

CLIMATE ACTION FUND

Horizon Scanning Study

**Reviewing the emerging trends
affecting community-led climate action
in the UK 2025-2030**

July 2025



Introduction

As communities grapple with the accelerating impacts of climate change, understanding the emerging trends, which may create challenges and/or opportunities for climate action at the local level, is crucial.

The purpose of this Horizon Scanning Study is to review the emerging trends that may influence community-led climate action in the UK through to 2030.

By understanding these emerging trends and the impacts of change, especially in the context of rapid change and volatility, this Horizon Scanning Study aims to help grant holders to futureproof their activities and prepare for change. This study will also help to inform Climate Action Fund's own future planning, by enabling people and organisations to harness opportunities and prepare for challenges.

Who is this report for?

This Horizon Scanning Study was prepared in July 2025 primarily for people involved in projects funded by The National Lottery Community Fund's, Climate Action Fund (CAF), who are referred to throughout this report as 'grant holders'. The content of this report may also be useful for others working in community-led climate action.

This report was produced by the CAF Learning and Support Partners. The partnership is led by Arup, working with the Innovation Unit, Creature & Co., and the University of Leeds. The Partnership was commissioned in 2024 by The National Lottery Community Fund to support CAF grant holders. If you have any questions on this report, please contact CAFsupport@arup.com.

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The Climate Action Fund (CAF) is a ten-year, £100 million funding programme that inspires and enables communities across the UK to take action on climate change. The programme was set up in 2019 by The National Lottery Community Fund, the largest funder of community activity in the UK.

Methodology

Literature Review

Findings of this Horizon Scanning Study are based upon a desk-based review of literature and policy documents. A snowball sampling method was used, where we began the research by reviewing key reports from authoritative sources such as the Climate Change Committee (CCC), UK Parliament's Parliamentary Office of Science and Technology (POST) and reports and publications from other community-led climate initiatives. From these sources, we then identified additional relevant sources from the references and citations within the already-found key articles. A full list of the sources used can be found from slide 31.

Workshop

The initial findings of the study were then shared in a workshop with selected CAF grant holders. Taking into consideration the lived experiences of grant holders undertaking community-led climate action, the workshop acted as a gap analysis exercise to sense check the literature review findings, and to identify any gaps or emerging trends which had not come to light from the desk-based review. Quotes from the workshop participants have been included throughout this report, and a full list of workshop participants can be found on slide 37.

This report outlines emerging trends, risks and challenges that may influence local, community-led climate action. It aims to be informative of the key drivers that may affect future planning for community-led projects, but is not exhaustive. The conclusions presented reflect the literature available at the time of writing. The findings should be reviewed and updated over time drawing on additional sources, perspectives and materials as they become available. The report has been prepared by the Climate Action Fund Learning and Support Partnership, supported by funding from The National Lottery Community Fund. The report content does not necessarily reflect the views of The National Lottery Community Fund.

Emerging Trends

Definitions

An 'Emerging Trend' is considered throughout this Horizon Scanning Study as per the Government Office for Science (2024) definition, “a visible – or emerging – pattern of events that suggest change. In futures thinking, a ‘trend’ becomes a ‘driver’ when it acts on the policy or strategy area of interest”.

Results

As part of the Horizon Scanning process, we began by identifying a broad range of potential Emerging Trends through a literature review, which we assimilated into the list shown in the word cloud to the right.

To sense check our findings from the literature, during the grant holder workshop we asked participants “**What do you think will be the emerging trends affecting community-level climate action over the next 5 years?**”. All of the trends they identified had been captured through the literature review.

The Emerging Trends included in this long-list range in size, scale and location, and the impacts they may have on community-led climate action work also vary from challenges, opportunities, or in some cases, both. Each one of these Emerging Trends could be the topic of a research project in its own right. However, for the purpose of this Horizon Scanning Study, this list was refined based on dominant findings from the literature, our discussions from the grant holder workshop, and the specific focus of our study on trends which will impact grant holders until 2025.



Emerging Trends

Processing Findings

To provide a structured way to identify and analyse the long-list of Emerging Trends we found, the 'STEEPLE' framework was used. The STEEPLE framework maps the emerging trends across Social, Technological, Environmental, Economic, Political, Legal and Ethical fields. By examining each of these domains, the framework ensures that no major external influence is overlooked.

Although the Emerging Trends have been mapped to specific STEEPLE pillars, they are by no means fixed, and trends can span across different categories e.g. 'Increasing awareness of climate justice' could be an ethical, social, economic and political emerging trend.

