Making Places Better, Together

The Civic Impact of Community Municipal Investments

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Foreword



“Can a new public policy innovation be too good to be true? In the case of Community Municipal Investments (CMIs) it seems not. In this timely and refreshing report, Mark Davis and Emma Hyde have captured the impact of an ingenious way to build a virtuous cycle of public investment and public trust. CMIs are the smartest of smart policy, allowing local citizens and organisations to invest in the things their community needs, and earn a financial return. In the process they build the civic fabric of relationships between the local citizen, the local state and the local community.

And the report carries with it proof of concept in the shape of 19 councils across the country that have already raised £30 million, gathering the evidence of how it has made a real difference on the ground. In places from Bristol and London to Sheffield and Edinburgh, small investments have been piled up to make a big impact on highly visible social regeneration, transport, housing, local energy, economic resilience, nature and cultural projects.

This extraordinary policy development must now be ramped up. As a living embodiment of the kind of public, private and political innovation carried out in Greater Manchester by its former highly successful Mayor, CMIs now need government backing to promote them and to regulate in favour of them, not least by ensuring that they are built into local planning applications as a method of investment.

As faith in democracy declines alongside our ability to invest in the things our communities need, the idea of CMIs could not have come at a better time. This landmark report shows us practically how we can make the desirable feasible. It’s time to put Community Municipal Investments firmly on the public policy map.

Neal Lawson
Director of Compass

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Exec Summary

UK citizens lend money to the UK Government through National Savings and Investments (NS&Is). What if they could do the same for local authorities?

Starting from as little as £5, **Community Municipal Investments (CMIs)** allow people to lend money for a competitive return to their local councils to improve public spaces, build better services and deliver both social and green projects.

Usually held over a 5-year term, CMIs pay fixed cash interest payments to investors every six months across that period. The model uses a standardised legal framework, making the model easy to replicate, cost effective for councils and efficient for investors.

Rather than rely on the Public Works Loan Board (PWLB) or the priorities of commercial banks for their borrowing, CMIs give UK councils the means to raise capital for projects that are a priority to their residents. Every CMI issued to date has been below the PWLB Certainty Rate, at an average saving of 29 basis points after fees[1].

This report goes beyond those financial savings for councils. It gathers evidence of the many ways that CMIs **create civic value**, allowing people to become active participants with a real stake in their communities, as opposed to individual consumers who simply live there.

UK households hold £2.4 trillion in savings[2]. Local authorities need long-term affordable capital. This report demonstrates that CMIs are the proven mechanism to connect the two – building treasury resilience and civic value at the same time.

“It’s participatory. And I think that’s a real strength of it. It gets people on board with the idea that they’re doing things in their areas […]. People often feel so separated from decisions that are taken for them, rather than by them. So, things like this break down those barriers. Even if they don’t invest in it […] people feel really involved in it because it’s a mass thing that the community is involved in […]. There’s a lot of value in it because it makes people feel like the council is theirs again.”

Cllr Minesh Parekh
Sheffield City Council

[1] Green Finance Institute & University of Leeds (2026) *Community Municipal Investments (CMIs) - Bringing the Benefits of NS&I to Local Government. London*: Green Finance Institute.

[2] Green Finance Institute & University of Leeds (2026), p.17.



> I really do think that this allows you to build some more trust with the community, in that you've said you're going to do this thing, you have then done that thing, and that's their money that's self-financed that. They've directly contributed."

Patrick Rowe
Strategic Finance Manager, Westminster City Council

Key Facts

This report presents evidence from **19 UK councils** along the spine of Britain – from Glasgow through Sheffield to Southwark – and **over 300 investors** to prove that CMIs:

- deliver the change communities want, fostering a sense of place and participation
- represent a financial pathway that councils can trust, underpinned by a standardised legal framework, easily replicated in any local authority area
- give investors the confidence that their investments are both financially sound and socially productive
- restore agency, skills and pride in the work of local government
- increase trust in the councils that issue them, such that some investors choose to donate their interest payment back to help fund other projects in the community.

Findings

For councils, CMIs:

- provide a new opportunity to communicate with residents, to demonstrate practical and collaborative action, helping residents better understand the role and impact of their local council. This strengthens public confidence and trust over time.
- enable people to have a meaningful stake in improving the places they care about, fostering greater local participation in shared civic missions.
- generate a stronger sense of optimism that, while some will move more quickly than others, through successive CMI launches councils can grow their pool of committed local investors.
- strengthen council autonomy in responding to local needs by mobilising place-based investment. This extends beyond individual councils, with the CMI providing a way to build new relationships within and across local authorities and city-regions.
- offer a consistent saving against Public Works Loan Board (PWLB)
- can meet the medium-term borrowing needs of up to 42% of actively borrowing councils – equivalent to £2.3 billion per year – and generate a sector-wide lifetime saving of up to £76 million at scale.

For investors, CMIs:

- provide an opportunity to generate positive impact, with a more 'ethical' use of money demonstrated by greater transparency over how funds are used to deliver improved outcomes for people and place.
- offer a greater sense of understanding, participation and involvement in the work that local councils do more broadly.
- reflect a wider belief that councils are best placed to understand and respond to the particular needs of a local area.
- are linked with growing feelings of trust and hope in local government.
- provide an acceptable rate of financial return alongside the wider civic impact.

Investors Surveyed:

66.3% want to know more about the positive community impact the council(s) they've invested in are making.	**59.8%** feel that the council(s) they've invested in are working in partnership with its citizens / residents.
59.2% feel more optimistic about the future of the place they live as a result of investing in a CMI.	**47.3%** trust the council(s) they've invested in more knowing that it is delivering the projects from their investment.
43.2% trust the council(s) that issue a CMI to its citizens / residents more than those councils who don't.	**34.3%** of local investors reported greater interest in local government since investing in CMIs.

The work to establish the legal, risk and investor mechanics of CMIs has now been completed and delivered real success in a variety of places across the UK – urban, rural and coastal, and issued by Labour, Conservative, Liberal Democrat and Green councillors.

To scale up and realise the benefits of local investment in all places, the authors of this report recommend the following call to action to central government. Working with partners Abundance Investment and the Green Finance Institute (GFI);

> It's funding initiatives that mean something to me, in a place that means something to me."

Local investor

"You feel part of the community extended beyond your location, and you feel empowered that even though you don't have a lot of money, you can still make a difference"

Non-local investor

"It's a sense of belonging; a sense of being able to give something back. It is, after all, my community."

Local investor

"I believed before investing that local councils, if given the power and resources to do so, represented the best agents of change in their local area."

Non-local investor

"I like hearing how councils are using the investments to improve things. It gives me some hope that people in charge actually care about the future."

Local investor

Call to Action

Together, we will:

Drive growth with new and existing councils by expanding the use of CMIs across the capital programme. We will support councils to create a regular cadence of issuance; set ambitious targets for CMI expansion; and enable people to invest across a wider local government area into combined authorities and city-regions that deliver for multiple local councils as a part of regional growth strategies.

Build credibility by continually expanding the evidence base on impact. We will make visible where the money goes – to schools, regeneration, social housing, energy infrastructure – so that investors can see the use of proceeds. We will demonstrate financial as well as civic value, matching retail investors' need for impact with council need for a diversified, low-cost borrowing option.

Expand the investor base by consistently communicating investment performance and track record, reporting on repayment performance, and running education campaigns to close the gap between perceived and actual risk. We will establish partnerships with mission-aligned organisations to raise awareness of the CMI with residents in those places where they are issued by a local authority.

Support secondary-market liquidity, establishing routes for councils to buy back loans on the secondary market, giving investors a credible exit.

Make investing simpler, more accessible, and easy to exit. We will bring additional tools to the platform and establish partnerships to expand distribution and build on the commitment made by Unity Trust Bank and Esmée Fairbairn Foundation to attract further institutional and intermediated capital to drive regional growth.

But, CMIs need:

Promotion: In the same way government promotes National Savings and Investments (NS&I), we need a national public information campaign for CMIs. To normalise a new option for people to use money positively to drive improvements in their community, local success stories are not enough. We need a trusted national touchstone and champion for more people to understand and use the model.

Legislation: CMI's are feasible and easily replicable now with a standardised legal framework in place. However, there is more that primary legislation can do. We would like local planning applications to be able to include local investment models as indicators of civic value for infrastructure projects. We want Public Finance Institutions such as the National Wealth Fund (NWF) and British Business Bank (BBB) to support CMIs by providing a facility to help the Abundance platform to scale its lending to councils. The Financial Conduct Authority (FCA) needs to revisit its rules on financial promotion, which were not designed with the longevity and risk-profile of UK councils in mind, and be open to re-regulation.

Advocacy: The devolution agenda to empower strategic and mayoral authorities will include new and ongoing settlements for the capital programmes of our places. We need central government to advocate for the blended use of CMIs in the capital programme related to these settlements. CMIs need to be included as part of the negotiations with local government over the way in which central funding and debt programmes combine to deliver local services, programmes and infrastructure.

In these three ways, central government can help to ensure the civic impact delivered by CMIs are realised in every UK postcode.



Introduction

The money councils need to improve local services and build new infrastructure usually comes from the Public Works Loan Board (PWLB) or commercial banks. Both borrowing channels are hidden from public view and neither allows local people to have a real stake in the projects that improve the places they live and care about.

This report demonstrates another way, one that has thrived in the past few years and can be replicated easily across the country.

Community Municipal Investments (CMIs)[3] allow councils to raise money for local projects by enabling people to invest in them for a return. In this way, CMIs can be the financial tool to restore growth and civic value in every postcode.

