

The Impact Effect



Impact (noun): A powerful effect that something, especially something new, has on a situation

Kindred's community is kickstarting economic growth through good jobs and increased productivity, making everyone, not just a few, better off.

And we are breaking down barriers to opportunity, creating change in our communities to build a fairer Liverpool City Region. Together, we're making it the best place to grow up, grow a business – and where everyone lives well for longer.

Significantly, 49% of the money we invest goes to women-led organisations, and 25% to Black-led social businesses.

Liverpool City Region is making socially-trading organisations central to our economy. Kindred has had visionary support from LCR Combined Authority and our metro mayor that is growing social innovation here. These are the fruits of that work.

Vision Community Football CIC



£200,000 in three years and has created eight jobs. While it has a new base and long term contract at New Park School, supported by Kindred, it is already running out of capacity and is eyeing indoor facilities at an adjacent site to increase its number of teams to 32+.

Its ambition is to keep as much of the coaching in the community as possible, catering particularly for children who couldn't afford to pay to play football. This approach is balanced with income from other sessions and one-to-one training.

Connor Tagoe and Rob Bersantie started their football academy, Vision, in 2021, developing an idea to build a diverse, supportive community, using football to give young people opportunities and keep them off the streets.

Vision's mission is to change the lives of local children and families, by providing opportunities and development through sport. Revenue from one-to-one and group development sessions is invested back into coaching and community projects, and its links to local grass roots and academy teams provide pathways for talented

youngsters, and an outlet for hundreds of children across Liverpool.

Children from across the city head to North Liverpool's New Park School; 28 teams range upwards from the age of five; for both boys and girls. A girl's academy and pathway is a newer addition, creating a safe place where children from age four upwards can play football, all the way to professional levels. The pair also use their connections to professional football to push talent into clubs and help them achieve their dreams.

Vision has grown from £26,000 turnover to

"One of the girls in our class that we use to count our social impact has just signed for Manchester United – literally the biggest football club in the world. Without that social impact, we don't know where she would be right now.."

"Our vision was to get communities playing together," says Connor. "We bring in male and female coaches from different backgrounds, speaking different languages, to support them, so that the kids feel at home." In the English league, 42% professional players are Black – but just 4% of coaches.



Social traders are leading the way for economic growth, growing the economy across Liverpool City Region.

"Community businesses are the beating heart of our region, driving both economic growth and social change. We're the only ones in the country levelling the playing field. With Kindred, we're putting power and resources into the hands of those who know their communities best, helping them to create good-quality local jobs and attract millions in additional funding."

"The results speak for themselves: 126 new jobs, £14m in further investment, and a 77% rise in turnover across the organisations we've supported. This is devolution in action, enabling local businesses to build a fairer, more inclusive economy, and I'm proud that Liverpool City Region is leading the way."

– Steve Rotheram, Liverpool City Region Metro Mayor

The people best placed to deliver social innovation are informed by their lived experience. But often don't have access to traditional lending or the 'friends and family' wealth that many entrepreneurs draw on to



get started. That's why this support – peer-led, bespoke and recognising the value of social returns – is different.

It's about more than making money. This is about creating wealth that is distributed more equally, in the places it is most needed, including a healthy environment and secure social fabric. This is impact in action.

Impact is highly localised. Productivity increases and wealth is created in the places and communities where the market has failed. It stays within communities, driving social AND economic impact, supporting the people and organisations that tackle systemic, long-term problems – from social care and wellbeing to green growth, with strong and diverse representation.

30% of all investment is repaid in social returns¹ – in the transformation of our communities. The other 70% is repaid, so it can be recycled into the next, and the next, generations of social innovators. With 700+ Kindred members trading across Liverpool City Region, we are becoming the UK's first Social Investment Pathfinder – learning, experimenting and helping others across the UK to increase community wealth.

¹'Social returns' allow STOs to repay some of their money via the evidenced social impacts they create. Otherwise, they're delivering both financial returns AND social impact, which means they pay back twice. And we don't think that's fair.

The Story so Far



Kindred supports socially-trading organisations across Liverpool City Region by providing the right money, support and access to property to help them increase their impact. We are a collaborative movement that helps make Liverpool City Region a better, fairer place to live and work.

We have three strategic objectives:

- To increase the social impact of STOs
- To provide sustainable access to affordable finance
- To build a social movement

We do this through the impact Kindred generates, through the impact of the STOs in our community and by increasing economic impact.