The following sections of this report goes through each of these Emerging Trends in detail, providing an overview founded on research and a summary of the impact this change may have on grant holders. We have also included a summary of recommendations for grant holders on how to harness the opportunity or prepare for change within each trend.

Framework:

Trends:

SOCIAL

- Increasing public engagement
- Community level climate apathy
- Increasing awareness of climate justice

TECHNOLOGICAL

- Technological innovations
- Artificial intelligence
- Digital exclusion

ENVIRONMENTAL

- Extreme weather
- Role of nature in climate challenges

ECONOMIC

- Long-term funding struggles
- New climate action funding streams
- Voluntary sector strain

POLITICAL

- Devolution of climate action
- Balance of power in climate politics

LEGAL

- Emerging greenwashing legislation

ETHICAL

- Shift in media narratives
- Limited accessible information

Summary of Findings

While the trends outlined here are distributed across all pillars of the STEEPLE framework, research suggested that the social, economic and political trends may be the most impactful in the future success of community-led climate action. These trends are the most influential in the operating environment of community-led projects. Adaptability and future-planning for these critical factors will be vital for the long-term sustainability of grant-funded community projects.

It is notable that some of the trends outlined appear to act in opposing directions; for example, increasing community engagement in climate action at a whole-society level, but increased climate apathy within specific groups. Closer interrogation of these trends highlights targeted opportunities for grant holders' long-term planning; in this example, the imperative to not only take a whole-society approach to engagement, but to target those groups who have not engaged to date. The role of community-led projects in awareness-raising, education and behaviour change will be important in addressing climate apathy.

The emerging trends represent a relatively balanced mix of challenges and opportunities for the future of community-led climate action. Critically, both of these will need proactive planning and management to mitigate risks, capitalise on opportunities, and sustain long-term impact.

It is also evident in each of these trends that the past is not a good predictor of the future. The trends each represent a break in the historic status quo, from increasingly turbulent weather patterns to new political influencers and disruptive models of funding and financing. These are indicative of the need for organisational planning, governance and decision-making to evolve too, to build in newly emerging evidence and embrace uncertainty about what the future will hold.



Baltic Flour Mill Visual Arts Trust's project Bird, Bees, and Trees. Copyright: North News & Pictures Ltd.



South Downs National Park Trust project, Ouse Valley Climate Action. Copyright: Jeff Gilbert.

Recommendations

The trends identified through this study have led to a series of overarching recommendations to grant holders, which are useful to consider while exploring the trends themselves. To accelerate and deepen the impact of community-led climate initiatives, local actors could adopt the following:

Build Political Agility and Local Partnerships

The shifting balance of power in local politics means that grant holders with long-term project objectives must be politically aware, adaptable and ready to build relationships with changing local decision-makers. Understanding the priorities of local government and managing communications and project strategy to reflect tangible local benefits (such as economic regeneration or public service improvement) will be essential. This approach helps ensure continuity and relevance regardless of political changes.

Deepen and Diversify Community Engagement

Overall engagement in climate action is higher than ever before, but there are still groups in the community that either choose not to engage, feel unable to, or are unaware of the opportunities. Effective engagement needs to be long-term, inclusive and tailored to local contexts. This includes recognising cultural, economic and geographic differences in how climate change is perceived and acted upon. Tools like the [Toolkit for Tomorrow](#) can help anticipate barriers and co-design solutions. There is a need to avoid relying on the same voices and the same methods of communication, especially when engaging youth and minority groups, and invest in building trust over time.

Use the Power of Storytelling and Local Media

Constructive, values-based storytelling is a powerful tool for shifting perceptions and building legitimacy. This can be achieved by empowering communities to lead their own narratives, highlighting co-benefits such as health and jobs and partnering with trusted local media to amplify success stories. This is especially important in a media landscape where misinformation and polarisation are growing concerns.

Embrace Innovation and Navigate New Funding Ecosystems

Technological advances, such as affordable solar energy, battery storage and AI tools, are making community-scale climate solutions more viable. Grant holders could explore lessons learned from innovation prizes like the [Earthshot Prize](#), [Manchester Prize](#) and [Ashden Awards](#). Innovation in funding streams is also a key trend to track and navigate, in some cases leading to longer term and more flexible core funding for projects.

Invest in Local Knowledge, Data and Research Partnerships

Robust, community-relevant data is essential for effective climate action. Grant holders should look for opportunities to collaborate with each other, and with universities and research centres, to co-produce insights, support open data platforms and build community data literacy. This ensures that local action is grounded in evidence and that communities are empowered to interpret and act on robust information.