In what follows, we provide evidence of the civic impact of CMIs and call on UK Government and aligned organisations to **Promote, Legislate,** and **Advocate** for the model to make CMIs a business-as-usual way for people to put their money to work locally.

[3] CMIs are the principal model, within which are contained certain sub-categories of products, e.g., Local Climate Bonds. www.greenfinanceinstitute.com/productssolutions/lcbs

What is a CMI?

A CMI is a direct loan to UK councils from residents, other citizen-investors and values-aligned institutional investors. Usually held over a 5-year term and managed by the innovative finance platform, Abundance Investment[4], CMIs pay fixed cash interest payments to investors every six months across that period[5].

CMIs use a standardised legal framework, making the model easy to replicate, cost effective for councils and efficient for investors.

From a retail point of view, the CMI model is simple. Instead of holding small or larger pots of money in a high-street banking product – such as a savings account or Cash ISA – the CMI provides people with an equivalent rate of return and an easy way to invest in their local area by lending to their council or unitary authority. Funds held in a CMI are also eligible for tax-free Innovative Finance ISA benefits[6].

CMIs therefore offer similar benefits to National Savings and Investment (NS&I) as a treasury backed product, but for devolved authorities – making the model essentially a "Local Savings and Investments (LS&I)" offer[7].

To date, **nineteen UK councils** have issued CMIs and the model has been championed across the political spectrum by Labour, Conservative, Liberal Democrat and Green councillors.

CMIs have succeeded in raising almost **£30 million** across this variety of political and socio-economic contexts and in urban, rural and coastal areas, proving the model is operationally viable and adaptable for use by different types and scale of authority[8].

For councils, CMIs create an additional source of locally controlled capital that can be directed toward highly visible social regeneration, transport, housing, local energy, economic resilience, nature and cultural projects.



[4] www.abundanceinvestment.com

[5] Green Finance Institute & University of Leeds (2026)

Davis M (2021) *Community Municipal Investments: Accelerating the Potential of Local Net Zero Strategies*. Innovate UK/University of Leeds.

Davis M and Cartwright L (2019) *Financing for Society: Assessing the Suitability of Crowdfunding for the Public Sector*. Government Inclusive Economy Unit, DCMS/University of Leeds.

[6] www.abundanceinvestment.com/tax-free-isa-investing

[7] Green Finance Institute & University of Leeds (2026)

[8] www.abundanceinvestment.com/councils-we-work-with

For those lending to councils this way, they get to know exactly what positive difference their money is making through transparent reporting of projects across a council's entire capital programme enabled by the investment.

Examples of such projects delivered or planned include:

- In Bristol, keeping frontline **children's respite care, community facilities and social service centres** open to the public for longer during the week by carrying out retrofit works across the council estate, as the energy costs of keeping these buildings open are reduced through such measures
- In Camden, installing solar panels on a **residential care hub** for older people with complex needs to keep energy costs low
- In Glasgow, providing **safer streetscapes outside local schools and care homes** across the city while considering using the investment to educate children about money, child poverty and community
- In Hackney, driving down the energy costs for **council-owned housing estates** through its Residential Solar PV Pilot, the first of its kind in the UK
- In Hammersmith & Fulham, **improving streets, drainage, pathways and parks** to boost biodiversity, active travel and natural flood defences while enhancing the high-street for local businesses and residents
- In Sheffield, upgrading the **electric vehicle charging infrastructure** across the city and installing solar panels on **primary schools,** estimating an average saving of £50,000 per school over 25 years as a result
- In Southwark, replacing all **street lighting** and installing social panels on **leisure centres** in the borough.

For people to invest in something, they need to understand and feel positive about making that investment. For them to reinvest, they need to see evidence that projects were delivered and either met or exceeded their expectations.

Likewise, to build trust in local government, people need to understand the role of councils in their lives and feel good about their ability to deliver positive outcomes. **In West Berkshire, 1 in 6 investors in their CMI chose to donate the first interest payment back to the council to support a wider range of projects in the district**[10].

Gifting money to local government signals that CMIs can deliver more than just financial value. As the testimonies in this report demonstrate, CMIs are a **civic innovation** capable of building stronger, fairer and more robust places for the future through funding local projects people care about.

[10] www.newburytoday.co.uk/news/green-bond-is-already-paying-off-9198726

Creating Civic Impact

Beyond a financial return, CMIs provide a simple and practical way to increase local participation by developing new forms of public engagement such that residents also become the co-owners of a shared civic mission.

By creating new communications channels about council activities, local ambitions and success stories, CMIs can also help to reset the relationship between local government and residents to begin *making places better, together*.

This is because, instead of encountering the council in a narrowly interventionist or tax-raising way, the CMI model offers people an opportunity to invest directly in local projects they value and then to share in the long-term benefits. This creates a more substantive form of democratic engagement, linking public participation directly to local economic development and place-making.

A major challenge facing devolved authorities is securing patient capital for local infrastructure projects and capacity-building investment. Conventional finance cannot lend to councils below the PWLB rate, whereas CMIs mobilise local citizen savings at an equivalent or lower cost to support long-term investments in public infrastructure – the foundational systems that shape everyday life[11]. Aligned with the principles of Community

[11] UK Government (2025) September 2025 *Commentary for Annual savings statistics*. Estimates the UK's Cash ISA market to be £360 Billion in 2023-24. Including stocks and shares ISAs, that volume rises to £872 Billion. Moving just a fraction of those savings held in Cash ISAs into a CMI offer would be transformational for local government.

Wealth Building[12], CMIs can help to retain resources that might otherwise flow out of a local area to be invested elsewhere.

In May 2025, Unity Trust Bank and Esmée Fairbairn Foundation invested £16 million into CMIs[13], showing how the model is already acting as a trigger to crowd-in wider investment to stimulate local economies. The model also complements the UK government's proposed Good Growth Funds, based on a scheme in Greater Manchester[14], and the wider objective of creating place-based financial ecosystems capable of supporting local economic renewal.

In what follows, we present evidence of how CMIs are already working for councils, investors and local people. But first we set out why now is such a critical moment to start rebuilding civic value in every postcode.

[12] Manley J and Whyman PB (eds) (2021) *The Preston Model and Community Wealth Building: Creating a Socio-Economic Democracy for the Future*. London: Routledge.

Guinan J and O'Neill M (2020) *The Case for Community Wealth Building.* Cambridge: Polity.

Kelly M and Howard T (2019) *The Making of a Democratic Economy: How to Build Prosperity for the Many, Not the Few*. Oakland, CA.: Berrett-Koehler Publishers.

[13] www.unity.co.uk/news/unity-becomes-first-uk-bank-to-invest-in-local-climate-bonds

[14] Fitzpatrick K (2025) '£1bn growth plan for Greater Manchester unveiled', *BBC News Online*.



Revitalising Civic Life

As democratic norms begin to fracture, Britain can appear as a society of individuals – politically divided, economically unequal and constantly exhausted by the need to find personal solutions to systemic problems.

In the Summer of 2025, seven in ten Britons said that the country was "on the wrong track" and many were starting to conclude that the problems with the country lay not in one party or political leader, but with the system itself. Many Britons said they were willing to "roll the dice" on something new entirely, risking an unprecedented level of political and social fragmentation. No wonder some have described Britain as "shattered"[16].



"Side-by-side with the breakup of the world order, we are seeing another twenty-first century phenomenon: the breakdown of local communities. It is a slow, grinding, at times almost invisible, erosion of civic life and with it the social contract on which democracy has long depended."

Gordon Brown [15]

[15] Brown G (2026) *The Future Starts With Us*. London: Simon & Schuster UK Ltd., p.ix.

[16] Dorling D (2023) Shattered Nation: *Inequality and the Geography of a Failing State*. London and New York: Verso.

Tryl L, Rajah A, Hodgson E and Stowers S (2025) *Shattered Britain: Making sense of what Britons wants in a country that feels broken*. London: More in Common.



Amidst a worldwide epidemic of loneliness[17], people today also rely on only a small circle of family and friends for support with personal troubles. They lack meaningful engagement with civic organisations and community associations, limiting face-to-face encounters with other people and fuelling a loss of empathy that can result in the creeping sense that there is nowhere to turn for help in times of need.

And those times are now. Economically, the cost-of-living crisis widens and deepens to ensnare more families who are struggling to make ends meet. Over half of the UK population believes the crisis will never end[18], with 73% of 16–25-year-olds feeling acutely anxious about the economy[19], which is seen as something that is done to people; not with them.

One explanation for this is that "consumption, and not civic participation, has increasingly become the dominant means of engagement in society"[20]. Consequently, the public's primary role has ceased to be as active citizens of democracy and instead become that of individual consumers operating in a market setting[21].

Overcoming this 'consumerist' view of Britain today represents a major policy and societal challenge. As social media and AI enable a proliferation of competing narratives that can undermine trust in authority, weaken social ties and frustrate attempts to create shared understandings of public issues, reconnecting people meaningfully with the place they live truly matters. Against this backdrop, restoring civic life is vital to the health of our democracy and our society.

Author, Jon Alexander argues that we start to fix Britain's problems by remembering that the financial power of the economy hasn't aways been so disconnected from the collective power of society[22]. Increasing civic participation, Alexander argues, is the best solution to overcoming the harmful and individualising 'Consumer Story' of the last four decades. This is because people are prepared to look beyond their own wants and become more committed to collective goals when they can see a tangible connection between their actions and local outcomes.

[17] Dugan A (2024) Over 1 in 5 people worldwide feel lonely a lot', Gallup.

