# Mobilising local and institutional capital: Community Municipal Investments

October 2025

# About us

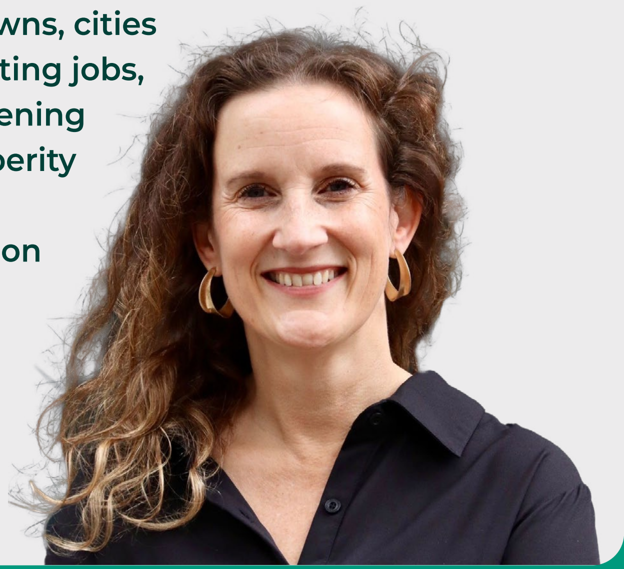
**Connected Places Catapult is the UK's innovation accelerator for transport, the built environment, cities, and local growth. We believe innovation is key to unlocking the potential of our towns, cities, and transport systems, making them more sustainable, inclusive, and prosperous for everyone. We help businesses secure millions in investment, create jobs, and drive forward solutions that address climate change, social isolation, and economic inequality.**

The Cities Commission for Climate Investment (3Ci) is a partnership between **Connected Places Catapult, Core Cities UK, London Councils, Key Cities, the Scottish Cities Alliance**, and other local authorities across the UK. Its purpose is to support councils in securing the long-term finance required to achieve Net Zero. By bringing together local authorities, investors, and businesses, 3Ci develops innovative investment models and helps mobilise large-scale capital for decarbonisation. Its mission is to create investable propositions that deliver carbon reduction, resilience, and community benefit across the UK.



# Foreword

> **"Prosperity begins locally. When towns, cities and regions grow, businesses thrive, creating jobs, improving living standards, and strengthening the wider economy. Unlocking that prosperity depends on sustained investment in infrastructure, innovation and the transition to a more sustainable future, with Net Zero both a challenge and a powerful driver of growth. Achieving this requires innovative financial solutions that connect local ambition with accessible, affordable capital.**



**Community Municipal Investments (CMIs) are one such innovation.** They provide local authorities with transparent borrowing options and give residents the chance to invest directly in the places they call home. By combining local ambition and empowerment with committed investment, CMIs can help deliver projects that create new opportunities for growth, support communities, and cut emissions. They also show that institutional and philanthropic partners are willing to invest alongside citizens, helping to bring scale and stability to local ambition.

16 local authorities – from cities like Bristol and Glasgow to counties such as Oxfordshire and the Cotswolds – have launched 24 offers, raising around £18 million. Their leadership has shown what is possible and laid the foundations for others to follow.

The question now is how to move from promising examples to widespread adoption and scale. That requires leadership. Local authorities need the confidence to make CMIs part of their long-term strategies. Investors must see local climate and growth projects as mainstream opportunities. National institutions should back this innovation with clear policy, frameworks, and consistent support.

This report sets out how that can happen. **CMIs are not simply a new way of borrowing**, they are an innovation that finances prosperity and sustainability together, building stronger, fairer and more resilient places for the future. We hope this publication gives leaders and partners the confidence to adopt these mechanisms, and we invite you to work with us in turning this opportunity into practical investment that delivers real benefits for people and places.

**Zoe Jennings – Head of Investment, Funding and Procurement**
Connected Places Catapult

# Executive summary

**This report provides public bodies and investors with insights and examples on how innovative public and private funding sources can be aligned to empower communities, drive local growth, and deliver Net Zero investment.**

Community Municipal Investments (CMIs) are a growing innovation in place-based finance. They enable local authorities to raise finance directly from residents and institutions, providing low-cost finance while engaging communities in the development of place and the Net Zero transition.

Since the first issuance in **2020**, sixteen councils have launched **24 offers**, raising over **£18 million**.

CMIs deliver a dual benefit: affordable, transparent borrowing for local authorities and inclusive investment opportunities for residents, with entry from as little as £5. Early evidence shows strong civic engagement, with investors reinvesting or donating returns to local climate projects. Importantly, CMIs also diversify local authorities' funding sources and strengthen trust between councils and communities.

Recent developments mark a new phase of opportunity for growth. New public policy is driving the use of public investment pots to deliver sustainable growth, while private investment is increasingly considering wider socio-environmental returns on investments. For example, Unity Trust Bank has committed £15 million of institutional capital to be deployed through CMIs, while the Esmée Fairbairn Foundation is match-funding citizen contributions. These instruments reduce under-subscription risk, boost issuance volumes, and build council awareness and confidence. Together, retail, institutional, and philanthropic investors demonstrate the potential of CMIs as a co-investment tool capable of mobilising larger amounts of capital.