Build Foresight into Project and Organisational Planning

Preparing and planning for future change – both the knowns and the unknowns – is critical to the longevity of any project. Many of the trends we are currently seeing are unprecedented and have the potential to disrupt long-held practices and behaviours. Building foresight and horizon scanning into future planning, staying aware of changing projections at the national and local levels (including extreme weather projections, political changes and shifts in the balance of political power), enhancing business continuity plans and risk management regimes, and supporting the mental and physical health of project teams, will all help projects to build resilience in turbulent times. Focusing on activities that offer multiple benefits (like nature-based solutions) can be a positive way to address future uncertainty through projects.

Social Trends

Increasing Public Engagement

Public engagement with climate issues in the UK has grown steadily in recent years, with **85% of the population expressing concern about climate change** (Climate Citizens, 2024). This heightened awareness is driven by visible climate impacts such as flooding and heatwaves, increased media coverage and grassroots mobilisation.

There is evidence of a **shift from passive awareness to more active participation**, particularly at the local level. The Green Alliance's Local Climate Challenge (2020) suggests that **domestic governance structures have brought environmental laws closer to communities**, fostering a greater sense of responsibility and interest in the law-making process. It also reflects broader societal changes, including **increased youth activism**.

Youth-led movements such as [Fridays for Future](#) and [Teach the Future](#) demonstrate this growing public engagement. Teach the Future, a youth-led campaign, argues that “current climate and nature education is inadequate” and calls for the UK education system to be “urgently repurposed around the climate emergency and ecological crisis” (Teach the Future, 2024). These campaigns have been key in pushing for reforms in climate education, net-zero targets and youth representation in governance.

Looking ahead, **public engagement is expected to continue increasing**. Climate Citizens (2024) proposes the creation of a permanent Citizens' Panel on climate to institutionalise public input and improve policy legitimacy (Climate Citizens 2024). This suggests a future where engagement is not only broader but also **more embedded in decision-making processes**.

For grant holders, this **growing public interest presents a valuable opportunity**. **Communities are increasingly willing to engage and volunteer**, but levels of climate literacy, trust and readiness to act vary. In areas facing economic hardship or climate fatigue, **projects that fail to engage meaningfully may encounter resistance**. On the other hand, initiatives built on co-creation and participatory foresight are more likely to foster sustained climate action (Philea, 2024).



Common Flora's Abundant Life project based in Devon.
Copyright: Paul Slater.



South Downs National Park Trust's project Ouse Valley Climate Action. Copyright: Jeff Gilbert.

Community Level Climate Apathy

While **overall concern about climate change remains high in the UK**, with 80% of people saying they are very or fairly concerned (DESNZ, 2024), this concern is not evenly distributed across all communities. **Some groups remain disengaged, sceptical, or deprioritise climate action** because of more immediate pressures such as the **cost of living, access to housing, or unemployment**. According to Climate Outreach's Britain Talks Climate research, many people "*who feel alienated, disillusioned or politically unrepresented*" also feel excluded from mainstream climate narratives, which often fail to reflect their lived experiences (Wang, S., Corner, A., and Nicholls, J, 2020). These individuals tend to have **lower levels of trust in environmental charities** than any other segment.

The DESNZ Public Attitudes Tracker (Winter 2024) shows that while awareness of the UK's 2050 Net Zero target is high (91%), **knowledge remains uneven** and concern has declined slightly over time, from 85% in Autumn 2021 to 80% in Winter 2024. This may signal a potential levelling off in public engagement, particularly among groups who may not see clear, local benefits from climate action.

Disengagement is often rooted in economic precarity, cultural narratives, or a lack of visible relevance. The Green Alliance (2020) notes that people are more likely to support climate action when it is **led locally and tied to tangible improvements** in their lives.

Misinformation also plays a growing role in shaping public sentiment. With social media now a major source of climate information for 40% of people (DESNZ, 2024), misleading or polarising content can reinforce scepticism or apathy, particularly in communities already feeling left behind.

For grant holders, this presents a significant challenge. In areas where climate action is perceived as irrelevant or burdensome, **projects may face resistance or low participation**. This can hinder uptake and reduce long-term impact. However, when engagement is tailored to local values, priorities and lived realities, it can **unlock new forms of trust and participation**. Understanding and addressing the roots of disengagement, whether economic or cultural, is key to building inclusive and effective climate action.