[18] Tryl L, Rajah A, Hodgson E and Stowers S (2025) *Shattered Britain*, p.177.

[19] Hill A (2026) 'Most young adults in UK are anxious about jobs and the economy, research suggests', *The Guardian*, 27 January 2026. Available at: www.theguardian.com/society/2026/jan/27/uk-young-people-anxious-jobs-economy

[20] Brown G (2026) *The Future Starts With Us*, p.74.

[21] Bauman Z (2011) *Consuming Life*. Cambridge: Polity.

Lawson N (2009) *All Consuming*. London: Penguin.

[22] Alexander J (2022) *Citizens: Why the Key to Fixing Everything is All of Us*. Kingston upon Thames: Canbury Press Ltd.

[23] Caramela S (2026) 'Gen Z Is Done Doomscrolling, Now They're Community-Maxxing', *Vice Magazine*, 25 August.

[24] Brown G (2026) *The Future Starts With Us*, p.63.

[25] Local Government AssociaHon (2008) *The reputation of local government: literature review to support the 'my council' campaign*. Ipsos MORI Social Research Institute.

[26] UK Cabinet Office (2026) *Rewiring the State - Cabinet Statement*. 31 July 2026.

UK Government (2022) *Levelling Up the United Kingdom - Policy paper.* 2 February 2022.

[27] Burnham A and Rotherham S (2025) *Head North: A Rallying Cry for a More Equal Britain*. London: Trapeze/Hachette.

Lawrence M and Williams A (2026) *The ProducCve State: A Framework for Manchesterism*. London: Mainstream.

[28] Further to the IMD data reported here, the claim to social inclusivity is made relaHve to the more typical threshold for investment in UK green bonds of £100, e.g., UK Government Green Savings Bonds via NS&I.

[29] Evidence accurate as of 30 September 2026. Source: Abundance Investment.

In what Gen Z has tagged 'community-maxxing'[23], finding ways to reconnect citizens with their neighbourhood through shared civic missions is essential for addressing the isolation and loneliness that so often drives social fragmentation and political division[24].

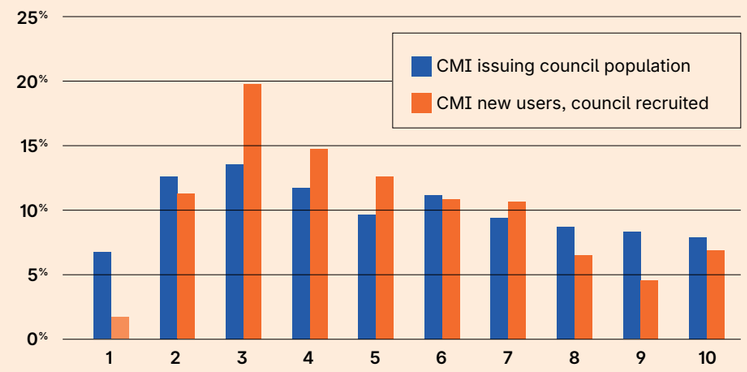
As place-based anchor institutions, councils and unitary authorities can provide legitimacy and longevity to catalyse community action, strengthen civic participation and mobilise people to reduce regional inequalities. This is important because research shows time and again that citizens have higher levels of trust in local government the more varied and positive the points of contact that exist between them[25].

Whether promised as 'Levelling up' or 'Rewiring the State', the ambition to devolve power to spread opportunity more equally across the UK[26] – intended to transfer resources and decision-making away from Westminster and Whitehall and towards local and regional institutions[27] – hinges on the willingness of people to trust the officials within local government bodies to share that power with residents in a shared mission to rebuild the community infrastructure they rely upon.

As part of a wider eco-system of measures to empower the regions, CMIs are a proven mechanism for mobilising people's savings to fuel civic renewal. It is therefore vital that the model is available to everyone.

"For everyone in every postcode"

CMIs are designed to be socially inclusive, achieved via a minimum investment threshold of **£5**[28]. Whilst the financial return on investment is negligible at that level, there are wider civic value benefits to participating, as evidenced by the spread of existing CMI investors across the Index of Multiple Deprivation (IMD) deciles[29].



An advantage of CMIs in this regard is an innovative approach to risk. Investors who lend money to their council take local government risk, not project risk. Capital is at risk based on the council's ongoing ability to raise its taxes and the likelihood the council ceases to exist during the term of investment. To put that in perspective, no UK council has ever defaulted, making the proposition equivalent to holding central government risk.

Moreover, investors do not assume the risk that a given infrastructure project succeeds or fails. Securing funding against the council also reduces the level of overall lending risk and so provides access to lower rates of interest[30].

Indeed, the entire investor proposition does not depend on incentivising novel behaviour. CMIs do not ask citizen-investors to do anything that they have not already shown they are willing to do. The proposition offered by CMIs rests on patterns of behaviour already well-evidenced through the retail use of ISAs – with the CMI being Innovative Finance ISA-eligible – as well as more directly via the existing successful raises across the nineteen UK councils to issue so far.

Since issuing councils receive a diversified borrowing channel whose pricing is not anchored to the daily gilt rate[31] or to central government policy, CMIs represent a meaningful structural addition to their borrowing toolkit.

Revitalising civic life in Britain is a major challenge. One lever that can be pulled in pursuit of that ambition is to find new ways of harnessing the resources of places to support productive investment in the public infrastructure communities share and rely upon[32]. CMIs provide councils and city-regions with access to locally based capital, building new opportunities for civic engagement while enabling money to circulate within local economies to the benefit of local people.

No other borrowing instrument offers the civic value opportunity of CMIs in addition to the retail offer to citizens and the financial savings to councils.

In what follows, we hear from councils and investors on how the CMI is already delivering that civic impact now and how this success can be scaled nationwide.



No other borrowing instrument offers the civic value opportunity of CMIs in addition to the retail offer to citizens and the financial savings to councils.

[30] www.local.gov.uk/publications/guide-financing-green-ambitions

[31] www.dmo.gov.uk/responsibilities/gilt-market/about-gilts

[32] Fullerton JB (2026) *Regenerative Economics: Revolutionary Thinking for a World in Crisis*. Gabriola Island, BC: New Society Publishers.

Method and Evidence

This report was funded by an Impact Accelerator Account award [ES/X004406/1] from the Economic and Social Research Council (ESRC), as part of UK Research and Innovation (UKRI), and the Leeds Institute for Societal Futures (LISF) at the University of Leeds.

This grant enabled the gathering of new evidence from key stakeholders on the 'non-financial' value of the Community Municipal Investment (CMI) model. From 1 June to 31 August 2026, the authors conducted desk-based research into council and linked media articles about the CMI. Eleven 30-45 minute interviews were then conducted with responsible officers within those 19 councils who have issued, or were about to issue, a CMI offer (*Edinburgh launched their offer during the report writing phase).

Interviewees represented a diverse range of local council roles and functions, including elected councillors, strategic finance, climate change, environment and nature recovery teams, as well as communications and public engagement. All interviewees had been involved in their council's CMI offer in varied but central ways. The discussions focused upon the broader civic benefits generated by the CMI, as well as its impacts within councils and its wider reach into local communities. Consent was obtained where interviewees are named in the report.

Working with Abundance Investment, a survey was also circulated to CMI investors through their platform.

The survey generated 140 responses from those investing within their own council area, and 169 responses from investors beyond their own local council, making a total of 309 investors in the sample. All survey responses were anonymised with the only identifier being whether they were an investor in their local CMI offer ('local-investor') – including those with other direct connections to the area through family, friends, or previous residency for example – or not ('non-local investor').

A single in-depth interview with one CMI investor was also carried out to test and explore our analysis of the survey data. The investor interview followed the same ethical review and consent process as the interviews with councils [Ref: BESS+ FREC - 2026 4459-7170].

All data was analysed using qualitative methods, coded and thematically-analysed by the authors. Report writing was undertaken in September 2026 and went through two rounds of peer-review with colleagues at the Universities of Leeds, Oxford and York, as well as the Green Finance Institute. Our final analysis of this data is presented in the remainder of this report – including three case studies along the spine of Britain, from Glasgow, through Sheffield, and on to Southwark – and we conclude with a Call to Action to scale the benefits of the CMI model nationwide.

The authors would like to thank everyone who has supported us in this project.

Note: This report is the companion to a linked Technical Paper produced by the Green Finance Institute (GFI) and the University of Leeds that assesses the financial value of the CMI proposition for Chief Finance Officers and s151 officers in UK councils:

Community Municipal Investments (CMIs) – Bringing the Benefits of NS&I to Local Government, also published in September 2026.

That Technical Paper is available here: www.greenfinanceinstitute.com/wp-content/uploads/2026/09/GFI-CMI-Technical-Paper_Full-Paper_202662.pdf





> Community Municipal Investment projects are a great way to build a direct link between investment and community benefit." He further emphasised that the initiative would "help save the city hundreds of thousands of pounds and provide a return for investors."
>
> **Cllr Angus Millar**
> Glasgow City Council

Glasgow City Council

Glasgow City Council became the first local authority in Scotland to launch a CMI and forms part of the council s wider strategy to deliver infrastructure improvements while increasing local participation in public investment.

The first phase of Glasgow's CMI launched in September 2025 with a target of raising £1 million to support the installation of solar photovoltaic (PV) panels on council-owned buildings. The full £1 million target was successfully raised before the investment closed on 1 December 2025, demonstrating significant investor interest in locally focused climate initiatives.