That's why Kindred provides support, a community network and money at 0% interest, for socially-trading organisations to grow their impact. **We have committed £2m to 44 STOs in two years and raised an additional £1.16m to support the social economy².**

Doing the best for STOs, in 2023 Kindred leveraged in £1.16m – part of this was a £480k co-investment, going directly to support STOs whose customers are impacted by the cost of living crisis.

² 2022 investee socially-trading organisations (STOs) have drawn down funds over the last 18 months, whilst 2021's investee STOs have been drawing down funds since 2020/21.

Our Social Value

Economic and social value generated (£6 social value for every £1 invested)
£9.9m

Economic and social value generated (funds levered by STOs)
£14.1m

Economic and social value generated (additional turnover)
£4.3m

Total economic and social value created
£28.3m

Me2U

Knowsley Council asset transfer transforms empty building to deliver innovative dementia care centre from local socially-trading organisation.

Founded by Rosie Whittington, Me2U provides a pioneering approach to community-based dementia care in Kirkby, since 2018.

Flexible, holistic and people-focused, every facility and activity offered is specifically designed with individual needs in mind.

Delivered by highly trained and expert staff, who are



skilled in dealing with the specific challenges arising from dementia and its symptoms, Me2U provides a positive and stimulating environment for those living with dementia. It also offers much-needed respite and peace of mind to their carers.

A mental health nurse with over ten years of experience working with older people, who had previously been a teenage carer for her grandmother, Rosie felt deeply that older people living with mental health and their carers should experience an enhanced quality of life. Her vision is for Me2U to transform society's approach to ageing and dementia, striving to keep families together and our communities intergenerational.

Me2U's success has been phenomenal – but also reached capacity, with a second centre much needed. Kindred supported Me2U in its pursuit of decommissioned council building in Huyton, acquired via an asset transfer with

Knowsley Metropolitan Borough Council. Rosie and her team next need to raise £30,000 to fund renovations.

It will be a space to give local residents the specialist care they need, while respecting their rights, strengths and values. It will promote participation from all aspects of community life by facilitating visits from young people, hosting social events, and spreading awareness of dementia, its causes, prevention and its challenges. As a CQC-registered facility, it will provide domiciliary care to those above and below 65 years, and carers will be able to take advantage of holistic therapy sessions and carer support groups, receiving expert advice on dementia care and diagnoses.

“Over half of UK adults knowing someone who has been diagnosed with dementia, and the cost of caring for them is expected to almost double by 2050. We want to be able to reach the people who need services like ours,” says Rosie. “We're so happy to expand our provision into another part of Knowsley. By getting the foundations right and establishing a person-centred culture, we can deliver even more essential care services that benefit the communities we support.”



Membership

Membership grew from 150 socially-trading organisations in 2021 to 708 in 2023.

Our work is part of a national and international movement – across Europe and beyond – of businesses that don't just look at the bottom line. Kindred is a member of Impact Europe, committed to sharing our learning with the world and bringing world-leading social innovation to Liverpool City Region.



Jobs

The total number of jobs now supported by the investee portfolio is **281 FTE³** following the creation of a further **49 jobs** in 2023. STOs have **collectively doubled (51%)** the number of people they employ since receiving investment.



Turnover

Turnover has increased by 77% (£4.3m over two years), growing collective turnover from **£5.6m to £9.9m**.

Read the Vision case study on page 2.

57% of STOs trade regionally or nationally and 50% have extended their customer base following investment.

With the right support, STOs don't just survive, they thrive. 50% of STOs project increased revenues in the coming year, in spite of a difficult trading environment.

Nationally, 2022 saw a higher rate of business closures (11.8%) than new businesses openings (11.5%)⁴. **Kindred investees' closure rate, over two years, is just 2%.**

³ full-time equivalents

⁴ <https://researchbriefings.files.parliament.uk/documents/SN06152/SN06152.pdf>

Investment

STOs have levered over £3.5m additional investment in the last 12 months. This brings the **additional funds levered between 2021 and 2023 to £14.1m**.

STOs are high growth – our investment portfolio is currently looking for £6.1m in further investment in 2024.

We have a **98% repayment rate** for those STOs due to repay from Y1 and Y2.