During the grant holder workshop, participants were asked about the **single biggest emerging challenge or opportunity for their projects** in the next 5 years. One of the most prominent responses was **community level apathy** with one grant holder noting that, "*We need to **change the language** we use when engaging with remote and rural communities to **empower rather than pressure**.*"



Wildflower meadow. Copyright: Arup, Jacob Haddon.

Increasing Awareness of Climate Justice

Climate impacts and responses are not experienced equally, and climate change is increasingly recognised as a **social justice issue** (Parker, 2023). Marginalised communities in the UK, such as low-income households, ethnic minorities, and disabled people, often **face greater exposure to hazards** like flooding, overheating and poor air quality, while having fewer resources to adapt (Climate Change Committee, 2025). The Climate Change Committee (2025) notes that “*adaptation delivery remains limited*” and that “*planning for adaptation continues to be piecemeal and disjointed*”, particularly in communities already facing social and economic disadvantage.

The Joseph Rowntree Foundation (Parker, 2023) warns that without targeted action, **climate policies risk “exacerbating existing inequalities”**. A just transition framework calls for climate action that **not only reduces emissions but also addresses systemic inequities in housing, employment and health**. This helps to ensure that those most affected by climate change are actively involved in shaping responses. Many **communities remain excluded from decision-making processes**, funding opportunities and the design of climate solutions.

This presents an ongoing challenge for grant holders. While climate equity is a key focus, the next step is to **embed participatory approaches that proactively include all community groups** in creating solutions. This means recognising and addressing the barriers that prevent meaningful participation, whether financial, linguistic, digital, or cultural, and ensuring that climate action is **not only fair in its outcomes but inclusive in its processes**.

Looking ahead, the risk is that climate action which fails to centre both equity and inclusion will **deepen existing disparities and lose legitimacy**. Projects that embrace inclusive climate equity can **build trust, resilience and long-term impact**. As Parker (2023) notes, “*people must be at the heart of climate action, especially those most affected by both climate change and inequality*”.



Common Flora's Abundant Life project based in Devon.
Copyright: Paul Slater



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Technological Trends

Technological Innovations

Technological innovation is creating **new opportunities for community-led climate action in the UK**. For example, increasing electrification and advances in renewable energy generation - particularly in solar, wind, and green hydrogen - are making it **more feasible for communities to adopt sustainable energy solutions** (Community Energy England 2024). The UK government's continued support for clean energy, including through its National Adaptation Programme (NAP3) reinforces this momentum.

Community energy projects are gaining traction across the UK, with recent data showing a **steady increase in local initiatives focused on renewable generation**, energy efficiency and shared ownership models. According to Community Energy England's State of the Sector report (2024), the sector has expanded significantly over the past two years, with **more communities accessing funding, technical support and policy backing to develop their own energy solutions**.

In Wales, the Welsh Government Energy Service has supported the installation of 44.5 MW of renewable energy capacity since 2018, enough to power around 18,000 homes, **by providing tailored advice and financial support to community groups** (Energy Saving Trust 2024). Similarly, Scotland's Community and Renewable Energy Scheme (CARES) has delivered over £65 million in funding to more than 900 organisations, resulting in the installation of 60 MW of renewable energy and helping to build local capacity for clean energy leadership (Energy Saving Trust 2024). These devolved programmes demonstrate the **value of regionally tailored support in scaling community energy and offer valuable models for replication across the UK**.

The **affordability** of technologies such as rooftop solar panels, battery storage and small-scale wind turbines has **improved markedly**, enabling community-scale deployment (Community Energy England 2024). The Great British Energy Community Fund is specifically designed to support projects involving these technologies, making them **more accessible and cost-effective for local groups to adopt** (Community Energy England, 2024). Government-backed innovations, including smart energy systems, are also helping councils and local groups to identify where interventions are most needed and how to implement them cost-effectively (Department for Science, Innovation and Technology, 2025).

For grant holders, this presents a clear opportunity as technological advances are making it easier and more cost-effective to deliver impactful, community-led solutions. **By supporting projects that harness these innovations, grant holders can help accelerate climate change initiatives while encouraging communities to take ownership of their energy futures.** Notably, the Climate Change Committee (2025) also emphasises that innovation must be paired with strong social infrastructure to ensure equitable outcomes – an objective that the community sector is well placed to address.

Artificial Intelligence

The **rapid growth of Artificial Intelligence (AI)** in recent years has been at the forefront of national discussion, with **potential to revolutionise the way we work** in every sector of the economy. The third sector is unlikely to be an exception. In 2023, the Charity Digital Skills Report suggested that 35% of charities were already using AI for certain tasks and that a further 26% had plans to do so in future (Amar and Ramsay, 2023).