The council later reported that the **average investment was £2,164.50** and that local citizens contributed a higher proportion of investment than had typically been achieved in comparable first time CMI launches elsewhere in the UK.

These initial funds have been used to expand Glasgow's renewable energy infrastructure. The council used funds to install more than 1,700 solar panels on council-owned sites, including Kelvin Hall, and planned to extend solar generation to a further 36 properties.

Following the success of the initial raise, Glasgow launched a second phase of its CMI programme in 2026. The council stated that the new funding would support nature-based interventions around schools and care homes, including trees, planters with integrated seating, nature walls and other safety improvements designed to enhance public spaces, contributing to the council s 'Liveable Neighbourhoods' and active-travel agendas.

By August 2026, Glasgow's CMI programme had raised approximately **£3.2 million** across three funding rounds. The Glasgow experience illustrates how CMIs can diversify local government finance while strengthening civic engagement by creating a visible connection between residents' investments and tangible projects in their communities.



Impact for Councils

Since their ‘test and learn’ phase with pioneering pilot launches by West Berkshire (rural, then Conservative-led) and Warrington (urban, then Labour-led) in late-2020, Community Municipal Investments (CMIs) have matured and refined to finance over sixty-five local infrastructure projects with almost £30m invested across nineteen councils[33].

These projects initially carried a ‘green’ focus as councils acted on their Net Zero plans – hence, the CMI model holding a sub-category of products, e.g., ‘Local Climate Bonds’ – but lead councils are beginning to deploy the model to fund social projects across the entire capital programme, engaging a broader spectrum of the public at the same time.

Delivering Change for Local People and Places

The funds raised through CMIs have supported a diverse portfolio of social and green projects including improvements to council-owned buildings, such as schools, leisure facilities and care homes, while making improvements to streets and pathways to enhance the environment for local businesses and residents. There has also been a strong focus on delivering energy efficiency measures, clean transport, air quality improvements, and biodiversity and nature recovery schemes.

A significant portion of these projects have been community-focused, delivering upgrades and

[33] https://councils.abundanceinvestment.com/case-studies

improvements to local facilities, services, and public spaces. Examples include the renovation of local leisure centres, the installation of solar PV on schools, and improvements to specialist residential care hubs, day centres and sheltered housing facilities.

It also includes the more mundane yet essential services that councils provide for communities, supporting the de-paving and greening of 'grey' spaces – such as urban tree-planting schemes and the creation of nature gardens on social housing estates – while also upgrading street lighting, access to community recycling bins, and improving local signage. Other local projects such as an expanded 'Library of Things' – a community re-use service for renting household, DIY and gardening tools – have supported circular economy initiatives and affordable consumption.

For the councils interviewed in this research, these community-focused initiatives were a strong source of organisational pride and helped to communicate the full range of discretionary services that councils provide for residents.

Through direct engagement with citizen investors and local people, CMIs were viewed as particularly effective in generating support and investment for community-centred projects. Where possible, projects selected for funding through the CMI were those which would make tangible and visible changes within the local community, enabling people to experience meaningful benefits in their everyday lives. This aligns with the motivations of both local and non-local CMI investors, for whom place-based action and impact is a core driver and incentive (see pages 37-38)[34].

[34] Davis M (2021) *Community Municipal Investments*.



"We wanted to really promote that community investment, that community asset, and allow people to be able to touch the thing that they can invest in [...] Anyone that's around the Seymour Leisure Centre who used that asset, I hope that it's something that they got excited about being able to support."

Patrick Rowe
Strategic Finance Manager,
Westminster City Council

"These interventions have been established in order to make sure that we're bettering the city, and that it's going to benefit people firsthand."

Spokesperson
Glasgow City Council

Councils can embed their existing social and green initiatives within the CMI, with some using the investment to raise funds for community-led projects. For example, CMI funding has been channelled through community grant schemes, enabling local organisations and places of worship to deliver much-needed energy efficiency improvements to their buildings and facilities. Reduced energy costs have helped maintain essential services, ensuring that valued facilities remain open and accessible to the communities they serve.

"For the community groups involved [...] for them, it's not just the costs saved on receiving the grants to install solar panels [...] it's then the ongoing savings on their energy bills. That's a massive thing."

Cllr Katherine Dunne
Hounslow Council

Beyond the financing of specific projects, councils viewed their CMI offer as a valuable opportunity to deliver wider social and economic benefits for local people and places.

"We could pay the interest back to a financial institution outside of Edinburgh [...] or we can pay money back to residents who are based in Edinburgh or local businesses and keep money within the local economy."

Joe Clancy
Nature Recovery Coordinator,
City of Edinburgh Council

"Putting solar panels on primary schools, cutting bills, and meaning more education budget can be spent on teaching and learning [...]"

Cllr Minesh Parekh
Sheffield City Council

Looking ahead, as familiarity and confidence with the model grows, councillors reported considering other ways that the CMI could be applied more fully across the entire capital programme.

"People are looking at it for other policy areas potentially other than climate in future. Seeing if it's valuable for other policy areas or useful for a wider selection of council areas".

Spokesperson
Bristol City Council

"There's been conversations around what CMIs should look like in the future [...] What are the intervention areas like emergency housing and things where there could be potential to plug in CMIs within that space."

Spokesperson
Glasgow City Council



Showcasing Collaborative Action and Leadership

CMIs offer councils a new channel for communicating with local residents, providing a unique opportunity to demonstrate practical and collaborative action towards building more sustainable and resilient communities. In doing so, they can help residents better understand the role and impact of their local council, with the potential to strengthen public confidence and trust over time.

Whilst there is strong public recognition of the central role that local councils play in shaping people's everyday quality of life, awareness of the specific nature and scope of the work councils undertake generally remains low[35]. Concerns about public misunderstanding and negative attitudes were reflected in the interviews, with council representatives across different teams keen to move beyond narrow framings around 'council tax, bins, and potholes'.

Communicating climate action commitments to residents was seen as particularly challenging. Whilst people may hear about their council's green initiatives, there was a sense that residents may not always recognise what this work looks like in practice.

"One of the main benefits was that it put a spotlight on our climate action commitments and the work that Islington is doing."

Owen Darracott
Strategic Finance Manager, Islington Council

"I think the best thing about it is that comms and the connection it gives you with local residents on local transformative projects. It just is a really effective way of communicating the local ambition for a place [...]. Where we have had those local greening projects and community energy projects, that's where we've seen the connection between actually helping the resident understand what the council's role is, wanting to invest in that, and then seeing the benefit and the change locally. That's something that I think is often quite unique to CMIs."

Tom Sharland
Head of Climate Change & Sustainability
Southwark Council

[36] https://climate.leeds.ac.uk/our-work/climate-evidence-unit/realising-co-benefits-of-climate-action/

A key benefit of the CMI for councils is its value as a communications tool. CMIs provided a unique vehicle for councils to show local residents what they were doing to tackle climate change – and in practical terms at the local level. Particularly where councils had issued multiple CMIs, this was seen to reinforce the message that they were taking climate commitments seriously and making ambitious and sustained efforts to finance this essential work.

"This is a vehicle for emphasising what you're doing [...]. To show that we mean business, and properly in practical terms, and engage an audience we wouldn't otherwise have reached."

David Walton
Suffolk Climate Change Partnership Manager, Suffolk County Council

In addition to showcasing leadership and action in the climate space, the CMI enables councils to communicate this as a shared mission in which local people have a central role to play. For the councils interviewed, this collaborative and transparent approach set the CMI apart from more conventional council communications.

The CMI also offered an opportunity to showcase councils' wider capital investment programme. The ability to channel CMI funding into existing initiatives gave councils a new and engaging way to promote both their flagship initiatives and the more mundane routine services they provide to capture residents' attention. Both can help to improve understanding about the role of local councils, and it was anticipated that the CMI would excite local people and foster a sense of shared civic pride.

"We can link the CMI to some of our flagship programmes like Grey to Green, our free public transport offer, insulation and retrofitting of homes, or job creation [...] Because those are the things that we should be proud of as a council, and the things that we want people to most take away."

Cllr Minesh Parekh
Sheffield City Council

"We're able to show proof of delivery a little bit more [...]. It's just a really good additional opportunity to communicate and connect with residents on the capital projects we're delivering."

James Senior
Climate Change Engagement Project Manager, Southwark Council

Through their distinct focus on tangible, local-level projects, CMIs enabled councils to effectively communicate the wider co-benefits of climate action which often resonate more directly with people, including improvements to community health and financial resilience[36].

Engaging Local Citizens and Communities

In addition to its value as a communications tool, one of the most significant benefits that CMIs offer councils over traditional sources of borrowing is the opportunity to directly engage local citizens and communities. With investments starting from as little as £5, and the IMD data presented earlier testifying to the model's inclusivity [see pages 16-17]., CMIs enable local people to have a meaningful stake in the improvement of their cities and places. This collaborative action can help foster greater civic participation and build longer-term relationships of mutual trust between councils and residents.

Wider research highlights that people who feel involved in their local council tend to have higher levels of trust and confidence in their council's ability to provide effective local leadership[37]. Official statistics also demonstrate that people want greater opportunities to participate in, and influence decisions made by their council[38].

These findings also resonate strongly with the perspectives of CMI investors in this research, many of whom valued the opportunity to have a tangible stake in their local area and play a part in collectively shaping its future (see pages 38-39).

"How do you start instilling that feeling of community again with people and making them feel like they're part of things? Because I think it can become a big challenge [...]. There's more engagement in this, and we can really try to connect the people with the projects [...] and also allow them to actively invest in their city."

