



Kindred

Working with Kindred

Kindred connects, supports and harnesses local entrepreneurialism for social good.

Kindred is a community interest company (CIC), owned locally and collectively, that reinvests money, space and learning in Liverpool City Region's socially-trading economy. Socially-trading organisations (STOs) are businesses that deliver social benefits AND trade commercially – businesses with a social mission.

Our ambition for our city region is to create an economy here that is kinder and fairer for us all, and to grow the impact of businesses that trade socially. We offer each other hands-on, peer-to-peer support and learning, tailored to grow our individual and collective social impact.

We have two key functions:

Membership – a collaborative, peer-to-peer support network to develop and grow our collective impact, across Liverpool City Region

Money – we invest in the region's socially-trading organisations (STOs), to help them grow and multiply their impact. For a description of what is considered a socially-trading organisation please [click here...](#)

What's different about Kindred?

- Kindred is owned by its community, for the benefit of its community
- It's been developed by and with over 150 socially-trading businesses across LCR
- It has received money from LCR Combined Authority and Power to Change – but is independent of them
- It's designed to offer new kinds of money and support, not currently available in the region
- The money Kindred invests will be used time and time again, as the businesses we invest in pay it forward
- Our collective value will be measured by our social impacts - not just our financial returns

Kindred has already committed £950,000 to 22 STOs, who you can read about on our website. There is no one better placed than them to tell you how it works.

Kindred invests money in the social economy once each year, and we have now opened our 2022 round of monetary support for STOs:

- All members can benefit from being part of Kindred and the social-trading movement. You'll meet other STOs, get the newsletter, access opportunities, feature in our social directory when we launch it, give and get peer support, collaborate and attend sessions and events designed in response to collective requests.
- Kindred will invite STOs who have an opportunity to grow their social impact to become part of the 2022 Collaborating Community. Collaborating Communities can emerge in marginal and isolated communities and enable individuals and micro-businesses to overcome the limitations of their small size through mutual support and collaboration. Like industry clusters, they provide a growth-friendly ecology – but tend to be organised around a place, cause or community of interest, rather than an industry sector – and are found to enhance and sustain local growth.
- Towards the end of the programme, which comprises six sessions and field work between April and May 2022, Kindred has up to £950,000 to invest in those STOs it considers able to contribute to the city region's ambition to be economically fairer and more socially inclusive.
- For those with ideas, but no trading history as yet, we are launching Small Acts. Between April and June 2021, it will offer peer support and between £300 and £3,000 from a total fund of £50,000 to those who need money to try something out – like a live feasibility study or market test. If it's not money you need but help, connections or advice, you can still be part of Small Acts – it's about getting started.

Kindred is not a grant funder or a bail-out fund. Our money is repayable on terms that suit you. This is a risky time to invest and grow and Kindred will do this in partnership with you – the STO – sharing risk and rewards with Kindred's membership and the communities we all serve.

Get money ready: before seeking money from Kindred, you should be ready to:

- Tell your story succinctly, in words or pictures or a presentation – however you feel most comfortable. The panel needs to quickly understand what you do and your growth opportunity.
- Understand your current financial and due diligence position
- Describe the social impact you currently make
- Explain how money will equip you to grow your social impact and how you are environmentally sustainable
- Show us how you collaborate – in a place, a community and in Kindred – and commit to collaborate with peers in the Kindred community.

Kindred's delivery team can support you to get everything in place.

Frequently asked questions

How do I access Kindred money?

If you're interested, register on our website and come along to one of the info sessions that will be held across LCR in early February. We will do some in person and one online. The strength of Kindred is in the collaboration amongst our community, so we urge you to come along, get to know us and ask questions, rather than just thinking about how you can access the money. If you're still interested, we will ask you to tell us briefly about your plans and the difference you make. If you and Kindred are a good fit, we will invite you to the first of our Money Panel Conversations where people like you, will explore your plans with you.

If you, and Kindred, agree this is a process we want to pursue together, a risk we could take together; we proceed.

Six peer group sessions will be on offer to address any panel feedback and get everyone 'money ready'. You might also do some field work, collaborate, test things on your target market. You might also talk to others who have had money in our pilot round of support, about what to ask for and how best to grow ahead of Money Panel Conversation 2.

The second money panel is an opportunity to present your proposals and negotiate support, money, and the terms on which you accept it. This might include the scale and pace of money you need and the nature and terms of repayment.

Any agreement between you and Kindred will involve regular check-ins with peers at which you can share learning and reflect on next steps; and at least one formal review each year which might result in increasing or slowing the pace of money invested or repaid.

Will everyone get the money?

Unfortunately, not everyone will receive money. Only those who are considered money-ready will be invited to the Money Panel. We will explore with you the current social impact of your STO and whether you have the things in place to use Kindred money to grow at this time. If there are more ventures or requirements for money than Kindred has available to it, Kindred will invest in those that can make the greatest social impact on community priorities.

So, are we in competition with each other?