AI has the **potential to harness many benefits for grant holders**, including helping already busy volunteers and staff to free up valuable time spent on resource-intensive tasks, such as writing meeting minutes, organising and analysing data or undertaking research. Writing tools are also proving to be helpful for **developing funding applications, speeches or drafting policy briefs** (Latham, 2024). The National Lottery Community Fund have recognised this and have published the **10 Guidance Principles on using AI within community work** (National Lottery Community Fund, 2025).

However, the world of AI is also fast changing and as the Charity Commission (Latham, 2024) advises, it is wise to proceed with caution as there are many risks involved, such as using falsified information, data security, and copyright infringement, due to the inherent way AI is built. These **risks need to be well understood and carefully managed**.

Although this trend has been classified as a technological challenge and opportunity within this Horizon Scanning Study, the environmental impacts of AI use are also a significant challenge which we have not specifically explored here.

For grant holders, the rise of AI presents **both an opportunity and a challenge**. On one hand, **AI tools can significantly enhance capacity, streamline operations and improve the quality of outputs** - from funding applications to community data analysis. On the other, the **risks associated with misinformation, data privacy and ethical use require careful navigation**. As AI becomes more embedded in the third sector, grant holders will need to build digital confidence, stay informed about evolving guidance and ensure that any use of AI aligns with community values and safeguards.

Grant holders were asked to rate their agreement with the statement *"We are embracing artificial intelligence in our work"* on a scale from 0 (strongly disagree) to 5 (strongly agree). The **average response was 2.7**, indicating **limited adoption**. In contrast, the statements *"Technological innovations in renewables are impacting our work"* and *"Digital exclusion is a significant issue for us"* both received an **average score of 4**, highlighting their **stronger relevance and impact for grant holders**.

Digital Exclusion

While there is a growing shift towards online and digital products, **digital exclusion in the UK is a significant challenge**. On community projects, digital exclusion can take many forms but generally refers to the challenges some individuals face in accessing and using digital technologies, **hindering their participation in community initiatives and broader society**. This exclusion stems from a combination of factors including **lack of access to devices or internet, insufficient digital skills, and limited confidence in using technology**.

Research by Lloyds (2024) estimates that 1.6 million people are living offline, and **around a quarter of the UK population are likely to struggle using online services**. Overcoming this is a priority for the UK Government, and in February 2025, the Digital Inclusion Action Plan: First Steps were published. Within the Action Plan, the Government recognises the vital role the third sector has in *“supporting and amplifying the voices of underserved communities. By directly engaging with digitally excluded individuals, these organisations advocate for inclusive policies, foster collaboration with local governments, and build trust within communities”*.

Globally, those groups who are most vulnerable to the impacts of climate change are also often considered to be digitally excluded (Hagerty, 2023). **Although online campaigns, meetings and ways of working are becoming the norm, grant holders risk digitally excluding vulnerable groups within communities, who may be the groups most in need of community-led climate action initiatives.**

For grant holders, **digital exclusion presents a barrier to inclusive climate action**. As digital tools become more embedded in project delivery, such as with online consultations, there is a **risk of leaving behind those who are already marginalised**. To ensure equity and effectiveness, grant holders should aim to **design hybrid engagement strategies, invest in digital skills training and collaborate with trusted local partners to reach offline communities**. By proactively addressing digital exclusion, projects can become more inclusive, resilient and representative of the communities they aim to serve.



Ffynnon Oer Wind Farm. Copyright: Arup.

When asked how they plan to use the findings from this exercise, one grant holder highlighted the **importance of addressing digital exclusion**, noting they would *“continue to look at how to engage those not online and who feel excluded”*.

Environmental Trends

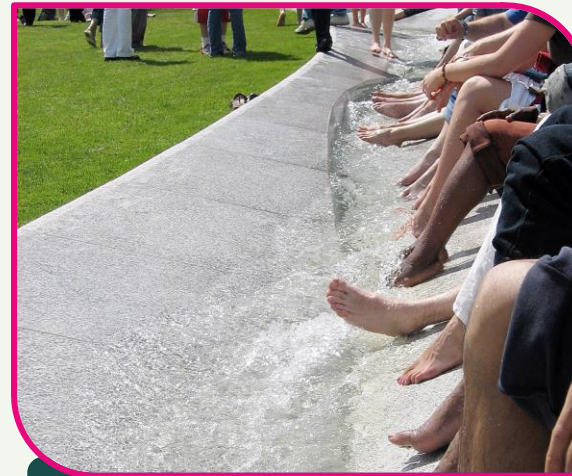
Extreme Weather

The UK is experiencing **more frequent and severe extreme weather events**, including heatwaves, floods and storms. According to the Met Office *“extremes of temperature in the UK are most affected by human-induced climate change”* with the number of ‘hot’ days (above 28°C) more than doubling and ‘very hot’ days (above 30°C) more than tripling between 1961–1990 and 2014–2023 (Met Office, 2024).