Spokesperson
Glasgow City Council

For the councils interviewed, CMIs had enabled much greater engagement with local communities. By inviting residents to invest directly in social and green projects in their local area, CMIs provided a new mechanism for involving local people and fostering collaboration around shared local priorities. Across the participating councils, this local engagement opportunity was consistently identified as a core benefit of working in this way, supporting broader ambitions to make people feel part of local decision-making and climate action.

"It gives people an opportunity to invest in their own city [...] and have a stake in their city's decarbonisation."

Spokesperson
Bristol City Council

"It engages people in environmental action and shows we're taking it seriously and that they can be involved [...] I think the idea that it is something in your neighbourhood, something in your community, something you can be part of that helps."

Cllr Martin Fodor
Bristol City Council

Councils were highly attuned to residents' concerns about climate change, and to the challenge of translating those concerns into meaningful action. CMIs were seen as a valuable response to this, offering local people a practical way to help tackle collective societal challenges that can often feel overwhelming.

Crucially, councils felt that CMIs could engage a broader cross-section of the community, with appeal for residents who might not ordinarily participate in climate action as well as those already involved in local activist groups.

"Yes, it's pro-climate, but it's also enhancing our surroundings, it's cutting bills, it will benefit the people who need it the most [...] So, I'm hoping by people seeing the results of it, we can get through to those who might shut off at the word climate".

Cllr Minesh Parekh
Sheffield City Council

The tangible link between investing in the CMI and making a positive difference within their local area was seen as a key benefit for broadening participation as well as building residents' enthusiasm and sense of capacity to engage in future council initiatives. In this regard, the minimum investment threshold of £5 was viewed as an important means of enabling more socially inclusive engagement locally.

"It is a fantastic way for us to engage locally. And we've seen really strong investment locally."

Tom Sharland
Head of Climate Change & Sustainability, Southwark Council

There was also a strong sense of optimism that, while it will take time and some would move more quickly than others, through successive CMI launches it is possible for councils to grow their own pool of local citizen investors.

In this regard, continued community engagement and accountability through CMIs were viewed as valuable for building trust, demonstrating that commitments made to local investors are being delivered. However, participating councils were keen to better understand their investor base and learn more about the perceptions and motivations of local investors in particular.

"I really do think that this allows you to build some more trust with the community, in that you've said you're going to do this thing, you have then done that thing, and that's their money that's self-financed that. They've directly contributed."

Patrick Rowe
Strategic Finance Manager, Westminster City Council

At a wider level, CMIs were viewed as key for embracing broader shifts towards more citizen-focused and participatory cultures within local government.

[37] www.involve.org.uk/our-work/our-projects/could-involving-citizens-help-unlock-true-english-devolution

[38] https://www.gov.uk/government/statistics/community-and-engagement-survey-202526-local-decisions







In addition to working with local groups who had accessed community grants through the CMI[39], a small number of councils had actively engaged and consulted local communities in the initial stages of their CMI journey. For example, this involved seeking early-stage views from lived experience and voluntary community groups, as well as wider council staff, and launching their CMI at climate and nature partnership events attended by local residents, businesses and charitable groups.

Across the interviews, councils were open to exploring more ways in which local people could have greater input into the CMI process and the selection of projects to be financed. Whilst recognising potential practical challenges, there was a strong willingness to explore how further engagement could be enabled, reflecting its importance in building more mutually productive relationships with local communities.

"It's participatory. And I think that's a real strength of it. It gets people on board with the idea that they're doing things in their areas [...]. People often feel so separated from decisions that are taken for them, rather than by them. So, things like this break down those barriers. Even if they don't invest in it [...] people feel really involved in it because it's a mass thing that the community is involved in [...]. There's a lot of value in it because it makes people feel like the council is theirs again."

Cllr Minesh Parekh
Sheffield City Council

[39] www.abundanceinvestment.com/invest/hounslow-green-investment-1

Empowering Local Authorities

More broadly, the CMI was experienced as a source of empowerment within local authorities, enabling councils to access an independent source of funding amidst an uncertain and fluctuating financial landscape. Additional to their financial benefit, CMIs strengthened council's autonomy in responding to local needs and mobilising place-based investment. This sense of empowerment also extended beyond individual teams, with the CMI strengthening relationships both within and across local authorities.

Financial strain and uncertainty within councils was a common theme across the interviews. Whereas central government can change the prudential borrowing rules, as it has done with PWLB and gilts (making prices more volatile), CMIs provide councils with greater autonomy and some risk mitigation against policy headwinds in delivering their capital programmes.

"Particularly for local authorities, when after then twelve-years of austerity, budgets are stretched, there is a lack of capacity – it's a way to increase that rather than responding to a lack of capacity through cuts or service reduction."

Cllr Minesh Parekh
Sheffield City Council

As councils continued to face the effects of austerity measures and budget constraints, CMIs offered a way to increase capacity without making further cuts or reductions to local services. Beyond their financial benefits, CMIs enabled councils to demonstrate to local residents their commitment to keep investing in their communities, services, and places.

Similarly, those who had championed and led their council's CMI expressed a strong sense of pride in challenging established ways of working and harnessing more innovative approaches to local investment that enabled greater involvement of local citizens.

"For me, the benefits have been the change in mindset in relation to we can do things differently, and there's a different way of doing this."

Spokesperson
Glasgow City Council

Through the launch and delivery of their CMI, councils also felt that organisational silos had been reduced, with climate and finance teams working together more closely. This was seen to strengthen climate action initiatives and provide a 'springboard' for future opportunities. The CMI model had also fostered a new network of local authorities who were working together to share mutual support and 'lessons learned', with some keen to explore the possibility of launching CMIs at the regional level.

"Being part of this community of boroughs and local authorities who have done this has been really positive from a networking point of view as well."

Owen Darracott
Strategic Finance Manager, Islington Council

"There's even possible future opportunities, if you wanted to work on a regional basis, could local authorities group together and launch a regional Community Municipal Investment?"

Joe Clancy
Nature Recovery Coordinator
City of Edinburgh Council

Across the interviews, councils strongly encouraged other local authorities to consider CMIs as an innovative, citizen-engaged approach to financing local infrastructure projects.



> The response from the people of Sheffield, local businesses and investors further afield has been nothing short of sensational.”
>
> **Cllr Ben Miskell**
> Sheffield City Council

Sheffield City Council

Sheffield City Council launched its first CMI in late 2025 and was originally intended to raise up to **£1 million** for climate projects across the city.

The scheme proved highly successful. The first round closed on 7 January 2026 after raising the full **£1 million target 55 days before the scheduled closing date**, signalling strong public support for the initiative with Sheffield recording one of the highest proportions of local investors compared with similar schemes elsewhere in the UK.

These initial funds were earmarked for a range of climate-related investments, particularly expanding renewable energy generation, with the installation of **solar photovoltaic panels on 26 Sheffield schools** a priority. The council supplemented CMI funds with an additional £365,775 from its Local Renewable Energy Fund to deliver the programme. The scheme is expected to reduce carbon emissions while lowering energy costs for participating schools through access to cheaper locally generated electricity.

There is a broader social dimension to the school solar programme, with the council reporting that the solar delivery partner will also provide educational sessions for pupils on sustainability alongside the technical installation programme.

Given the confidence generated by the first raise and the local signal of increased trust in council decision-making and delivery, Sheffield has already approved up to five further bond issuances using the CMI model by 2030, each potentially raising up to £2 million.

Call to Action CMI Investors

59.2%

feel more optimistic about the future of the place they live as a result of investing in a CMI

59.8%

feel that the council(s) they’ve invested in are working in partnership with its citizens / residents

66.3%

want to know more about the positive community impact the council(s) they’ve invested in are making

47.3%

trust the council(s) they’ve invested in more know that it is delivering the projects from their investment

43.2%

trust the council(s) that issue a CMI to its citizens / residents more than those councils who don’t

34.3%

of local investors reported greater interest in local government since investing in CMIs.



Impact for Investors

In partnership with Abundance, qualitative insights were gathered to explore the wider benefits that CMIs have had for investors beyond a financial return. While there is a legacy of a commitment to 'green' investments from the early stages of the model, today investors are drawn to the broader portfolio of civic and social impacts realised through the CMI.

Investing in a Better Future

In addition to being a low-risk investment with a good and reliable rate of return, a core motivation for CMI investors was the opportunity to generate positive social and environmental impact. Investing in CMIs was viewed as an "ethical" use of money, with greater transparency over how funds are used to deliver positive outcomes for local people and places.

Across the responses, investor motivations extended beyond the pursuit of individual financial benefit. For many, it was morally important that their investments generated a 'return' beyond the personal level. Responses reflected strong commitments to helping create a better future for all, with investments likened to 'a vote for the kind of world you want to live in'.

The importance of investing ethically was also tied to concerns about inadvertently funding activities that cause social and environmental harm. In contrast, CMIs were clearly aligned with investors' core moral values and were viewed as safer and more reliable than private investments.



“It’s a low-risk investment which helps change the world for the better.”

Non-local investor

“My primary motivation was looking for climate impact investments, things that made a real, real difference, and where you could see what the projects were going to be doing and understand and see the benefits.”

Lee Barker, non-local investor

Many investors were attracted to CMIs because their investments were directly linked to specific local projects and initiatives with tangible objectives, delivering more visible social and environmental impacts.

As institutions, council’s accountability and visibility to the public were also seen to enhance the social impact potential of CMIs. Councils were expected to communicate transparently about decisions and actions taken within their local area, with greater potential to influence and steer further positive action within their communities. This is in line with the views of participating councils who viewed the CMI as a valuable tool to spotlight these projects as well as draw attention to their wider provision of services to the community.

