



Territorial Social Innovation in the Nordic Countries and Scotland



Knoydart Foundation

Founded by the community in 1999, the Knoydart Foundation owns the Knoydart Estate in the Scottish Highlands (17,200 acres). Its overall aim is to preserve, enhance and develop Knoydart for the wellbeing of the environment and the people. Its activities include renting out affordable housing, supporting community development, providing financial support and training to unemployed residents, land management, tourism related activities and running a hydroelectric scheme (Knoydart is not connected to the power grid).

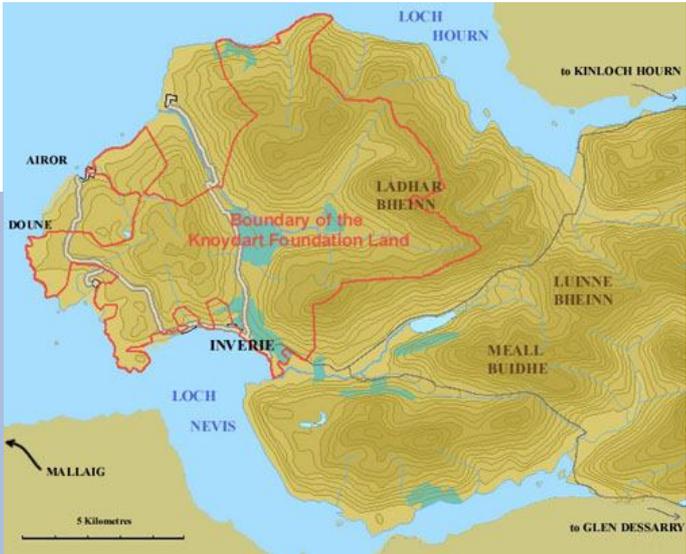
Preconditions, Inspiration, Nurture

The Knoydart Foundation was formed by the community in 1997 with the intention of purchasing the 17,200 acre Knoydart Estate. At the time, the estate was owned by private landlords and not well maintained. This caused discontent within the community and has been linked to population decline. Members of the Knoydart community were heavily active in the period between forming the foundation and purchasing the land. They worked to raise awareness about the campaign, ran fundraising activities and compiled grant applications. Although there were definitely some key people taking on the more public roles and working to keep things moving, the overall effort was much broader.

Funding came from a broad range of sources. As the development manager explains:

'We have a box somewhere with all the letters from everyone who contributed to the buyout and it literally ranges from little old age pensioners sending a fiver [£5] to walking groups holding a fundraiser especially for us.'

Contributions were also made by John Muir Trust, Chris Brasher Trust, Highlands and Islands Enterprise (HIE) and Scottish National Heritage. Finally, the £750,000 goal was reached and in 1999 the Knoydart Foundation took ownership of the estate.



Implementation

Resources

Once the buyout was complete, the fun really began. Along with the 17,200 acres of land, the foundation also acquired considerable assets, most of which were in terrible repair. Refurbishment of the hydroelectric scheme, the water and sewage system and several run-down buildings were the top priorities. In the case of the hydroelectric scheme, the Highland Council supported both a feasibility study and sourcing of funds for the refurbishment. Eventually the required £500,000 was raised, drawing on a combination of sources including HIE (the Scottish Government's economic and community development agency for the Highland and Island region), the European Commission and the foundation's own reserves. The scheme now has two part-time employees and provides power to 70 homes and businesses. Electricity is sold at a unit rate of 14 pence, and all income is invested in further improvements and in paying back the foundation's original investment.

All activities related to the hydroelectric scheme occur under Knoydart Renewables, a trading subsidiary set up by the foundation. A second subsidiary, Knoydart Trading, deals with tourism and related products. Its main activity is running the foundation bunkhouse, which provides hostel-style accommodation to visitors to Knoydart. Proceeds are either reinvested in the bunkhouse or given back to the Knoydart Foundation where they are invested in other projects of benefit to the community. The original motivation for setting up these entities was to protect the foundation from the potential losses associated with commercial activities.

Currently, the Knoydart Foundation and its subsidiaries employ a total of 13 staff, though some on a very part-time basis. The foundation also receives a substantial amount of in-kind support, both in countless volunteer hours from community members and more formally through local and national level government initiatives. Both the Highland Council and HIE have provided considerable support including formal financial assistance with projects and informal support in scoping projects and developing funding applications.