This escalation is making **climate action more urgent and immediate**. **Communities are no longer preparing for a distant threat; they are responding to real-time disruptions**. The Climate Change Committee warns that *“adaptation delivery remains limited”* and that the UK is not on track to meet its resilience goals (CCC, 2025). **Local authorities are under pressure to adapt infrastructure and protect vulnerable populations, but many lack the resources or long-term planning capacity to do so effectively.**

As extreme weather events become more frequent, **a key emerging barrier for community-led climate action is the rising cost of insurance**. Insurance premiums for community buildings, renewable energy infrastructure, public events and local projects are increasing. This is **placing additional financial strain on grassroots initiatives**, particularly those operating on tight budgets, undertaking weather-dependent activities or working in areas exposed to climate hazards. According to Community Energy England, some groups have reported **difficulty securing affordable insurance for solar installations and community hubs, which can delay or derail project delivery** (Community Energy England 2024).

Extreme weather can **disrupt project timelines, increase community vulnerability and shift local priorities**. However, it also **creates urgency and opportunities for resilience-building**. As Watt notes in Futures Centre (2024), climate shocks are becoming **catalysts for new forms of local collaboration and innovation**. For grant holders, this trend presents both a risk and a call to action: **projects must be designed with flexibility and resilience in mind, accounting for the growing financial and logistical pressures that extreme weather brings.**



The Diana, Princess of Wales Memorial Fountain in Hyde Park, London. Copyright: Arup, Daniel Imade.



Porthcawl Coastal Scheme. Copyright: Arup, Marcus Woodbridge.

Role of Nature in Climate Challenges

Nature is increasingly being recognised as a vital component in addressing the **climate crisis**, not only for mitigating emissions but also for adapting to climate change impacts. This growing awareness is reflected in the **rising prominence of nature-based solutions (NBS)**, which are now central to UK climate policy discussions. According to the Nature-based Solutions Initiative, **NBS can help address 33 of the 34 climate risks** identified in the UK's third Climate Change Risk Assessment, offering **benefits such as flood protection, urban cooling, carbon storage and improved biodiversity** (Nature-based Solutions Initiative, WWF and RSPB 2021).

Nature-based solutions are now becoming a policy priority, with the **UK government integrating them into its National Adaptation Programme and biodiversity net gain (BNG) regulations** (Nature-based Solutions Initiative, WWF and RSPB 2021). Urban greening, wetland restoration and tree planting are **no longer seen as additional; they are increasingly viewed as essential infrastructure for climate resilience**. This aligns with the UK BNG regulations which came into effect on 12 February 2024. From this date, most major developments in England are now **required to deliver at least a 10% net gain in biodiversity as a condition of planning permission** (Burke 2024).

This shift is also cultural as there is **growing public demand for more nature in cities**, driven by a **desire for healthier, more liveable environments** (Greater London Authority 2025). One CAF grant holder summarised this trend saying, *"a closer connection to nature is an essential element in getting people to cater for and engage with the wider climate change issue"*.

For grant holders, this trend presents a significant opportunity. **Integrating nature into project design can enhance impact, attract wider support and align with emerging funding priorities.**



Common Flora's Abundant Life project based in Devon. Copyright: Paul Slater



Stainborough Park and Wentworth Castle, Barnsley. Copyright: Arup, Giles Rocholl Photography.

Economic Trends

Long-Term Funding Struggles

Local authorities and community groups across the UK face **significant funding challenges that hinder long-term climate action**. These challenges are **exacerbated by inflation, rising service demands and competing policy priorities**. While new funding streams such as the UK Shared Prosperity Fund and the Funding Floor Grant (UK Government, 2025) aim to stabilise local budgets, they are **often competitive and high in demand**.

The Green Alliance has warned that *“the UK’s climate adaptation efforts are being undermined by fragmented and insufficient funding”* (Green Alliance, 2020). Similarly, the National Council for Voluntary Organisations (NCVO, 2025) notes that **many voluntary and community organisations are struggling to access climate-related funding** due to complex application processes and a lack of core funding support.