“I’m keen for any investment I make to have a positive social and/or environmental impact. Council’s actions tend to be more visible than many companies, so they can also act as exemplars of good practice to local residents and businesses”

Investor with local connection

Reflecting an overarching theme, the appeal of CMIs as an ethical investment was widely linked to their place-based nature, providing opportunities to support projects that help improve the resilience of local communities across the country.

“I wanted to use my money for good, and CMIs are an ethical investment. We need communities to be resilient and sustainable wherever they are in the country.”

Non-local investor

Potentially influenced by their investments in local places, survey results amongst the 309 CMI investors found that 59.2% of respondents felt optimistic about the future of the place they live.

Making a Local Difference

Community Municipal Investments enable people to make a tangible difference to local places and communities. The opportunity to support positive change at the local level was a key incentive for investors. This place-based impact was important for both locally based investors as well as those who had invested in CMIs outside of their own area of residence.

The co-benefits generated for local citizens by projects funded through CMIs were identified as a major advantage of this investment. For both local and non-local investors, CMIs provided an opportunity to contribute to making tangible improvements that enhance the health and everyday quality of life of local communities.

“The projects are contributing directly to protecting the planet and enhancing quality of life for citizens of the borough”

Local investor

For those who had invested in their own council’s CMI, as well as those with other connections to the area, the local nature of the investment was particularly important. The opportunity to invest in something with which they had a personal connection was highly meaningful, enabling people to help build better futures in the places that mattered to them.

“I wanted to invest in something that would be building a better future in my community.”

Local investor

“It’s funding initiatives that mean something to me, in a place that means something to me.”

Local investor

With many projects delivering improvements to community spaces and facilities, local residents investing in their council’s CMI can see and experience the benefits of their investment first-hand. For those who lived locally, being able to support projects in places they knew and cared about was a powerful incentive, bringing the benefits of climate action closer to home.

“I want to see action to reduce global warming, and I want to see benefits in my own town.”

Local investor

More broadly, investors’ responses strongly reflected a belief that meaningful change for people and planet is best delivered at the local level. For many, investing in the CMI represented a practical way to ‘Think Global, Act Local’. This was also a particularly important benefit of CMIs amongst non-local investors, demonstrating a sense of collectivism and solidarity that cut across communities and postcodes.

“I wanted to accelerate the tailored, local transformation of places to deliver better outcomes for people and the environment.”

Non-local investor

“I value the opportunity to help improve the places and make them healthier and more sustainable.”

Non-local investor

For some non-local investors, sentiments of collectivism also included the desire to help address spatial inequalities and share sustainable energy and climate resilience more widely across society.

“I wanted to help improve local communities – especially in areas that require additional investment and those facing deeper social and economic challenges compared to other regions that are in better shape.”

Non-local investor

Survey results further underline the importance CMI investors place on the tangible impacts of their investment in local communities.

Amongst local and locally connected investors, 64.3% wanted to find out more about the positive difference their council was making in their community. This was similarly important to non-local investors, with 66.3% wanting to know more about the impact the councils they had invested in were having in their communities.

Collective Action, Involvement, & Ownership

Beyond the financial return, one of the most significant benefits of investing in CMIs was a greater sense of participation and involvement in the work that local councils do more broadly.

CMIs provide an inclusive way for people to play their part in making positive contributions to communities. Local residents are given a stake in the projects being delivered in their area and in the longer-term future of their community. For both local and non-local investors, the engagement enabled by CMIs was often linked to a strengthened sense of community and belonging. The findings also demonstrate the potential for CMIs to help build more collaborative relationships between councils and their citizens.

Rooted in deep concern about the impacts of climate change and a commitment to taking meaningful action, investing in the CMI gave people an opportunity to 'play their part' and 'do their bit' for the good of society and the planet. Whilst systemic action is essential, opportunities to take practical action at an individual level can foster a sense of agency and help counter feelings of powerlessness and hopelessness about the future[40].

"It's an opportunity to play a small part in supporting opportunities for productive, safe, clean and thriving communities."

Non-local investor

With a £5 minimum investment, the accessibility of CMIs meant that even relatively small or infrequent investments provided a tangible way for people to exercise agency and be involved in collective climate action.

"I only do a small amount of investing, but it makes me feel like I have some agency."

Investor with local connection

Across the investor responses, there was a strong sense of empowerment through inclusion. This appeared to stem from both the opportunity to invest in the CMI, and from the sense of community and collective participation this fostered. For some non-local CMI investors, these feelings of community and belonging transcended geographical boundaries, enabling them to feel connected to communities beyond their immediate locality.

[40] https://climate.leeds.ac.uk/resource-hub/is-it-too-late-climate-researchers-answer-your-questions/actions-to-tackle-climate-change



For those who had invested in their local council's CMI, this strengthened sense of belonging was particularly pronounced, with 38.6% of local investors feeling more connected to their community since investing in CMIs.

"You feel part of the community extended beyond your location, and you feel empowered that even though you don't have a lot of money, you can still make a difference."

Non-local investor

"It's a sense of belonging; a sense of being able to give something back. It is, after all, my community."

Local investor

Aligning with the impact accounts of councils, investing in CMIs gave local people a meaningful stake in their communities and a greater sense of collective ownership surrounding local social and green projects. For investors, the opportunity to work more collaboratively with councils was a key benefit. **Amongst those surveyed, 58.6% of local investors and 59.8% of non-local investors felt that the councils they had invested in were working in partnership with their citizens and residents.**

"I wanted a stake in my community."

Local investor

Survey results also suggest that collaborative action on shared local priorities may strengthen residents' engagement with their council, with **34.3% of local investors reporting greater interest in local government since investing in CMIs.**

"I feel more engaged with what local councils are doing."

Local investor

"I take more of an interest in local council affairs."

Non-local investor

"I feel more socially invested in my council."

Non-local investor

Backing Innovative, Citizen-Focused Councils

Many investors want to help support and champion councils who issue CMIs as a way to deliver positive change for communities, reflecting a wider belief that councils are best placed to understand and respond to the particular needs of their local area.

Whilst people held mixed views about their council, the investor data demonstrated strong awareness of the financial constraints councils face, and frustration that insufficient government funding has limited the capacity of local councils across the UK. In this context, many investors applauded councils who had issued CMIs, commending their continued commitment to the financing of local infrastructure projects.

"I'm glad to help forward-thinking councils."

Non-local investor

For investors, it was encouraging to see a growing number of councils 'stepping up' and taking innovative leadership by offering a CMI. These councils were widely perceived as 'going beyond their statutory duties' in delivering impactful projects and improvements to discretionary services as a sign of taking their shared civic responsibilities seriously. This sense of local ambition and initiative was also a key motivator for investors, with many viewing the CMI as an opportunity to support councils who were taking proactive action.

"I am encouraged to see more councils determined to find new and innovative ways to fund community and green projects."

Non-local investor

Similarly, a number of investors emphasised their belief that, when adequately funded and supported, local councils are uniquely well placed to deliver meaningful local change through their closer connection with communities and greater understanding of their needs and priorities.

"I believed before investing that local councils, if given the power and resources to do so, represented the best agents of change in their local area."

Non-local investor

Extending well beyond the provision of essential everyday services, the responses reflected an appreciation of council's broader role in shaping the social, environmental, and economic wellbeing of their communities. For many, investing in CMIs was an opportunity to help councils mobilise their full leadership potential as agents of social and environmental change.

Investors viewed CMI-issuing councils as demonstrating a stronger commitment to engaging with and listening to their residents. Crucially, investor responses suggest that CMIs are linked with growing feelings of trust and hope in local government.



“I’ve always thought councils have the potential to show leadership in green and social initiatives – I’ve been waiting for the opportunity to support them financially.”

Investor with local connection

The responses from CMI investors also resonate with wider research from the Local Government Association, which found that 68% of UK respondents trusted their local council most when it came to decisions about their local area and services[41].

Many investors also viewed CMI-issuing councils as being comparatively more citizen-centred and responsive to residents’ needs. Investors valued this stronger sense of engagement and accountability as both a key benefit of CMIs and as an incentive to support councils who demonstrate genuine care for the wellbeing of local residents and places.

“Those that have these schemes in place appear to be more aware of the needs of their constituents [...]”

Non-local investor

An important survey finding in this regard was that 55% of local investors and 43.2% of non-local investors said that they trusted councils who had issued a CMI to its citizens and residents more than those who had not. These findings further demonstrate the growing potential of CMIs to help strengthen public trust and support for local councils.

“I feel like councils are listening to their residents and implementing the positive changes demanded by the general population.”

Non-local investor

Far beyond the benefit of a financial return, Community Municipal Investments gave people a sense of hope that those in positions of political responsibility cared about the future and were taking positive action to make local places better and more sustainable. Following decades of austerity measures and cuts to public services, these small sentiments of renewed hope and optimism carry wider significance for the rebuilding of public trust and civic pride.

“I like hearing how councils are using the investments to improve things. It gives me some hope that people in charge actually care about the future.”

Local investor

“Local councils do much more than just empty the bins and fill the potholes – investing is a way to show you support the long-term investment that is needed for any community to thrive”

Local investor

[41] https://www.local.gov.uk/publications/polling-resident-satisfaction-councils-round-37



“I think the best thing about it is that comms and the connection it gives you with local residents on local transformative projects. It just is a really effective way of communicating the local ambition for a place [...]. Where we have had those local greening projects and community energy projects, that’s where we’ve seen the connection between actually helping the resident understand what the council’s role is, wanting to invest in that, and then seeing the benefit and the change locally. That’s something that I think is often quite unique to CMIs.”