2021	0
2022	£10.6m
2023	£3.5m
Total	£14.1m

£4.6m	£9.45m
revenue investment	capital investment

Demand for Property

78% of investees are building-based – 62% are looking for larger premises to expand into, and seven more are looking for their first premises. **(This suggests 68% of invested STOs have an unmet property requirement that may restrict their growth.)**

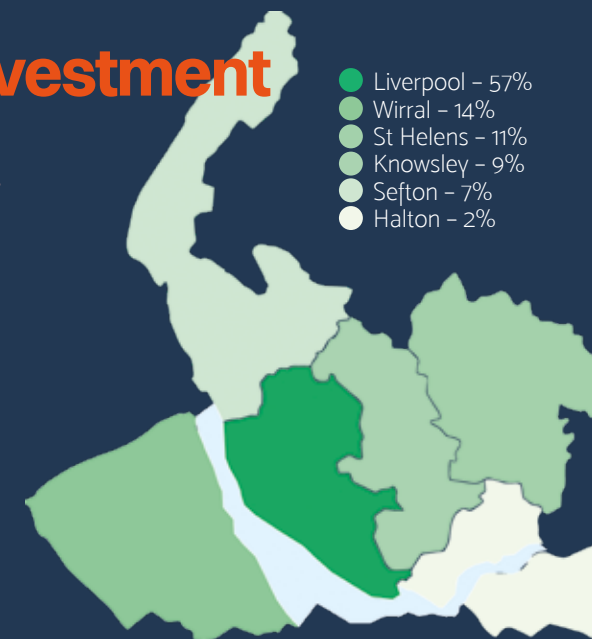
90% of STOs rent their premises and just three own their buildings. Based on available data, invested STOs would have a collective buying power in excess of £350,000 per annum. Or, presented differently, they have the capability to collectively service mortgages worth in excess of £5million.

Read about Me2U's progress on page 5.

Place-based Investment

Our work stimulates the growth of Social Impact Clusters across Liverpool City Region, with clusters in Liverpool, Wirral, St Helens and Knowsley. Plans for Halton are emerging as the community of STOs grows, and our support in Sefton delivered a growing social cluster through the STOs we have invested in there.

Of the STOs, 57% are based in Liverpool, with Wirral, St Helens, Knowsley, Sefton and Halton STOs represented amongst the other 43%. Over half of those based in Liverpool serve the whole city region.





The Gateway Collective

Two friends in Bootle share a passion for people and their community. Janet Hughes – with her green thumb and background in horticulture – and Ali Horton with experience in youth work and operations, came together to bring about a purposeful social enterprise for their community. Their combined skill and passion founded the Gateway Collective, based in North Park Community Garden.

The Gateway Collective uses community gardening to promote individual wellbeing and social connections. “We use our space as a way of bringing people together. Eating together helps build a community, but it’s also very social if you live alone,” says founder Ali.

The Gateway Collective’s vibrant and diverse community activity range

includes, but isn’t limited to, plant and craft sales, creative workshops, beekeeping, voluntary leadership opportunities and chances for the community to cook and eat together, sharing food and recipes inspired by the produce grown in the garden. “People tell us that coming here helps with their mental health; it helps reduce their feelings of isolation,” she adds.

The Gateway Collective worked with the Social Audit Network process to measure their impact on their community. And those impacts are huge:

• **Social value totalling £434,520, creating £7.34 for every £1 spent**

• **1,040 visits to the garden in 2021-22**

• **4,100 volunteer hours, with the garden’s 79 community gardeners**

• **540kg of food grown...**

• **... saving 430kg CO2e, in comparison to buying from a supermarket**

• **The Gateway Collective also won the Green Flag Community Award**

Ali says: “The investment from Kindred has been transformational. It has enabled us to complete our community kitchen which has become a space to teach people how to cook with what we grow but more importantly a space to gather. Kindred has also enabled us to change our thinking around social investment – to see it as an opportunity for growth, not something to be scared of.”

Diverse Investment

We are leading a conversation about new financial systems. Diversity and lived experience – critical to an STO’s effectiveness – is reflected in the leadership of investee STOs:

**49% are Women-led
25% are Black-led**

Again, this outperforms the national picture. Data from the government’s annual Small Business Survey shows that, of the UK’s small and medium-sized enterprises with employees, 18% were led by women in 2022⁵.

