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Overview

Our team is developing two cooperatives that, taken together, are part of a larger vision. Kin Co-op is already registered using Cooperatives UK model rules for a multi-stakeholder co-op. The rules can be found [here](#). The Secondary Co-op is being developed with a number of other organisations and is not registered.

Kin Cooperative

Outline and vision: the purpose of Kin is to enable individuals to pool money together in purposeful groups. We refer to this as financial mutual aid.

The aim is to effect a cultural shift towards treating money as a collective resource. Inspired by traditional savings clubs used most often by migrant communities, with many names including pardna, susu and hagbad. They can be used as a rotating club - everyone donates equally to the group and one person receives the collective pot; this rotates until everyone has put in and taken out equally - or for groups pooling money together to buy in bulk and roll the savings over, or to help neighbours save for a common project, eg. pantry or rooftop solar.

The groups are secured by kinship, i.e. people only join with people they know via private link.

We do not want to act as a deposit-taking node between individuals and the co-op and our trade is not by lending deposited money. We provide a service that we believe people will be willing to donate to keep up. We do not want to charge transaction fees like two capitalist models ([BloomMoney](#) & [Pardna](#)), both of which have rigid user experiences focussed on rotating payouts and both, anecdotally, are struggling to grow.

Instead, we are following a **FISCAL HOSTING** model used by unincorporated mutual aid groups where they borrow the services of an incorporated organisation's bank account. The largest example is [the Social Change Agency](#). They use a purpose built accounting software called [Open Collective](#) to support this. The difference is we are focussed on developing the platform and the groups are perhaps even less formal at the time of connecting with us.

We know that we must ensure as a host that the groups behave in line with our rules - i.e. they cannot be used for individual profit, or as insurance, or to launder money etc.

I recommend reading the [Kin User Experience](#) document which includes a link to the software development board and a video walkthrough.

Secondary Cooperative

Outline and vision of Secondary Co-op: to enable member co-operatives to share resources and develop a common, recognised identity. We have studied innovative co-operative funds including the famous Mondragon, but also including pioneering examples like [Coop57](#), [Shared Capital](#), [Legacoop](#), [Shared Interest](#) and [Radical Routes](#). Like Mondragon, we are contemplating semi-mandatory investments from member co-ops in the secondary to ensure resilience; and like Coop57 / Shared Interest / Radical Routes, we want to develop the ability to raise funds under a common identity and to distribute funds to members.

We are looking at using shares / a rolling share offer to the public. We want to ensure that we can lend or invest in member co-operatives without difficulty. [Shareenergy.coop](#), Radical Routes & Shared Interest all seem to have achieved this. Once again, our focus at this time is on developing a platform that can bring the experience of investing in community businesses into the 21st century, making it as easy as putting money in a savings account while, of course, not being a bank or carrying on the trade of a bank.

Shareenergy and Third Sector Design are already working on an open source software called civiSHARES which we hope to adapt beyond the energy sector.

Eventually, our hope is that folks pooling money via the Kin platform may choose also to invest in the Secondary Co-operative. By linking the two concepts, we are building the scaffolding of a powerful and intuitive way to develop a new co-operative financial system, preferable to a bank without being a bank. Much further down the line, we are considering the possibility of partnering with credit unions to enable members to have access to other needed functions like debit cards. However, it should be repeated that we are aiming to facilitate mutual aid between co-operatives on many levels, which includes raising funds together with a common identity, rather than taking in deposits from individuals for the purpose of lending to other individuals and it is this distinction that others mentioned above seem to have made work.

For more on the Secondary Co-operative, including an initial look at objects and powers, [please read this document](#).

Where are we?

- We are developing the Kin platform.
- We are working with partner co-operatives to discuss the aims of the secondary co-operative.
- We have raised some investment from our networks to enable development so far and are working on a comms campaign ahead of a public crowdfunder this winter.
- We are running focus groups with the Movement Research Unit, asking diverse demographics about their understanding of pooling money together and what their opinions are around financial mutual aid.
- We are speaking to Anthony Collins Associates.

What do we need?

We are getting mixed signals and this is making it difficult for us to move forwards as an organisation as quickly as we would like. While there are models that we are iterating (most mentioned above) and the FCA has approved Kin Cooperative's rules (which barely depart from model rules), some individuals we have spoken to have been very pessimistic about what is possible within the regulatory landscape that exists today.

We are problem-solvers and not afraid to build the systems we need. On the other hand, we are not trying to create a bank or something that exists now because things that exist now are not changing the systems that are incentivising the accelerating assault on our planet. Therefore, we are resistant to being regulated into the corner of a preexisting FCA licence box, unless that is absolutely necessary and we feel on top of it.

Fundamental to the cooperative story is pooling resources and money to buy bulk to sell cheap and change the ownership model. This is the Rochdale legacy and it is what we believe in.

We are focussed on enabling the pooling of resources. We believe there must be a way to do this within current co-operative law.

To give us the confidence we need to invest in our development and fundraise for it, we are specifically looking for:

- Clear guidance about which regulated activities we might stumble into, how and why;
- how to avoid these activities, including language or assurances we cannot or must use e.g. shares are risk capital and not insured and fulfilled at the discretion of the co-op;
- the exact mechanisms we can legally use to achieve our aims, e.g. raising community shares as a secondary to buy member co-op shares as investment;
- regulatory checks required as a fiscal host, if any, and what assurances people creating financial mutual aid groups need to assure us that they will abide by;
- if there are any clarifying points we should add to our articles, eg. a not for profit clause or that we are not undergoing deposit taking;
- if we should instead be looking at a specific FCA license;
- any other advice is welcomed.

Our primary aim after our first meeting and the advice to follow is confidence in a way forwards. We understand that details will take a longer time.