Tom Sharland
Southwark Council

Southwark Council

Southwark Council has developed one of the most ambitious Community Municipal Investment (CMI) programmes in the UK.

Launched in February 2024, the programme aims to raise **£6 million by 2030** to support local projects while providing residents and businesses with an opportunity to invest directly in the borough. The council describes the initiative as the UK’s largest council-led community investment scheme for climate action.

The first £1 million investment round reached its target in **just eight weeks**, five weeks ahead of schedule, aided by a record number of local investors. By March 2026, after four rounds of fundraising, the scheme had raised a total of **£3.5 million**, already exceeding half of its overall target. The fourth fundraising round also raised £1 million, including more than £115,000 from local residents and businesses.

The funds have been used to finance a diverse portfolio of projects. The initial funding round supported a mix of green projects including LED street-lighting upgrades and improvements to schools and leisure centres through energy-efficiency measures. Subsequent phases have expanded into more social projects, including upgrades at Camberwell Cemeteries and Crematorium and the expansion of their ‘Library of Things’ facilities, a community scheme to rent occasional-use household, DIY and garden tools to local residents.

By 2026, the council has reported that CMI funding has already contributed to more than ten completed projects, including installing solar panels at Peckham Pulse Leisure Centre, a new nature garden in Bermondsey, cycle-hangar installations, and community projects at Westminster House Youth Club and South Dock Marina. A further thirteen projects are due to begin at the time of writing. Other investments have helped to tackle fuel poverty in the borough through community energy initiatives and building-efficiency improvements.

The wider civic impact of Southwark’s CMI lies in its ability to combine climate finance, local economic participation and visible community benefits. The evidence we have gathered suggests that the scheme has not only mobilised substantial capital for decarbonisation projects but has also increased opportunities for residents to participate directly in shaping a wider range of improvements in their borough.

A Brief History of a (not so) New Idea

Municipal lending in the United Kingdom isn't an especially novel idea. It emerged from the close relationship between local government finance and the development of the national debt.



'Dividend Day at the Bank of England', by George Elgar Hicks



Throughout the nineteenth and early twentieth centuries, local authorities relied on a combination of public borrowing, government-backed lending schemes and citizen savings to fund infrastructure, sanitation, housing and public utilities. As Martin Slater showed in his book, *The National Debt*, British public borrowing evolved not simply as a mechanism for financing state expenditure but also as a means of mobilising the savings of citizens for collective purposes.

A key foundation of the system was the development of **Consols**, or Consolidated Bonds. In 1751–52, the government consolidated a range of existing debts into a single perpetual security paying a fixed rate of interest. This simplification made government debt more liquid and trustworthy, establishing a benchmark investment throughout the nineteenth century. The system was restructured through the **National Debt (Conversion) Act 1888**, when Chancellor George Goschen converted existing 3 per cent government securities into lower-interest consolidated stock, thereby reducing the cost of servicing the national debt. The Act was explicitly aimed at "reducing the rate of interest on the National Debt". These securities became the principal store of wealth for many institutional investors and local bodies and provided a stable foundation for public borrowing.

The term **"Goschen Loans"** became associated with a series of low-interest public loans made available through central government lending arrangements. By the early twentieth century, local authorities, poor law unions and other public bodies could access capital on favourable terms linked to the lower borrowing costs achieved through Goschen s debt conversion. Records held by The National Archives demonstrate the continuing use of Goschen Loans by local public authorities during the 1920s. These arrangements reflected a broader principle: that central government could use its superior credit rating to channel finance into local public investment.

The democratisation of public finance was further advanced through the creation of the Post Office Savings Bank in 1861, the institutional predecessor of today's **National Savings and Investments (NS&I)**. The Savings Bank enabled ordinary households to deposit small sums, which were then invested in government securities. In effect, citizens became lenders to the state. NS&I traces its origins to this system and continues to describe its role as raising funds for government from individual savers. By aggregating millions of small deposits, the state secured a reliable source of capital that indirectly supported wider public expenditure and lending programmes, including those benefiting local authorities.

The modern successor to these traditions is the **Public Works Loan Board (PWLB)**, now administered by the UK Debt Management Office. The PWLB lends from the National Loans Fund to local authorities, mainly for capital projects. Although institutional arrangements have changed, the underlying logic remains recognisably Victorian: national savings and public credit are pooled by the state and recycled into local investment. In this sense, municipal lending in Britain has long been an expression of a broader civic financial model, linking citizen savings, national debt management and local development.



Financial Impact

This section of the report draws directly on the research findings from the linked Technical Paper produced by the Green Finance Institute (GFI) and University of Leeds[42].

Having made the wider case for the role of CMIs in creating civic value, here we address directly the audience of Chief Finance Officers and s151 officers within council treasury teams by stating the financial case.

Nineteen councils have used the model, many borrowing more than once and several now embedding CMIs in treasury practice. This has raised close to **£30 million** at an average discount to the Public Works Loan Board (PWLB) Certainty Rate of 29 basis points (bps) after fees[43].

For over 160 years, National Savings & Investments (NS&I) has provided national government a low-cost, patient and diverse source of borrowing. As this report has argued, **CMIs could offer local government the same facility – a 'Local Savings and Investment (LS&I)' product that signals a return to a historic model of municipal lending, updated for the digital age – intentionally designed to be "plug-and-play", so councils can adopt them without fundamental changes to treasury operations.**

The PWLB accounts for around 95% of all long-term local authority borrowing, and is a policy instrument: interest rates, eligibility and permitted use sit with HM

Green Finance Institute

[42] Green Finance InsHtute & University of Leeds (2026)

[43] https://www.dmo.gov.uk/responsibilities/local-authority-lending/about-pwlb-lending

Webster I (2018) 'The Public Works Loan Board and thegrowth of the state in nineteenth-century England', *The Economic History Review*, 71: 887-908.

Treasury and are subject to change. This happened in October 2019 when rates rose by 100bps and again in 2020 when usage restrictions were introduced. The National Wealth Fund is a recent alternative to borrowing from PWLB but lends only above £5 million within a defined mandate and will only be available to councils until 2030. Both are priced relative to gilts, leaving councils exposed to short-term volatility – a challenge in a post- Quantitative Easing (QE) world facing increased macro-economic and security risks. For councils planning long-term investment, the concentration of sources of borrowing is a planning risk as much as a pricing one.

CMIs address this challenge directly. They introduce a source of capital that is not pegged to gilt pricing, reducing dependence on a single funding route. At the same time, they connect residents to place-based project delivery, which creates a new communication channel at a time when trust in local government is falling, and engagement budgets are under pressure.

While Local Government Reorganisation (LGR) has just been paused at the time of writing, devolution and the arrival of No.10 North have raised expectations that places will shape and finance long-term investment with greater local autonomy.

The intersection between CMIs and council borrowing practice

Councils actively manage refinancing and interest-rate risk by laddering borrowing across multiple maturities. This approach has become more common as interest rates and market volatility have increased. While the PWLB offers 99 maturities, ranging from 1 to 50 years, borrowing is concentrated in a relatively small number of tenors, with 5- and 10-year loans among the most consistently used.

CMIs currently offer 5-year borrowing, with 10-year borrowing expected to follow as a second anchor tenor. Analysis conducted in the linked Technical Paper by GFI of PWLB borrowing between 2021 and 2025 assessed CMI relevance using both an Exact view (matching the same maturity) and a Bucket view (including nearby maturities where councils may switch in response to pricing). This analysis suggests that 5- and 10-year CMIs could address the borrowing needs of 25–42% of active PWLB borrowers in any given year, which in absolute terms is approximately 45–73 councils, representing £0.8–2.3 billion of potential annual borrowing demand. Adding 15- and 20-year maturities increases this to 40–58% of active PWLB borrowers, or 70–101 councils, and £1.2–2.9 billion of annual demand, once sufficient scale and market liquidity have been established.

Council borrowing behaviour and platform capacity therefore point in the same direction. A CMI offer centred on a small number of anchor tenors can complement the PWLB effectively, without needing to replicate its extensive range of maturities.

A consistent saving against PWLB

Using historic PWLB rates from 2012 to 2025, the research modelled simulated CMI rates and offer periods over the same timeframe. The CMI rate comprises both the interest rate and platform fees, which therefore represents the total cost of capital to the council. Historic PWLB Certainty Rates were compared against the CMI rates modelled to have been available at the time each loan was originated.

The analysis shows that council treasury managers time their borrowing well and manage to avoid periods when PWLB rates were elevated, however, a CMI with a 20bps discount on the day of launch along with a three-month offer period still provided a mean ‘simulated’ saving of 16bps versus the actual rate achieved on the PWLB loans taken across the 14-year period.

The simulation also showed the CMI Rate was lower than the headline Certainty Rate on 89% of trading days. With councils retaining the option to pull a CMI raise if rates move against them, the research demonstrates that even with three-month offer periods, consistent use over time should, on average, generate savings for councils, analogous to the investment principle of pound-cost averaging.

Looking ahead, the projection showed that the cost of capital savings for councils compound as the CMI market scales. As Abundance platform costs are largely fixed, the benefits compound and scale as the investor community grows. At scale, savings of 60 basis points versus the PWLB Certainty Rate were shown as achievable. Although CMIs are unlikely to capture the full market opportunity in the short term given the flexibility of PWLB borrowing, if councils used CMIs for 50% of their 5- and 10-year borrowing in a particular year, these two loan maturities alone could generate lifetime interest savings[44] of up to £47 million across the sector, rising to £76 million with four maturities[45]. Such savings would be highly significant at a time of mounting fiscal pressure across the public sector.