Despite these advances, challenges remain: limited awareness, upfront resourcing, perceived complexity compared to Public Works Loan Board borrowing, and uncertainty over long-term demand. Addressing these requires:

- **Awareness & engagement:** sustained communications and repeat issuances to grow investor bases.
- **Capacity:** technical assistance, standardised processes, and peer-to-peer learning.
- **Pricing & competitiveness:** further innovation in co-investment and match-funding to strengthen attractiveness and scale.
- **Regulatory confidence:** clearer guidance, limited guarantees, and targeted grant funding to reduce delivery risk.

CMIs are not a complete solution to the Net Zero funding gap, but they represent a proven and scalable innovation. By embedding CMIs into long-term treasury strategies, expanding institutional and philanthropic participation, and ensuring supportive national frameworks, CMIs can become a mainstream financing instrument that mobilises pride, trust, and significant capital for local economic growth and Net Zero delivery.



# Context

**In March 2025, *The Art of the Possible: Unlocking the Potential of Community-Based Finance*[1] highlighted the breadth of mechanisms that can enable local citizens, businesses, and organisations to invest directly in their communities and support projects that drive local economic growth.**

These mechanisms included Community Municipal Investments (CMIs), also known as Local Climate Bonds, local impact funds, Community Development Finance Institutions (CDFIs), credit unions, cooperatives, and place-based giving schemes. Each offers a different way of mobilising local capital for local priorities.

Among these case studies, CMIs stood out as a promising but underutilised approach. CMIs enable councils to raise capital directly from residents and, more recently, from institutional investors, from as little as £5, through a standardised and regulated process. In doing so, they provide both a new source of low-cost finance and a powerful platform for civic engagement.

1 The Art of the Possible: Unlocking the Potential of Community-Based Finance, Connected Places Catapult

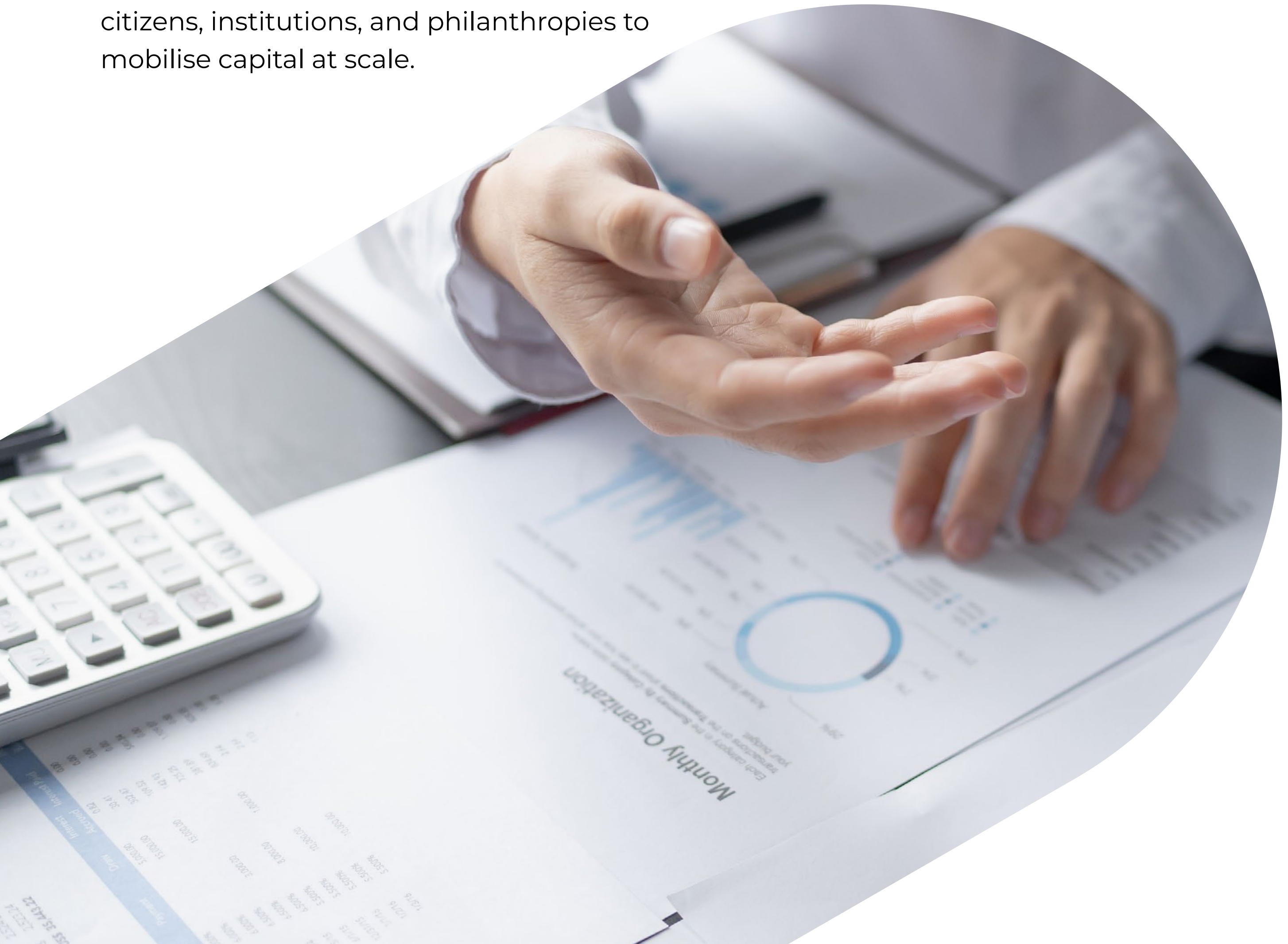
The Green Finance Institute (GFI) has played a central role in pioneering and promoting the model. Since supporting the launch of the UK's first Local Climate Bond in 2020, the GFI has developed specific guidance and toolkits, and championed CMIs by originating private capital investment as an important part of local Net Zero strategies. Throughout this report, the terms Community Municipal Investments and Local Climate Bonds are used interchangeably; both describe the same model.