No, you're not competing against each other. Kindred wants as many STOs to be a success as possible to grow this emerging STO community. Kindred knows collaboration, not competition, delivers growth and success breeds success. Your job is to demonstrate the social impact you can make and persuade Kindred your plans are viable and realistic – that you have the time, skills, support and determination to deliver. You are the expert in your business.

It may be that by working with peers you meet along the way your ambitions change, or grow. Some of you will be ready for money and some may have more work to do or require the operating environment to stabilise before we make a decision to take a risk together.

If STOs need more money than Kindred has available, Kindred may invite other investors to participate in the process subject to your agreement or help you find other kinds of money best suited to your plans.

How much is available?

There is around £1 million available this year. As part of Kindred's second money panel, you will need to tell us what you would use the money for, when and why. We will only use money where it can be used to deliver social impact growth. If it's not working, we stop and think. If you don't need money now but, in the future, we will ask you to wait until you're ready. Only those STOs who can use money immediately to grow will be invited to dialogue.

We may allocate money incrementally, so you draw it down as you need it, within an overall commitment over an agreed period. This way limited resources in the short term can help more people. This incremental approach allows risk to be shared and managed between you and Kindred.

You've used the term 'money' - is that different from investment or grant funding?

Yes. When we consulted 150 STOs in 2019, we found neither grants, loans nor other existing forms of investment suited the sector's needs. Lots of ideas were shared during consultation, around how STOs might want to access money. These ranged from those who wanted to take out an interest-free loan but pay it back when they could afford it so others had the opportunity they had - like a student loan; to those who didn't want any money at all right now, but wanted Kindred to underwrite their risk so they dared take it.

Any money is loaned at 0% interest. STOs may also have the option to repay money partly in social value, meaning that money could be repaid by demonstrating the social impact you create. Each arrangement is specific to the needs of the STO.

Do we have to pay the money back?

Yes, Kindred believes in the long-term potential and sustainability of you - the STOs - who Kindred works with. We wouldn't invest in you otherwise. Kindred will ask for money back from successful STOs so it can be invested in future generations of STOs, as our movement grows. Each STO receiving money from Kindred will be a risk shared between the STO and Kindred.

What if I can't pay the money back?

Kindred will work with STOs to make them as successful as possible as this is a shared risk we are taking together. We will only agree terms of repayment that are achievable and never seek or accept repayments if it is likely to push businesses into the red, inhibit your growth or put people out of work - these are our primary interests.

Will my personal finances/ home be at risk?

No. We will only invest in incorporated organisations with a business bank account (eg. CICs, charities, community benefit societies and some limited companies), not individuals, for this reason. The incorporated status separates and protects you personally from the business.

Our Small Acts programme, which launches in March 2022, will invest in smaller ideas. It will accept applications from individuals, rather than incorporated companies.

Investors usually take an equity stake in companies – will you do that?

No, we are not yet in a position to take equity in a company, but want to explore this in the future. We don't want to own your company, just support it.

What will you expect from me in return?

Alongside getting 'money ready' (see page 2), we encourage you to collaborate as a member of Kindred giving and getting peer-to-peer support and/or participating in relevant communities of interest or place. This is because we are not only supporting individual enterprises, we are supporting the growth of a movement, place-based clusters, and collaborating communities, of STOs. The support you give each other will be as important, or more important, than any support Kindred provides for months and years to come. We know investment in collaborators has more impact, so your participation – turning up, meeting each other, sharing your experience – is evidence that you will contribute to Kindred, Liverpool City Region's economy and recovery, and are more likely to offer the communities we all serve 'good value' for the money you receive.

Kindred will carry out some financial assessment and due diligence tests as we are investing public money. It's good practice. If you'd like to speak to us about what this entails, please just ask.

Once you have received money from Kindred you should use it for the purpose in your agreement. If that becomes unfeasible, you should check with Kindred whether you can use it for another business purpose before it is spent. Kindred will undertake up to two reviews with you each year and encourage you to continue to participate in the wider social trading movement that is fast growing at a local, national and international level.

How long will it take before I get money?

Based on the pilot round that we ran in 2020-2021, we anticipate that the process from the 25 February deadline, to payment of Kindred money, will take at least six months. We will be very clear in letting you know each step of the process, and make sure that you are guided through it at a pace that suits you.

Key dates

27 January 2022 – we launch our 2022 money round for STOs

7 February – week of events across Liverpool City Region: Halton, Knowsley, Liverpool, Sefton, St Helens and Wirral. Come along, ask questions, find out more and get to know us.

25 February, midday – deadline for the return of your initial forms

March – Small Acts launches

16/17 March – first money panel

30 March – all 2022 entrants get together for a social/ community networking event

13 April – ‘Money and what you want it for’ workshop (online)

20 April – Kindred clinic (face-to-face)

27 April – Telling your story and social impact workshop (online)

4 May – Kindred clinic (face-to-face)

11 May – collaboration and pitching tips and round-up workshop (online)

18 May – Kindred clinic (face-to-face)

25/26 May – Money panels – shortlisted STOs will make their presentations for support