The Network / Cooperation

Local cooperation within the social innovation is enabled by a unique combination of closeness and isolation. The majority of the population is concentrated in the village of Inverie, facilitating easy cooperation from a logistical point of view. At the same time, the isolated nature of the community, coupled with the small population, creates

interdependencies that necessitate cooperation. The Knoydart Forest Trust, for example, is a separate charity that manages woodlands on the estate. This partnership is vitally important to the foundation as it does not currently have the resources to undertake this work itself. John Muir Trust is also an important local partner. It owns land on Knoydart, has a seat on the foundation's board, and was also a large part of the [West Knoydart Deer Management Plan](#), an important land management tool. The goals of John Muir Trust and Knoydart Foundation sometimes differ but overall, the two organisations have a supportive and productive working relationship.

Local cooperation is also necessitated by a shared responsibility for fundamental community infrastructure. This includes things that are generally taken for granted in urban environments such as water, sewage, electricity and communications infrastructure. One of the key projects completed since the foundation took over the estate was an upgrade of the sewage/gray water system that served the bunkhouse and some other residential properties. When the foundation took over the estate, this system was out of date and problematic from an environmental, aesthetic and health perspective. Initial scoping work was undertaken fairly early on, but due to competing priorities, construction of the system did not start until 2011.

When it comes to substantial infrastructure projects such as this, local networks alone are not enough to get things done. The water and sewage project was funded by LEADER, HIE, The Highland Council, Highland Alliance Trust, as well as by drawing on the foundation's own funds. The Knoydart Foundation has strong networks with its funders, and works closely with both the municipality and HIE.

Enablers and Barriers

The Knoydart Foundation has experienced its share of challenges. Perhaps the most central of these was in the period directly following the buyout when the community first took ownership of the land and its associated assets. The community had been beholden to private land owners for a long time. It was a big shift to wake up one day and realise that the place to lay the blame was gone and all that was left in its place was a whole lot of work to get on with. As noted above, it was the assets rather than the land itself that presented the greatest challenge. The ability to take control of these assets and in particular the hydroelectric scheme was, however, the key driver of the buyout itself, so perhaps one could say these challenges were welcome.

Navigating the funding landscape has also been challenging at times. Financial realities make it necessary to go for opportunities as they present themselves. This creates time pressures and often means working with 'several balls in the air' rather than focusing

intensively on one project until it is complete. It can also be difficult to find the time or the funding necessary for activities that, while fundamental, do not deliver direct, tangible benefit to the community. For example, the foundation is currently undergoing some restructuring and is revising its constitution.

The foundation has managed these challenges well, with several factors emerging as central to this type of work. First, the foundation has taken a step-by-step approach. The community decided what it wanted to achieve and then prioritised, dealing with one issue at a time and being careful not to 'bite off more than it could handle'. This has worked well from the point of view of not overstressing the foundation's resources. It also has benefits from a funding perspective because projects mature at different stages. With most of the foundation's projects, external funds are required in the capital phase and once completed, these projects then generate revenue to cover ongoing expenses or repay capital expenses (including the foundation's own contributions). This seems to be quite an effective model as it facilitates slow growth of the foundation, with each major project increasing operations while at the same time contributing to long-term financial sustainability.

Another key ingredient of success is clear and transparent communication of goals and activities. This is evident in the way that the foundation works with potential funders. Its success in obtaining external funding bodies has been attributed to its ability to align its own clear and well thought-out goals with the goals of the funding body and provide an evidence base for what it wants to do. Clear and open communication is also important within the community. Though it is of course not possible to please all of the people all of the time, the foundation does everything it can to get information out to the community about what it is doing. It also works hard to respond to criticism from community members, being careful to delineate between genuine concerns and those who might want to 'bad-mouth' or vent unrelated concerns on an easy target.

Interaction with Municipalities and Other Levels of Governance

The foundation has enjoyed a solid relationship with the municipality since its inception. Interestingly, this relationship has evolved substantially over time. In the period following the buyout, the municipality took a rather hands-on approach. In fact, there were even times when community members became frustrated that they were not as involved in decision-making as they perhaps might have liked to have been. The development manager explains:

'[A councilor] made some decisions [at the time of the buyout] that people weren't happy with but he made them for good reasons and with the best of intentions.'