The growing role of local authorities in delivering Net Zero, with more than 300 councils across the UK having declared climate emergencies, underlines the urgency of developing practical and scalable financing mechanisms such as CMIs. Since 2020, 16 local authorities have launched CMIs, raising more than £18 million from residents, demonstrating that the model is already working in practice.

This report builds on earlier research undertaken by a range of partners and research bodies to take a closer look at the current state of CMIs and the exciting developments now underway to scale the model. It assesses the progress made to date, identifies the barriers holding it back, and highlights new opportunities – particularly the growing role of institutional investors – that can help unlock greater impact.

While CMIs began as a retail-focused tool, the introduction of institutional and philanthropic investors such as Unity Trust Bank and the Esmée Fairbairn Foundation marks an important next phase. Their participation has increased issuance volumes, reduced the risk of under-subscription, and provided councils with greater confidence to embed CMIs within their borrowing strategies. This evolution points to the potential of CMIs to act as a co-investment instrument, bringing together citizens, institutions, and philanthropies to mobilise capital at scale.

The report is intended for local authorities exploring innovative borrowing tools, investors interested in place-based finance, and policymakers shaping the frameworks that enable them. Its purpose is to support these groups in understanding how CMIs can evolve from a retail-focused innovation into a mainstream co-investment tool capable of mobilising significant capital for local decarbonisation.






# The case for Community Municipal Investments

Local authorities play a critical role in the UK's transition to Net Zero. While they directly account for just 2-5% of emissions, estimates suggest that up to 82% of the UK's emissions fall within local authorities' sphere of influence, including sectors such as buildings, transport, and land use management[2]. At the same time, councils face significant financial pressure: core funding has declined year-on-year, and the demand for key statutory services continues to rise.

According to a recent Local Government Association (LGA) survey, 67% of councils expressed low confidence in meeting their Net Zero targets, citing bureaucratic funding systems and a lack of clear financial backing as the main barriers[3]. Many councils reported being discouraged from bidding into central government funding due to the time burden and red tape, and almost 90% felt there was insufficient financing in place to deliver Net Zero by 2050.

2 Mobilising Net Zero Investments, Innovate UK
3 Net Zero Strategy and Support: Research Report, Local Government Association

These challenges have created a clear need for councils to find new ways of financing capital projects that deliver value while being politically and socially sustainable. CMIs provide one such instrument. By allowing residents to invest directly in their local authority, CMIs tap into a vast and underutilised pool of household capital. ONS data, reported in UK Finance's Household Finance Review (Q2 2025)[4], shows that UK households held £1.09 trillion in bank and building society deposits as of mid-2025. Much of this sits in low-yield accounts, generating little social or environmental return, yet it represents a powerful source of finance that could be channelled into local projects such as CMIs.

CMIs deliver a dual-value proposition. For councils, they offer borrowing terms that are often comparable to (or better than) the Public Works Loan Board, while diversifying funding sources, embedding transparency and accountability into the financing process, and annuity-based repayments that provide a steady income stream. For residents, CMIs offer accessible, low-risk participation, with minimum contributions set at just £5 and eligibility for tax-advantaged savings accounts. This format expands participation across diverse socio-economic groups as the model embodies both financial innovation and a democratic reimagining of how citizens engage with local climate action[5].

Beyond financial benefits, CMIs also deliver social impact. They enable residents and businesses to play an active role in shaping their communities by supporting projects tailored to local needs and opportunities. By showing clearly how contributions are used and linking investments to tangible local outcomes, CMIs help build trust and strengthen connections between councils and communities. Transparency is further reinforced through reporting against the Green Loan Principles[6], as well as wider commercial and regulatory requirements, enhancing credibility and accountability. This approach reflects the findings of 3Ci's Path to Net Zero: Three Steps for Effective Community Engagement[7] report, which highlights the importance of building trust, creating shared ownership, and embedding transparent communication as critical steps for effective community engagement.

Early local authority evidence underscores the potential of CMIs to deepen civic engagement. In West Berkshire[8], around one in six investors donated their first CMI interest repayment to fund a council wildflower verge project, demonstrating a willingness to reinvest returns into community-focused initiatives. Likewise, in Warrington[9], investors were given the option to donate their interest, with approximately 11% choosing to do so, helping support broader local climate actions.

In summary, CMIs offer a compelling alternative to traditional borrowing. They address councils' pressing need for flexible and affordable capital, while also supporting wider policy goals and strengthening civic engagement. Importantly, they can help foster a community of residents around a council and its place, with local investors often going on to support wider civic and environmental initiatives. CMIs' unique combination of affordability, inclusivity, and transparency positions them as a distinctive and promising addition to the local government finance toolkit.