Access to these funds remains uneven. Many mechanisms are short-term, competitive, or administratively complex. The Climate Change Committee has called for *“multi-year, place based funding aligned with local climate missions”* to **ensure that communities can plan and deliver long-term projects effectively** (CCC, 2025).

There is ongoing concern that grant holders may struggle to secure sustained funding for long-term climate action. This can lead to **project fragmentation, loss of staff and volunteers and waning impact over time**. As highlighted in the Future of Charity report, *“short-termism in funding cycles is one of the biggest barriers to innovation and resilience in the sector”* (Good Futures, 2023).

For grant holders, the **lack of long-term, stable funding remains one of the most persistent barriers to delivering impactful climate action**. Short-term funding cycles can lead to **fragmented projects, staff turnover and reduced community trust** which can undermine the very resilience these initiatives aim to build. To navigate this challenge, grant holders should **prioritise strategic planning, diversify income streams and advocate for more flexible, multi-year funding models**. Collaborating with funders to **simplify application processes and demonstrate the long-term value of community-led climate work** will be key to sustaining momentum and scaling impact over time. There is a call to action here for funders too.



London skyline. Copyright: Arup, Thomas Graham.

In response to the workshop question “What is the single biggest emerging challenge or opportunity for your project in the next 5 years, and what are you doing to prepare for this?”, one grant holder stated: *“Our funding coming to an end!”* which highlights the **ongoing uncertainty many projects face around long-term financial sustainability**.

New Climate Action Funding Streams

The Local Government Association highlights that “*local climate action can deliver net zero by 2050 for a third of the cost and twice the returns*” if properly resourced and locally led (Local Government Association 2021).

The **UK is increasingly turning to innovative financial instruments to fund climate action**, including green bonds, climate emergency bonds and community municipal investments (CMIIs). **The Green Finance Taskforce (2018) has recommended expanding green lending products and issuing sovereign green bonds to drive investment into clean technologies and resilient infrastructure.** These tools are designed to unlock private capital for public good, while giving communities a stake in the transition. **Funding can be used to unlock investment in clean energy, nature-based solutions and local resilience.**

Local authorities such as West Berkshire have already piloted CMIIs (West Berkshire Council, 2021), **allowing residents to invest directly in local climate projects.** These schemes have been praised for “*democratising climate finance*” and **building local ownership of the net-zero transition** (CCC, 2025).

The UK government recently announced that communities hosting renewable energy infrastructure e.g. offshore wind and solar farms will receive **direct financial benefits**, including **shared ownership and community investment funds.** “*If you live near an offshore wind or solar farm, your local community should benefit from supporting this nationally critical mission*” Energy Secretary Ed Miliband (UK Government, 2025).

New funding streams offer grant holders **opportunities for innovation and growth**, but they also **require capacity and capability to navigate the options, and administrative capacity and capability to capitalise on them.**



Baltic Flour Mill Visual Arts Trust's project Birds, Bees, Bikes and Trees. Copyright: Gavin Forster Photography.

Voluntary Sector Strain

The **UK's voluntary sector plays a vital role in climate action**, particularly at the local level. **Charities and community groups are often the first responders to climate-related challenges** such as energy poverty and extreme weather events. As The Scottish Council for Voluntary Organisations (SCVO) notes, there are lots of ways that Scottish charities can play their part in responding to the climate crisis, but many *"have limited in-house capacity"* and feel **overwhelmed by the complexity of climate finance and policy** (SVCO, 2024).

The sector is under increasing strain due to **rising demand, funding cuts, and regulatory pressures**. According to NCVO's Civil Society Almanac, the **combined effects of the pandemic and the cost-of-living crisis have left smaller charities particularly vulnerable**.

NCVO (2022) reports that the number of newly registered charities is falling, and **closures are disproportionately affecting communities with fewer services**. Despite this, the sector remains a major force, employing nearly a million people and contributing significantly to local resilience and innovation (NCVO, 2023).

Grant holders may face **challenges related to under-resourcing, fragmented efforts and burnout**. However, they also have the opportunity to support trusted local actors who are embedded in communities and capable of reaching underserved groups.

Collaboration between community organisations working on similar initiatives or operating in the same geographic areas can unlock efficiencies, reduce duplication and amplify impact. The CAF network is well-positioned to facilitate these connections, helping grant holders identify potential partners, share resources and build more resilient, coordinated responses to climate challenges.

In response to the workshop question *"What is the single biggest emerging challenge or opportunity for your project in the next 5 years, and what are you doing to prepare for this?"*, one grant holder answered: *"the increasing cost of living meaning fewer volunteers are available."* This reflects a concern within the voluntary sector, where financial pressures are reducing the capacity for community involvement and support.