The director also explained that things would no longer happen that way at present. From the municipality's point of view, both trust and confidence in the community have grown substantially since the early days following the buyout. For the community, the considerable capacity that has been developed allows the foundation to function fairly autonomously, using municipal support at its own discretion.

HIE was also a tremendous support to the foundation in the early days. It provided support both in a financial and an advisory capacity. The flexibility of its approach in the early days was particularly appreciated. Its representatives always asked 'what can we do to help?' as opposed to simply starting from 'this is what can we offer.' In the beginning, a representative from HIE sat on the foundation's board, but this person stepped down as soon as they felt the community could manage for themselves.

Social Innovation Effects

Outcomes, Impact and 'Scaling'

Since 2001, the population of Inverie has increased from around 60–70 to 115. There are several examples of young people returning to the community to start-up businesses or for other employment opportunities, and new people have also come in—some in order to work with the foundation itself. Although there has been no systematic research done, it is not too much of a stretch to link the growth of the community to the work of the foundation. There is no one simple ingredient, however; the development manager describes it more like a jigsaw, with many elements fitting together to make up the complete picture.

First, the foundation has undertaken and supported many projects since the buyout that have increased the quality of the environment at Knoydart. The water and sewage system upgrade and the hydroelectric scheme are the most fundamental of these. Second, the renovation of the bunkhouse and the provision of ranger services and deer-stalking activities have provided a strong foundation to grow Knoydart's tourism industry. Increased tourism is positive in and of itself. It has also been found to have the unintended consequence of growing the permanent population when people who like the area decide to stay.

The third way that the foundation's work has supported the community to grow is by addressing the fundamental issue of the lack of quality, affordable housing. This has included upgrading existing residences on the estate as well as building new homes for rent with the assistance of funds from the Scottish Government's 'Rural homes for rent' program. All homes are let at affordable prices and are expected to break even for the first

10 years before making a direct financial contribution to the foundation. The foundation also sells land for homes through a shared equity scheme. The scheme is designed to make land available for people who want to live in and contribute to the Knoydart community while at the same time protecting the existing community from people buying the land purely for investment purposes. Land is sold to local residents at a discounted price with the foundation retaining a 20–25% share. This ensures that the foundation has some say in how the property is developed and also allows it to benefit from any profits made if the property is sold. It allows for the provision of new housing while at the same time giving the community peace of mind that housing in the area will remain affordable into the future.

The overarching theme cutting across all of this work is the security that community land ownership provides. There is a general sense that because the foundation is 'here to stay,' people can plan for the future in a way that is perhaps more concrete than when they were dealing with private lease arrangements. As the landowner, the foundation also has the ability to make land or buildings available for business startups or other activities deemed to be of benefit to the community. So, although there are other factors at play, the foundation has provided a secure baseline from which the community can grow.

Lessons Learned

This case perfectly illustrates the value of a territorial approach to SI. From a 'social' perspective it provides insight into the unique nature of challenges faced in a remote rural setting. It also provides an opportunity to critically reflect on the way ideas about what constitutes 'innovation' are constructed. Take, for example, the sewage project. At first glance, the fulfilment of such a basic facility seems out of place in discussions of innovation. Rather than being novel or exciting, the outcome is something that those living in urban environments take for granted. When we look at the project in more depth, however, we see that rather than an innovation being the result of the social process, the innovative part *is the social process itself*. Coming together to address an issue as mundane, yet fundamental, as sewage, allows the community to develop skills and networks that form the basis for further activity. There are many examples of this process repeating itself throughout the life of the foundation.

When it comes to the overall lessons that can be learned from the Knoydart Foundation's experience, the foundation's development coordinator perhaps sums it up best:

'Have confidence in your own abilities... If the community really wants to do it, it can. There are so many often untapped resources within a community. You know, we're running an electricity scheme, we manage our own broadband. There are loads of things that we do and... when we started off we didn't have an expert in hydro but we had people who had certain skills and we built on those. And that's how we've done it all the way through. So I think, as a community, have confidence in yourself and have confidence in your community and its abilities and go for it.'