4 Household Finance Review, UK Finance
5 Community Municipal Investments (CMIs), The Bauman Institute
6 Sustainable Finance: New Draft Provisions for Green Loans Published by The Loan Market Association
7 The Path to Net Zero: Three Steps for Effective Community Engagement, 3Ci
8 West Berkshire Community Municipal Investment (CMI), West Berkshire Council
9 Warrington Borough Council: Investing in Renewable Energy with Community Municipal Bonds, Local Government Association



# Current state of play

Since their launch in 2020, CMIs have moved from theory into practice.

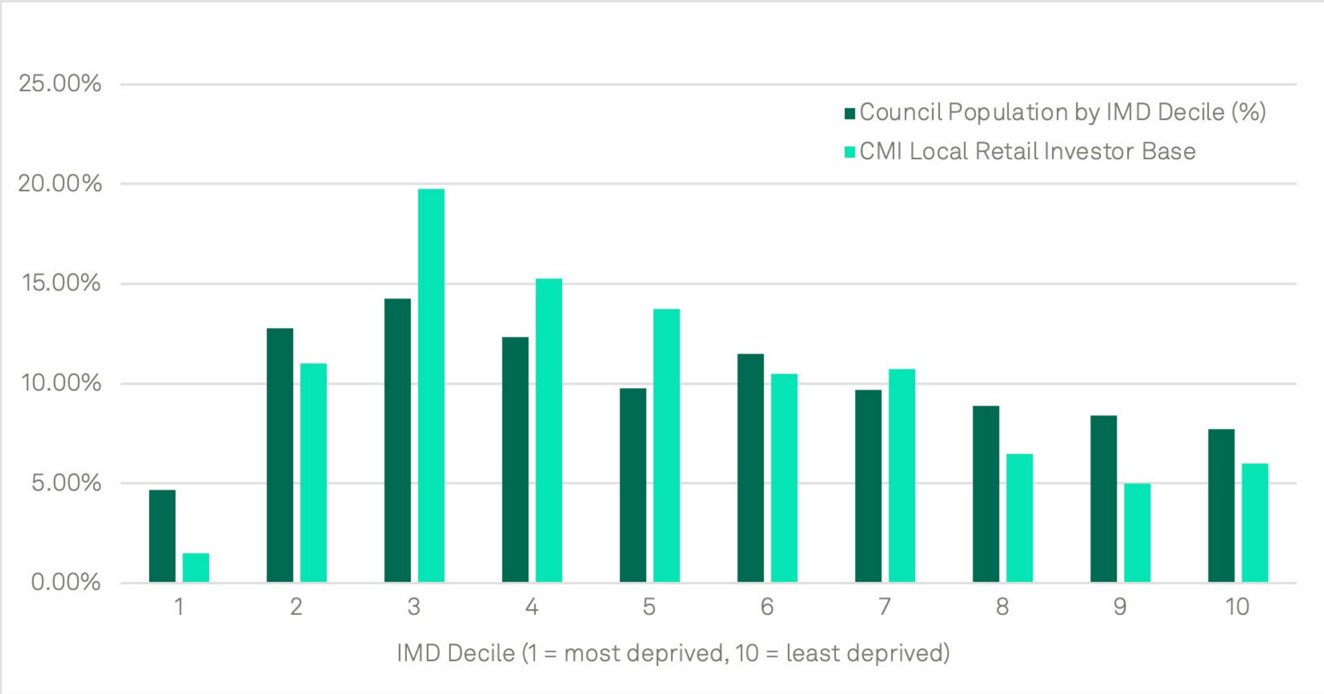
**16 local authorities** (from major urban centres such as Bristol and multiple London Boroughs, to counties and districts like Oxfordshire, the Cotswolds and Telford & Wrekin) have now **issued 24 separate offers**, raising a combined total of around **£18 million**.

While these sums remain modest in the context of councils' wider borrowing requirements, the trajectory of the market is one of accelerating growth and innovation.

Early issuances were small in scale, typically in the range of £0.5-1 million. They provided valuable proof of concept but were limited in ambition. More recently, councils have shown greater confidence in the model, with individual raises aiming to reach around £5 million. Importantly, several authorities are now treating CMIs as part of their ongoing borrowing strategy rather than one-off experiments. Hammersmith & Fulham[10], for instance, has already launched four rounds, while Westminster[11] raised £1 million in just ten days in 2023, the fastest raise to date.

The diversity of participants is another important consideration. Abundance Investment[12], a platform that pioneered CMIs, has noted that local investors recruited by councils are drawn from a broader socio-economic mix than in many other community finance initiatives and mainstream saving products. The low entry threshold of £5, coupled with Individual Savings Account (ISA) eligibility, makes CMIs accessible to a wide range of residents. Data from recent issuances (see chart on page 10) shows that new investors are not confined to affluent groups: participation has been strongest in lower-middle income deciles (3-5), broadly aligned in the middle deciles (6-7), and only slightly under-represented in the most affluent groups (9-10). The most deprived households (decile 1) remain less engaged[13], but overall, the profile of CMI investors recruited locally demonstrates that the model is capable of building inclusive local investor communities[14]. This inclusivity strengthens CMIs' legitimacy as a community-based financing mechanism.

10 H&F Green Investment 4, Abundance Investment
11 Our updated Climate Emergency Action Plan 2025, City of Westminster
12 Abundance Investment
13 Further consideration is needed to increase engagement among the most deprived households. Approaches could include using public funds or corporate social responsibility commitments from institutional investors to de-risk and incentivise participation from under-represented groups.
14 By contrast, retail investors recruited directly by Abundance Investment (outside of council-led campaigns) tend to correlate more strongly with affluent deciles, highlighting the importance of local authority involvement in broadening participation.