[44] Lifetime interest savings are the locked in savings on interest rate payments across the full maturity of that borrowing.

[45] Green Finance Institute & University of Leeds (2026)

Certainty of funds

CMIs suit planned borrowing best – councils that are borrowing for a specific purpose or with a consistent annual borrowing requirement will find CMIs most immediately relevant, allocating a proportion of their borrowing requirement to CMIs while the remainder is drawn from PWLB. Where councils are borrowing to manage cashflow, CMIs’ lack of guaranteed funds make them unsuitable today for this type of borrowing.

During the early stages of building the CMI market, some councils were concerned that their CMI raise would not reach a publicly stated raise target – this can be managed in two ways. Councils such as Hammersmith & Fulham and Southwark set multi-year programme goals rather than judging success on individual raises, mirroring NS&I’s annual target approach; citizen investment flows are inherently variable, but every pound raised through a CMI is cheaper than the alternative. Secondly, values-aligned institutions including Unity Trust Bank and Esmée Fairbairn Foundation have already committed significant sums, in effect underwriting raise targets to give councils greater confidence of capital supply.





[46]UK Government (2024) *Green Financing: Allocation Report*. 17 October 2024.

These commitments also build volume ahead of citizen demand, which in turn enables Abundance to invest in growing the citizen community.

Funding across the capital programme

CMIs have historically been used primarily to fund green projects but can finance the full breadth of a council's capital programme, from regeneration to transport, housing and social infrastructure, including both new investment and maintenance of existing assets, connecting residents with the full spectrum of council activity.

A strong investor proposition – with demand ready to grow

Local authority credit risk is structurally near-sovereign, and the research demonstrates CMI returns are competitive against savings products with a comparable risk profile. They also tend to offer a premium to similar purpose-led propositions. Demand is already evident across both investor segments: citizens are attracted by accessible investment thresholds and tangible local impact, while mission-aligned institutions such as Unity Trust Bank and Esmée Fairbairn Foundation are actively participating to support the market's development.

The primary barrier to market growth is not a lack of demand, but a lack of familiarity. As with other emerging asset classes, awareness, track record and repeated issuance will deepen the market and improve pricing over time. Given patience, the report finds no structural reason investor demand cannot grow to cover a meaningful proportion of council borrowing.

A clear evidence base for retail demand.

Retail savers' return expectations are not pegged to the gilt rate; on short-tenor CMIs their reference point is the wider savings market. NS&I's Green Savings Bond raised £0.9 billion[46] at rates averaging 34bps below the gilt rate over 16 months, and UK ethical banks and credit unions attract significant deposits at sub-gilt rates. Savers accept these returns where the issuer is trusted and the use of proceeds is clear – and CMIs add what neither can: impact the investor can see in their own community.

Capacity is not the constraint.

Against a UK self-directed retail savings and investment market of approximately £2.4 trillion, local authority borrowing requirements are modest. This indicates that supply of capital is not a barrier to market growth, rather at this stage it is retail awareness and familiarity.

Low-risk income.

Annuity CMIs combine interest with progressive capital repayment over a defined term – a structure banks and NS&I do not offer to retail savers and can be hard to access. For savers seeking predictable income rather than capital growth it fills a gap in the mainstream market, and at medium tenors (6 to 20 years) it aligns with councils' own preference for repayment structures.

Open to everyone.

As was noted earlier, a £5 minimum investment threshold ensures the model is accessible and socially inclusive. Data presented there also showed that CMI investors are spread across all deciles of the Index of Multiple Deprivation (IMD) [see page 17]. This points to the potential for CMIs to broaden access to investment through the connection to place, and to support a more inclusive model of democratic finance.

Value at scale

CMIs deliver savings for a council from the first raise, but the mechanism strengthens with repeat use. As issuance volumes rise, fixed transaction costs are spread across more borrowing and investor familiarity grows, improving both pricing and execution certainty. In addition, increased volume also means offer periods could shorten from 3 to 1 month, enabling councils to access capital more quickly.

Councils do not need to wait for scale to unlock value. Each raise can deliver immediate savings, while simultaneously strengthening the market infrastructure needed to reduce costs for subsequent issuers.

Value beyond finance: place, trust and participation

While the financial case for CMIs is compelling, it understates their full strategic value. As presented throughout his report, intrinsic to CMIs is educating people about local government and shining a light on delivery at a postcode level. By enabling citizens to become lenders, CMIs create a direct and ongoing connection between individuals and their council providing a platform for deeper engagement.

The result is a shift from a purely transactional relationship, based on taxation and service delivery, to one of participation and shared purpose – the basis for a more reciprocal partnership in shaping and financing local priorities.

Conclusion

CMIs offer councils a cheaper, diversified source of borrowing today, and the prospect of the local government equivalent of NS&I over time.

Achieving that does not require structural reform. It requires consistent adoption, growing familiarity and coordinated action across councils, investors and the arranging platform.

CMIs represent a rare convergence of immediate financial benefit and long-term civic value. They offer councils the opportunity to diversify funding sources, reduce borrowing costs today and in the future, and strengthen engagement with citizens and institutions alike.

The evidence presented in this report, and the linked Technical Paper by the Green Finance Institute, demonstrate that **CMIs can evolve into a "Local Savings and Investment" offer:** a permanent, scalable and resilient pillar of public finance.

The model already works for councils, investors and the wider community in a variety of social and political contexts. It has been championed by council leaders across political parties to demonstrate their local leadership and dedication to making places better, together with residents and a growing community of values-aligned citizen investors and institutions.

The opportunity to create financial value for councils and civic value for society is not hypothetical. The evidence gathered in this report shows that it is immediate, practical and within reach.

To realise the full benefits of CMIs in every postcode around the UK, we recommend the following call to action.



Call to Action

To realise the benefits of Community Municipal Investments (CMIs) in every UK postcode, **we need central government to do three things:**

Promote:

In the same way government promotes National Savings and Investments (NS&I), we need a national public information campaign for CMIs. To normalise a new option for people to use money positively to drive improvements in their community, local success stories are not enough. We need a trusted national touchstone and champion for more people to understand and use the model.

Legislate:

CMI's are feasible and easily replicable now with a standardised legal framework in place. However, there is more that primary legislation can do. We would like local planning applications to be able to include local investment models as indicators of local support for infrastructure projects. We want Public Finance Institutions such as the National Wealth Fund (NWF) and British Business Bank (BBB) to support CMIs by providing a facility to help the Abundance platform to scale its lending to councils. The Financial Conduct Authority (FCA) needs to re-regulate its rules on financial promotion, which were not designed with the longevity and risk-profile of UK councils in mind.

Advocate:

The devolution agenda to empower strategic and mayoral authorities will include new and ongoing settlements for the capital programmes of our places. We need central government to advocate for the blended use of CMIs in the capital programme related to these settlements. CMIs need to be included as part of the negotiations with local government over the way in which central funding and debt programmes combine to deliver local services, programmes and infrastructure.

What we will do in return.

We have already built the UK's CMI sector from zero to £30 million in under 5 years. This has meant overcoming legal, risk and consumer barriers to bring this financial and civic innovation to our communities.

To fully realise these benefits across the UK, however, more needs to be done. As we ask Central Government to do more, so will we. We will convene local authorities, Abundance Investment, the Green Finance Institute and investors to deliver the following commitments:

Drive growth in CMIs

1. **Expand use across the capital programme.** Reduce internal deliberation and fund the natural flow of projects, from General Fund (GF) to Housing Revenue Account (HRA), to resource the full spectrum of council activity and impact.
2. **Commit to a regular cadence of issuance.** Councils with ongoing and planned borrowing needs can allocate a share to CMIs and sequence raises, to keep a continuous set of offers live, and give the arranging platform a predictable pipeline to support investor demand.
3. **Set ambitious targets without centring on amount-per-loan.** Signal larger borrowing ambitions to support building investor demand.
4. **Create regionally branded pathways.** Enable investors to easily invest money in different authorities within a region, smoothing out periods when one council may not have a borrowing requirement and creating economies of scale.

Build credibility

1. **Make impact tangible.** Make visible where the money goes – schools, regeneration, social housing, energy infrastructure – so investors can see the use of proceeds.
2. **Address financial as well as impact needs.** Introduce medium-term annuity-structured CMIs matching retail investors' need for flexible, low-risk income – a segment underserved by banks, building societies and NS&I.

Expand the investor base

1. **Build risk credentials for citizen-investors.** Build and consistently communicate track record, report on repayment performance, and run education campaigns to close the gap between perceived and actual risk.
2. **Support secondary-market liquidity.** Councils could buy back loans on the secondary market, giving investors a credible exit and, over time, lowering required yields.
3. **Make investing simpler, more accessible, and easy to exit.** Use regulatory flexibility to add regular savings features and automatic reinvestment.
4. **Bring additional tools to the platform.** Consider routing Local Government Pension Scheme and treasury-management lending through the arranging platform.
5. **Widen and diversify the investor base.** Establish partnerships to expand distribution and build on Unity Trust Bank's commitment to attract institutional and intermediated capital.

This report offers a deal between the organisations behind the CMI and UK Government to scale the model now for the public good, offering a new way for devolved administrations to work in partnership with local people to deliver good growth in every postcode.

Next Steps

Having made the civic case for Community Municipal Investments (CMI), we stand ready to support anyone who now wishes to respond to the calls to action included in this report.

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Citing this report

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