Black and multi-ethnic communities make up 14% of the UK population, yet recent research⁶ shows that all-ethnic teams received an average 1.7% of venture capital investment between 2009 and 2019. While all ethnic entrepreneurs are underfunded, Black-led organisations receive the smallest share, with 0.24% of the total sum; Black female entrepreneurs experience the poorest outcomes, at just 0.02% over the decade.



Investment in Black-led Businesses

The BlaST network – of Black-led social traders – is incubated by Kindred. ONS statistics estimate that, nationwide, around 12% of UK self-employed business owners identify as being from a minority ethnic group⁷.

BlaST investees make up 25% of Kindred’s investments – yet have subsequently attracted just 4% of all other grants and follow on investment. This may explain why the average pace of growth for Black-led STOs is 24% per annum – slightly lower than average growth across the portfolio

at 33%. But it confirms that Black-led STOs are less grant reliant, are growing trading income, and offer good economic returns – they account for 19% of jobs created and 18% of jobs sustained this year.

Read our Cycle of Life case study on page 11.

While Liverpool City Region is doing its bit to support these organisations and promote their growth, we need other investors to follow-up, committing money to Black-led STOs that are demonstrating growth.



⁵ <https://researchbriefings.files.parliament.uk/documents/SN06152/SN06152.pdf>

⁶ Diversity Beyond Gender: The State of the Nation for Diverse Entrepreneurs, Extend Ventures



Creating Impact Our Way – the LCR Way

Liverpool City Region's social economy ecosystem is developing fast. It is forward-facing, outward-looking and interconnected. A thriving SEUK Place – LCR is the first city region to qualify for the accolade.

Join us... whether as a member, funder, partner, part of the LCR social ecosystem, this is a collective effort to transform the economy in our region as Impact pioneers.

“STOs are demonstrating the long term economic change that social businesses can

create. Lots of small organisations, aligned in their mission for impact, are creating something bigger together – and these numbers evidence that impact. Our community is growing rapidly, with impact doubling every year, as socially-trading organisations build a more inclusive and diverse economy. We will only create the economy we want in the Liverpool City Region by making sure that we have robust, resilient and sustainable socially-trading organisations

across the region. More jobs, more trade and more investment is just the start of a vision that improves people's lives, by creating thriving neighbourhoods and communities.”

Jennifer Van der Merwe, Kindred director



Cycle of Life

Cycle of Life promotes cycling in communities across Liverpool City Region. Founded in 2021, it has five team members based at Kuumba Imani Millennium Centre in Liverpool 8, led by BlaST member Ibe Hayter.

Its community-centred approach to active travel involves training local instructors and mechanics, collaborating with partners like the NHS, local authorities, community organisations and businesses to reduce barriers to active travel.

Cycle of Life works with adults, children and young people. It has prioritised

work with unaccompanied minor asylum seekers and refugees, women and young girls, children from economically under-resourced households, children with special educational needs and disabilities (SEND) and families for whom English is not their first language or who wouldn't otherwise access cycle opportunities within L8, across the city and wider city region.

Founder Ibe enjoyed cycling with his father as a child and the independence and freedom it gave him. Yet found that, as an adult, there wasn't a cycling culture in his diverse neighbourhood

and families often didn't encourage their children to ride. In spite of this, he knew that cities would change drastically and cycling and walking – rather than cars or public transport – would become the new norm. He realised a radical new approach was required to tackle the social inequalities in mobility, health, emissions and socio-economic status in the city/region – as well as other barriers that prevent people from confidently choosing to cycle. Ibe supports his vision for Cycle of Life through a Masters in Business Scale Up at Liverpool John Moores University.



Together we are Mighty

Huge thanks to the socially-trading organisations of Liverpool City Region, who do this work on a daily basis to change lives and support communities.

Thanks to the founders, funders, delivery partners and supporters who make all of this possible:

Liverpool City Region Combined Authority, Power to Change, Steve Morgan Foundation, Esmée Fairbairn Foundation and Access Foundation for Social Investment; Capacity, School for Social Entrepreneurs NorthWest, Livv Investment, Fusion 21, the University of Liverpool, Innervision,

Pathway Fund, Growth Platform and Seebohm Hill; Liverpool John Moores University, Social Enterprise UK, Barrow Cadbury Trust and Connected Places Catapult. You are all helping pioneer the ongoing success of the social economy in Liverpool City Region.

Together, we have a vision - to live and work in a region that is a better place for our young people; a place where people can thrive.

And thank you for reading. Come and join us in a future that is social - a future for all of us.



Kindred

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