The GFI has also been instrumental in supporting this progress. Its Local Climate Bond campaign raises awareness among local authorities of innovative green finance mechanisms to mobilise private capital for Net Zero and nature-positive outcomes. The campaign works with public sector organisations, membership groups, and local authorities to support the development of the market. Through its Local Climate Bond Toolkit and pledge[15], GFI has provided councils with standardised processes and communications support. Over the past year, GFI has also advanced asset class development by originating investment from mission-aligned institutions, who are expected to play an important role in scaling the CMI market.

A particularly important development has been the entry of institutional investors. Unity Trust Bank[16], for example, has committed an initial £15 million to the growing market, investing alongside retail participants. From the bank's perspective, CMIs are low risk: local authorities are highly creditworthy counterparties, with well-defined statutory borrowing powers, and restricted use of proceeds for green activities ensures the funding supports climate action. The bank is currently supporting seven councils, with £3.4 million already deployed, and expects to reach 10 by the end of the year through its partnership with Abundance Investment.

15 Local Climate Bonds (LCBs), Green Finance Institute
16 Unity becomes first UK bank to invest in Local Climate Bonds, Unity Trust Bank



Unity Trust Bank's participation also includes a 'top-up' facility: when local authorities have received Unity's initial investment, the bank can provide additional capital at the end of the raise period if the full target has not been achieved. This mechanism reduces the risk of under-subscription from retail Investors, strengthens confidence among local authorities that the effort of updating treasury policies and running a raise will lead to the financing they require, and ultimately allows more climate programmes to move forward.

Some banks are beginning to look at CMIs within the context of their treasury strategies, recognising their gilt-like risk profile[17] together with a modest premium. They are also particularly attractive to mission-driven investors such as foundations and endowments, given their direct link to local Net Zero delivery. For these institutions, the combination of strong social and environmental value with annuity-style repayments offers both impact and a steady income stream to support charitable giving.

The Esmée Fairbairn Foundation, for example, has recently announced a £1 million match-funding commitment, with the first tranche deployed in 2025. This mechanism not only increases the overall pool of funding but also incentivises greater citizen participation, as local investors know their contributions will be amplified by the foundation.

Together, these developments show that CMIs have moved beyond the pilot phase. They have proven their viability as a financing instrument, attracted growing numbers of councils and investors, and begun to diversify their sources of capital. The market is still in its early stages and relatively small in scale, but it is gaining momentum. The challenge now is to build on this foundation, scaling CMIs through further innovation, broader institutional participation, and stronger policy support.

17 CMIs are not currently recognised as High-Quality Liquid Assets, but they remain a low-risk instrument supported by local authority borrowing

