co-operatives.

Multi-Stakeholder Co-operative
Co-operatives that are owned and controlled by more than one type of membership class such as consumers, producers, workers, volunteers, community supporters, and public bodies.

Mutual
As defined by the Mutuals Manifesto, mutuals are organisations that are owned by, and run for the benefit of, their current and future members. Unlike most financial services organisations, mutuals have no shareholders to pay.

Unincorporated Co-operative
A co-operative not registered as a corporate body (legal entity). As such, the law does not recognise any distinction between the organisation and the members, so members have unlimited, personal liability.

Retail Consumer Co-operative
A type of retail co-operative owned by its customers. Co-op Group is one of the world's largest consumer co-operatives, owned by millions of members.

Secondary Co-operative
An organisation whose members are organisations (usually co-operatives) as opposed to 'natural persons'. Co-operatives UK is an example of a secondary co-operative. It is owned and controlled by its members, who are all co-operatives or organisations that support co-operative values and principles.

Share Offer
The name for an individual equity-raising offer by a co-operative or community benefit society using community shares.

Transferable Share
Transferable shares can be sold to any company or individual, and so can increase or decrease in value.

Withdrawable Share Capital
Withdrawable shares are largely linked to co-operative and community benefit societies and can normally be withdrawn on request at the same value bought (traditionally £1). If the organisation is wound up, the shares are worth no more than the price paid.

Values and Principles
See Co-operative Values and Principles

Worker Co-op
A worker co-operative is an organisation democratically controlled and collectively owned by its workers. Suma is the largest worker co-op in the UK.

Federal Bodies – full list
ACE Credit Union Services; Association Of British Credit Unions (ABCUL); Association of Conservative Clubs; Association of Financial Mutuals; Club and Institute Union; Community Energy Association (England); Community Leisure UK; Community Owned Asset Management; Confederation of Co-operative Housing (CCH); Co-operative Councils Innovation Network (CCIN); Co-operative Housing in Scotland; Co-operative Personal Management Association; Country Markets; Energy Local; Energy4All; National Farmers' Retail and Markets Association; National Society of Allotment and Leisure Gardeners; National Market Traders Federation; Plunkett Foundation; Radical Routes; Scottish Agricultural Organisation Society; Scottish League of Credit Unions; Student Co-operative Homes; Supporters Direct Scotland; The Building Societies Association; The Football Supporters' Association; The National Federation of Tenant Management Organisations; The Schools Co-operative Society; UKCreditUnions; Workers.coop.

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