

1. What is Kindred?

Kindred is a member-led collaborative network of socially-trading organisations (STOs) in Liverpool City Region. Firmly rooted in our communities, we are driven by purpose and passion.

Kindred has a £6.5m social investment fund, with an ambition to become a sustainable £20m+ fund. We use it to invest in each other and grow a more inclusive, more social economy.

We have two key functions: **membership and money.**



2. What we're measuring and how we measure

Kindred was co-designed with 150 socially trading organisations, between 2019 and 2020, across Liverpool City Region. We are a learning and listening organisation, designed to support the growth of the socially-trading sector in our city region. To do that, we measure our impact against how well we help the social economy, and the diverse organisations within it, to achieve its aims.

Annual surveys with our investees are both a practical review of how the businesses are using Kindred investment to grow their impact, and a temperature check. They show us how businesses' needs have changed, showing how the market responds to their work and what new support they might need.

The results and data that follow have been collected from these surveys of our year one investees.

3. Why?

Kindred's mission is to invest in socially-trading organisations to create a kinder, fairer economy in Liverpool City Region, through money, support and collaboration.

Kindred has three strategic objectives, which help us see how we're doing when we talk to and collect data from our STOs:

- 1: Increase the social impact of STOs in communities of place and interest
- 2: Secure the sustainability of Kindred to meet the demand and needs of STOs
- 3: Support Kindred's organisational strength and grow a social movement

Our values are:

- social impact
- collectivism
- co-creation and collaboration

"Without Kindred's investment I'd have tried to do it all myself and burnt myself out. Kindred gave me the confidence to start employing people and now I am investing in them and their futures. As for myself, I've signed up for the Scale Up MBA and got myself voted a National Climate Hero!"

Ibe Hayter - Cycle of Life

4. Social value indicators

In order to calculate social value repayments, each STO chooses three indicator that are most relevant to them, from recognised social value indicator databases. This helps us keep our social impact reporting simple and streamlined. If a chosen indicator isn't on the database, we work with STOs to agree an indicator most suitable to their business.

Often, social impact measures are intimidating and onerous and STOs often express their anxiety about measuring social value. So we've listened to their concerns and chosen this system as the most straightforward approach. Nonetheless, overall, Kindred creates £6 in social value for every £1 invested.



5. Investment overview

The bespoke nature of Kindred's investment means that not everyone has had their money for the same amount of time. 10% of 2021/2022 investees are yet to draw down their investment (due to unforeseen delays with a property issue), because our focus is on supporting our community with the right money at the right time. This is one of the strengths of the Kindred approach.

As a result of their success, those **20 STOs** have attracted an additional **£10.5m of funding** - our investees are now looking for an additional **£1.88m investment** to further grow their impact

"We've grown alongside Kindred, from an initial idea to where we are now, seeking £2.5m in investment to scale up. But we've had to set up a private company to be able to sell shares on the private market because the social sector just can't offer the money or terms we need or want. As we start to pay interest and deliver financial returns for shareholders I would love Kindred to be getting those returns, for the next generation of social traders. That will require Kindred and the wholesale social investors to scale up alongside us."

Paul Myers - Farm Urban



6. Turnover

Investees' turnover has increased from

£1,884,941 to £3.76m

We create **£6** in social value for **for every £1 invested**

Year one investees have generated **£20m** in social and economic value.

Our investees are now looking for an additional **£1.88m** investment to further grow their impact.

*Social Finance worked with LCR CA to establish the business case for Kindred. Based on the pre-Kindred pilots, it calculated that Kindred could generate £6 of social value for every £1 invested in STOs. We continue to use this social value calculation pending a wider evidence base from Kindred's early investments - this value will then be re-tested.

7. Innovation

Our investee STOs are collaborative - **each is collaborating with 3.5 other organisations**, on average.

Our first cohort of investees have developed 56 new wide-ranging and varied processes or products between them, so far.

Lee Pennington - Open Door Charity

"To our knowledge, there's no-one doing what we do, blending the work we do, in the way that we do. The University of Oxford is now our customer and delivery partner. You can't just buy that type of opportunity. It doesn't just happen. It required Kindred investment to invest in the concept and strengthen Open Door Charity's ability to actually go out and make it real."



Lucy Byrne - Art Bytes

"Art Bytes is a new service that we started selling. We sold it to 97 schools this year - the plan for next year is 200 schools."

8. Property

Our investees use an estimated 333,570 sq ft of space in their businesses.

Three own and 15 rent - some using more than one building - instead of recycling that money back into the social economy that money could be better spent not on rent, but on bringing property into social/community ownership.

Our investees have brought a stated **307,700 sq ft** of formerly unused space back into use.

14 investees want more space - for two-thirds of the people we work with, space is a limiting factor in some form or another.

Almost 70% of our STOs

are looking for more space - this percentage has been consistent since our first community reference groups in 2019.



"We're now opening our third makerspace in Huyton, ensuring Liverpool City Region's artists, artisans and craftspeople have the access they need to space and equipment to grow their businesses. But we do more than that. At Make we build community - we give underused spaces a new purpose, attract other social traders and together we create a unique place identity."

Kristen Little, COO - Make CIC

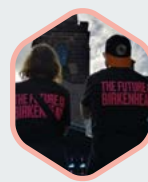
That's why we're developing a specific Kindred strand around property this summer, to help keep the money paid in rent in the social economy.

9. Geography and jobs

Investees have **created 77 new jobs**, almost doubling employees, which now total **158 across the 20 organisations**.

11 of our investees serve a wider customer base (from local to borough, borough to regional and regional to national/ international) than they were previously.

50% of our investees are impacting a specific place, including:



Future Yard



Momo's



Open Door Charity



Farm Urban



Kitty's Launderette



Café Laziz

International research and local pilot activity shows us that STOs work best, and seed wider economic activity, when they are part of a 'collaborating community' - a growth-friendly ecology that tends to be organised around a place, cause or community of interest, rather than an industry sector. In our evaluation, we found that STOs that are part of a collaborating community perform better than those working in isolation.

10. Leadership

Our STOs are diverse and resilient. Three of our year one investees are Black-led, two are led by Black women, six are female-led, one is led by an older woman, five are male-led, and three state they are from a working class background.

11. What do they want for the next year?

What's next? Our STOs are ambitious - they want to increase their visibility and sustainability.

That's why, this year, we're launching a social directory, to promote the work of socially-trading organisations and highlight the diversity of their work. And we're working with other social investors too, to help support them with their longer-term financial sustainability.

"We're working with Eco-Innovatory, which began by looking at the development of a product as we have waste charcoal from campfires. We're doing research and development, exploring a range of possible re-uses of it - so far including slug repellent and a cosmetic! We're also looking at the feasibility of production, working with LJMU to look at potential uses."

Duane Chong, managing director - Grow-Wellbeing



12. What is an STO?

Of our year one investments: ten are CICs; seven are limited companies; two are charities and one is a co-op. They address social challenges, in sectors as diverse as cycling, music industry, mental wellbeing, food, care, early years and young people.

Read more about them:



Cycle of Life



Merseyside Somali Community



Better Lives



Rhythm Reaction



iWomen Academy



"The initiative to set-up a socially-trading organisation with financial assistance from Kindred is one of the things I feel most proud of in the last year or so."

Merseyside Somali Community