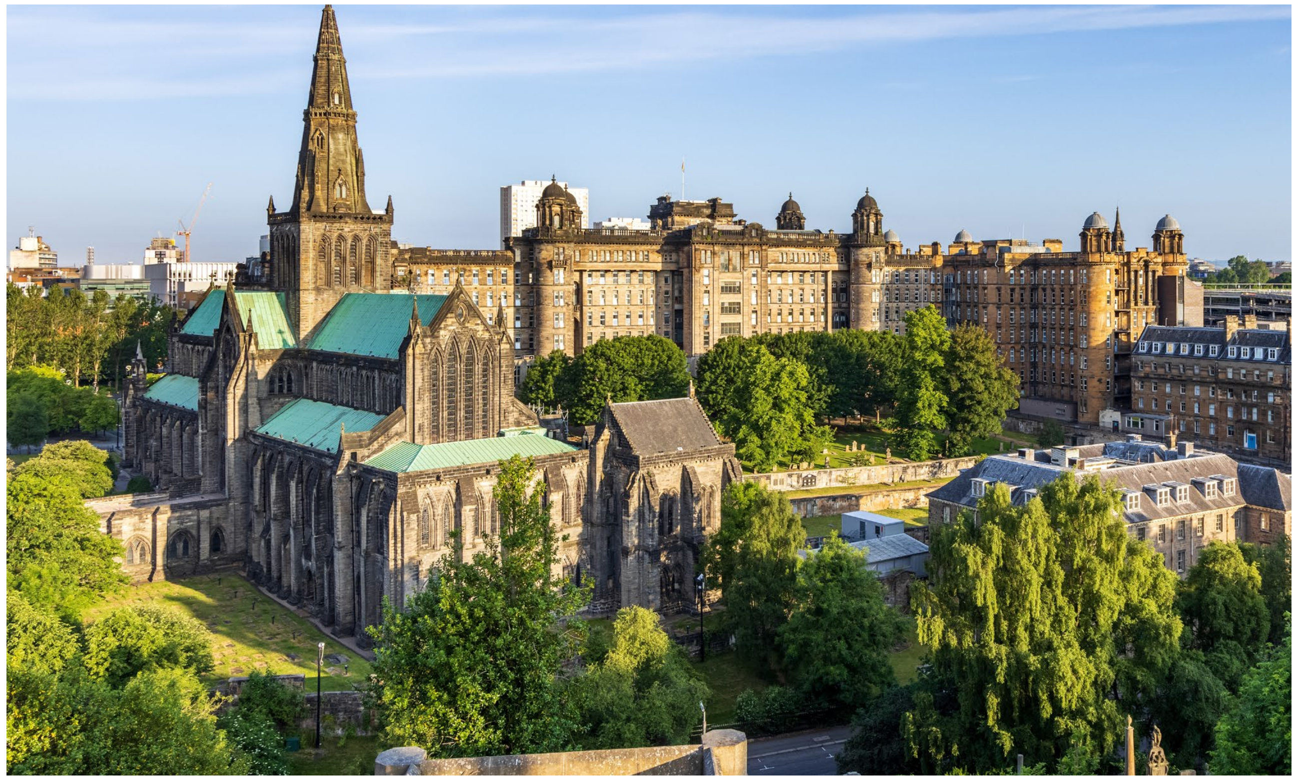
# Case studies

**At the time of report publication (October 2025), several local authorities have live CMI opportunities, signalling growing momentum behind place-based approaches to financing Net Zero delivery. Examples include:**

## Glasgow City Council

**Investment focus:**
**Solar energy, active travel, and streetscape improvements**

Glasgow City Council has launched a £2 million Community Municipal Investment[18] (structured in two phases), inviting residents and local businesses to invest directly in the city's climate action projects. The first £1 million tranche will fund the installation of solar panels on council buildings, while the second will support safer streetscapes around schools and care facilities. Offering a fixed 4% annual return over five years, the initiative demonstrates how CMIs can complement conventional borrowing to deliver visible, community-backed assets and retain investment within the local economy.

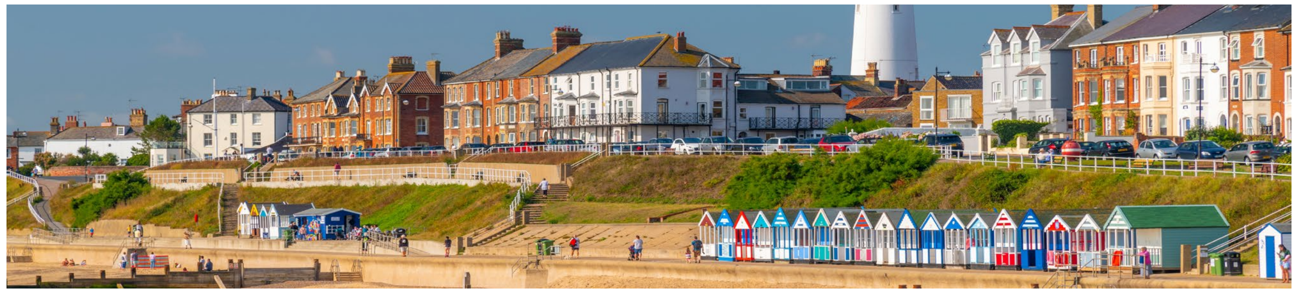


18 Glasgow Opens Investment Opportunity For Climate Action Projects, Glasgow City Council

## Suffolk County Council

**Investment focus:**
**Renewable energy and energy efficiency upgrades**

Suffolk County Council's Sustainable Suffolk Investment[19] enables residents, businesses, and community groups to invest directly in local projects. With a minimum investment of £5 and a 4% annual return over five years, the scheme will finance renewable energy installations and energy efficiency upgrades across public buildings between 2026 and 2027. Supported by a 50% match from the Esmée Fairbairn Foundation, the initiative illustrates how blending community and philanthropic capital can strengthen financial resilience, reduce delivery risk, and amplify social and environmental impact at a county scale.

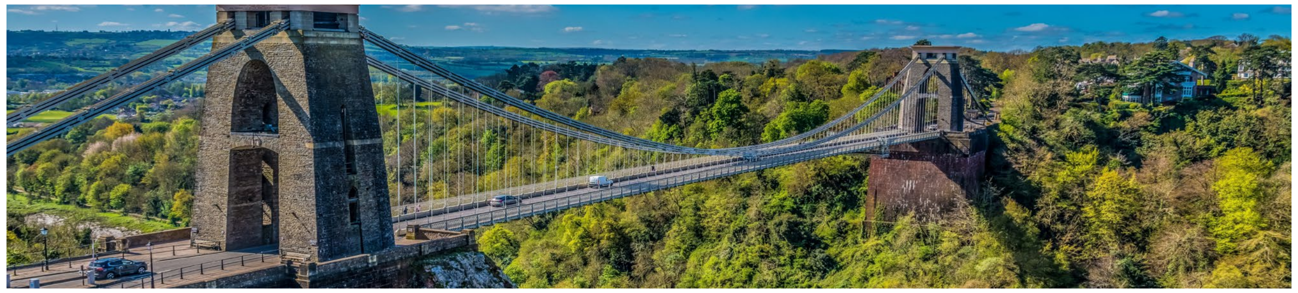


19 A new way to invest that benefits Suffolk and its people, Suffolk County Council

## Bristol City Council

**Investment focus:**
**Building retrofits and renewable energy**

Building on the success of its first CMI phase, Bristol City Council has launched a second round of its Bristol Climate Action Investment programme[20] to fund further energy efficiency upgrades across council buildings. The initiative enables residents to invest accessible sums with a fair fixed return, supporting local emission reductions and cost savings. By institutionalising CMIs as a recurring part of its financing strategy, Bristol is demonstrating how community investment can evolve from one-off pilots into a mainstream mechanism for delivering citywide Net Zero objectives.



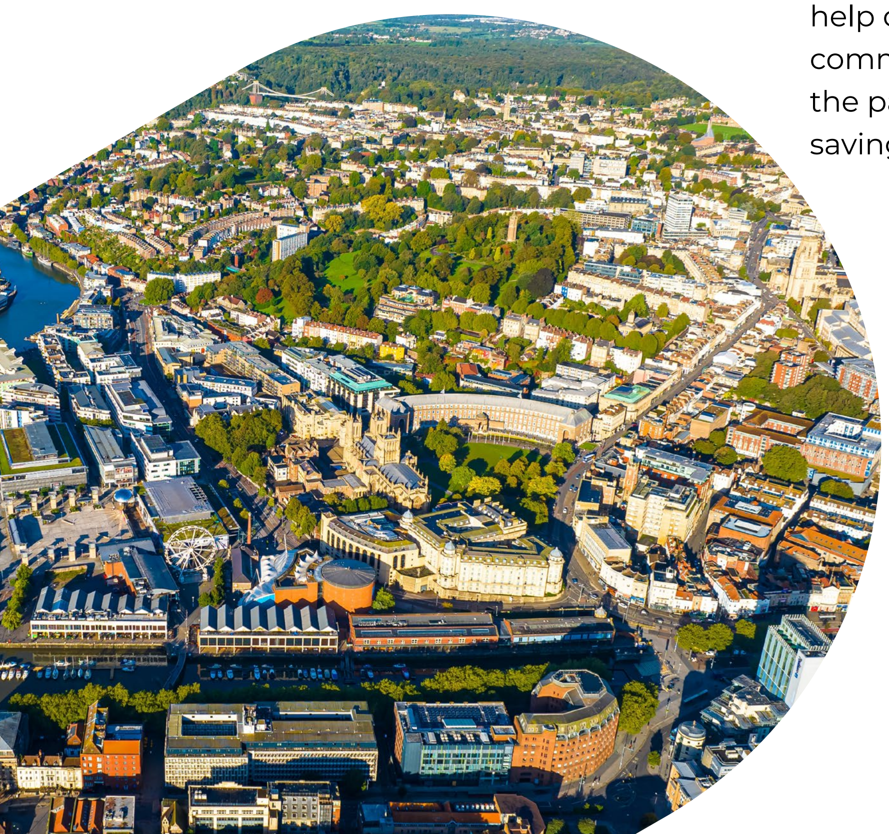
20 A second chance to invest in a more sustainable Bristol, Bristol City Council

# Barriers and opportunities for scaling CMIs

**Although CMIs have proven their viability, the market is still at an early stage. To grow beyond pioneering councils and a handful of issuances, it is essential to understand the barriers currently holding CMIs back and the opportunities that can unlock their next phase of development.**

## Awareness and engagement

***Challenge:*** Despite high-profile examples, CMIs remain relatively unknown among both councils and citizens. As shown by Connected Places Catapult and 3Ci's engagement with member local authorities, a large proportion of council officers have heard of the concept but lack detailed understanding of how the model works in practice. Similarly, for residents, awareness is typically built only during campaign periods, and without significant communications investment, uptake may be limited. As a result, some councils worry that demand from local investors will be too small to justify the effort.



***Opportunity:*** Awareness can be scaled at local, regional, and national levels. The GFI's Local Climate Bond Pledge has already been used by councils to signal intent, generating early visibility and public buy-in. Communication strategies co-designed with partners like Abundance Investment have also proved effective, but further capacity is needed. Councils that treat CMIs as a series of raises, such as Hammersmith & Fulham, Bristol, Southwark, Hackney, and others, show that once residents are familiar with the model, participation increases over time and local investor bases grow stronger. Targeted grant funding could also help councils build these citizen investor communities as long-term local assets, with the payback period measurable through the savings achieved on borrowing costs.

## Capacity and resourcing

***Challenge:*** A first CMI requires updating a council's treasury management strategy, securing cabinet approvals, working through legal due diligence, and coordinating a communications campaign. For many local authorities already under financial and staffing pressure, this upfront burden is a deterrent. Limited in-house financial expertise, high costs of external support and a lack of confidence with innovative borrowing tools can reinforce the perception that CMIs are complex compared with simply borrowing from the Public Works Loan Board.

***Opportunity:*** Standardisation and support are reducing these hurdles. Template documentation and streamlined due diligence processes, designed to mirror standard council borrowing frameworks, have already been adopted by local authorities issuing CMIs. This means that, after the first issuance, subsequent rounds require much less work and are comparable in effort to standard borrowing. Peer-to-peer learning between councils through existing local authority networks such as the Local Government Association (LGA), 3Ci, Innovation Procurement Empowerment Centre (IPEC), Local Net Zero Hubs and others is also helping to build confidence and reduce the learning curve. There is, however, still a need for greater financial advisory support. Expanding technical assistance programmes, backed by government or intermediaries, could help bridge this capacity gap, promote the use of standard legal contracts and procurement processes, and accelerate adoption.

## Pricing and competitiveness

From an institutional perspective, the appeal of CMIs depends on investor priorities. For banks, they can complement treasury portfolios by providing a low-risk, gilt-like instrument (albeit not currently recognised as High-Quality Liquid Assets) with the added value of a place-based social and environmental premium. Foundations and endowments, by contrast, are not subject to these regulatory constraints and may find CMIs particularly attractive, especially given their annuity-style repayment structure, which offers a predictable income stream to support charitable giving.

***Challenge:*** For councils, CMIs must also remain cheaper than Public Works Loan Board (PWLB) borrowing to justify the additional effort of launching a public-facing product. This tension creates a ceiling on pricing flexibility and can make scaling harder without additional incentives.

***Opportunity:*** Innovative co-investment models can help address this challenge. Unity Trust Bank's commitment marked the first institutional investment in CMIs, signalling that mission-driven institutions are willing to invest where there is clear social and environmental impact. The Esmée Fairbairn Foundation's match-funding programme is another important innovation, amplifying resident contributions and boosting the overall size of raises. These examples show how institutional and philanthropic capital can make CMIs more attractive and resilient, while sending a strong signal of confidence to retail investors. Looking ahead, engaging public sector pension funds could represent an important next step in scaling the model and aligning long-term capital with Net Zero investment.

### Regulatory caution and risk perception

***Challenge:*** Although CMIs are compliant with statutory borrowing frameworks and aligned with the Green Loan Principles, some councils remain cautious. They are aware that issuing a product marketed directly to the public comes with reputational risks, and many rely heavily on CMI platform partners for compliance with Financial Conduct Authority rules. For councils with limited in-house legal or treasury resources, this dependency can feel uncomfortable, especially when political leadership is wary of innovation.

***Opportunity:*** Regulatory clarity and confidence-building measures can help. The role of regulated platforms is central here, ensuring compliance and providing investor protection. It is also important to note that investors in CMIs take on the risk of the local authority, not the individual project. This distinction is often misunderstood, but it is a critical factor in building confidence: even if a specific project underperforms, repayments are guaranteed by the council's broader revenue base. Looking ahead, government could play a catalytic role by offering clearer guidance, classifications, or even limited guarantees to further reassure both councils and investors. Targeted grant funding for project delivery could also strengthen private capital appetite by reducing the risk that projects fail to be delivered within agreed timescales.

### Scale and consistency of demand

***Challenge:*** To date, a handful of councils have set overall ambitions to raise £5-6 million through CMIs, but these totals are typically reached through a series of smaller offers, usually around £1 million each. Compared with the scale of capital required for Net Zero, where even modest retrofit or energy projects often run into tens of millions of pounds, this is small. Investor demand can also fluctuate between issuances, and there is no established benchmark for what balance of retail and institutional investment is realistic in the long term. This uncertainty makes it harder for councils to plan CMIs as part of their broader capital strategy.

***Opportunity:*** Several pathways could help increase scale. Councils can normalise CMIs as part of long-term borrowing programmes rather than one-off initiatives. Aggregation across regions, or issuance through collaborative frameworks, could also increase volumes and reduce costs. Broadening the scope of CMIs beyond climate to include housing retrofit, adaptation, or even preventative health bonds could attract wider participation and unlock larger projects. Consistent participation from institutions and foundations, alongside retail investors, would further stabilise demand and allow CMIs to evolve into a mainstream part of councils' capital stacks. Alignment with emerging public funding sources targeting infrastructure and economic growth could provide another route to increase issuance size and ensure that investment is demonstrably linked to wider policy objectives for the area.

# Case for action & next steps

**CMIs are not a silver bullet for funding local economic growth or the Net Zero transition, but they represent a promising innovation in place-based finance: a tool that unites community engagement and investment with private institutional capital.**

The next phase is about scale. Councils can begin to see CMIs not as one-off experiments but as part of their long-term borrowing strategies, helping to deliver prosperous, sustainable places and drive local economic growth. Successive issuances build awareness, deepen investor bases, and embed CMIs within treasury practice. Mission-driven institutions such as Unity Trust Bank and foundations such as Esmée Fairbairn have shown how institutional and philanthropic partners can complement resident investors, creating a more resilient and impactful model. Over the longer term, growth of the retail investor base could become the main driver of CMI funding, reducing reliance on institutions while embedding citizen participation at the heart of local climate finance.

National actors also have a role to play. The GFI has been instrumental in developing and promoting CMIs, providing toolkits and mobilising institutional investment. Continuing this work will be vital for raising awareness, building council confidence, and ensuring sufficient investment supply to meet council borrowing requirements.

As the market grows, there is also a need for convening, collaboration, and innovation across the wider ecosystem. Connected Places Catapult and 3Ci are uniquely positioned to support this. By bringing together local authorities, private investors, and innovators, these organisations can help create the partnerships and blended-finance structures needed to scale CMIs and embed them into the broader capital stack.

The call to action is clear:

- Incorporate CMIs into treasury strategies, treating them as a routine part of the borrowing mix.
- Utilise new models of co-investment and match-funding to stabilise demand and attract scale.
- Provide supportive frameworks, technical assistance, and regulatory clarity to lower barriers to entry.
- Align public policy priorities and funding streams with co-investment models to maximise impact.
- Continue to innovate, convene, and promote the model so that CMIs remain accessible, credible, and adaptable to new challenges.

Although still at an early stage, CMIs have already proven their power to mobilise local pride, unlock affordable capital, and build trust between councils and communities. With greater coordination and ambition, they can now grow into a mainstream tool for sustainable place-based finance, helping deliver Net Zero while strengthening the social fabric of local communities.

# Acknowledgements

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## Get involved

3Ci Cities Commission For Climate Investment

To discuss public-private investment solutions for decarbonisation, get in touch at contact@3ci.org.uk

Ready to accelerate innovation in transport, built environment, or public services?

**Connect with us:**

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