General views of Keswick, Cumbria. Copyright: Arup, Giles Rocholl Photography

Political Trends

Devolution of Climate Action

While the Climate Change Act 2019 Amendment provides a legally binding framework for reducing emissions by 100% from 1990 levels by 2050, **delivery remains uneven and under increasing political and economic pressure** (UK Government, 2025). Local authorities, which influence over 80% of emissions in their areas, are **central to achieving net zero but they face unclear mandates, limited powers and no core funding for climate and nature action** (LGA, 2025).

The new Labour government has published the [Plan for Change](#), which sets ambitious – but achievable – milestones to be met by the end of this Parliament. Along with the [Clean Energy Industries Sector Plan](#), and the [10 Year Infrastructure Strategy](#), the current government's agenda for net zero and the opportunity this presents nationally will impact regional delivery.

Local Climate Action Plans (CAPs) have become increasingly common across UK councils, particularly following widespread climate emergency declarations. However, the quality, scope and implementation of these plans vary significantly. According to Climate Emergency UK's 2023 Council Climate Plan Scorecards, **only 43% of councils had measurable, costed and time-bound actions** (Climate Emergency, 2023). Many plans **focus heavily on mitigation, with less emphasis on adaptation, equity, or community co-production**.

The Green Alliance has highlighted that **local authorities are often left to deliver climate action without the powers, funding or coordination needed to succeed**, (Green Alliance 2020) and that CAPs must be embedded in broader governance and investment frameworks to be effective (UK Government, 2022). Meanwhile, councils like Bracknell Forest have demonstrated leadership by launching joint climate boards, community strategies and biodiversity action plans, showing what's possible with local ambition and collaboration (Bracknell Forest Council 2024).

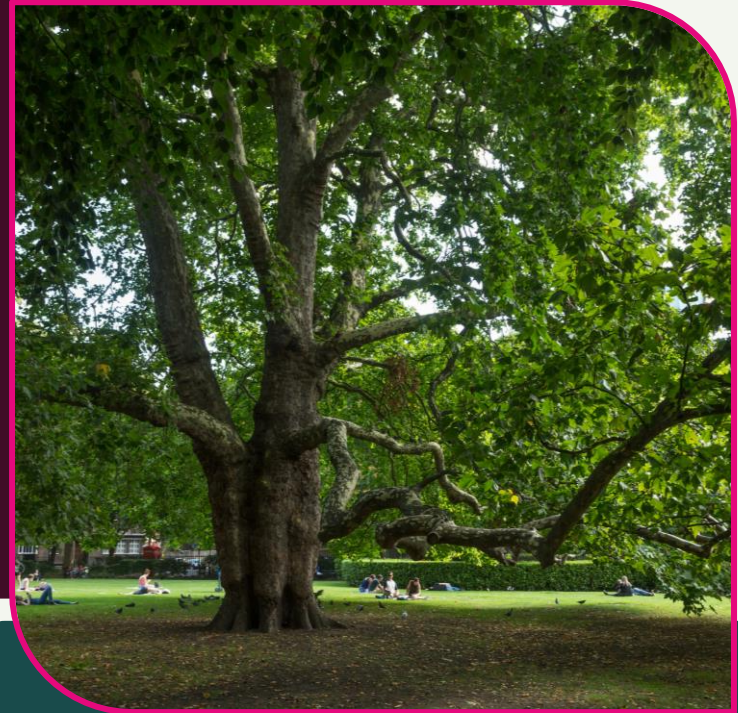
Another emerging model is the network of local Climate Commissions, such as those in Bristol, Belfast, and Yorkshire & Humber, which **bring together public, private and community stakeholders** to co-develop place based climate strategies and ensure accountability. These commissions demonstrate how **collaborative governance structures can help bridge the gap between national targets and local delivery, while ensuring that community voices are embedded in decision-making** (Place-Based Climate Action Network 2024). Lack of coordination between levels of government can lead to **duplication, inefficiencies and missed opportunities**.

Grant holders may struggle to navigate overlapping jurisdictions or align with shifting priorities, particularly when national policy changes are not clearly communicated or supported at the local level. **Policy uncertainty can delay or derail projects**, especially those reliant on public sector collaboration. However, it also **creates opportunities for community-led initiatives to fill gaps, demonstrate innovation and influence emerging frameworks**. As the Climate Change Committee notes, *“local leadership is essential to effective adaptation and mitigation”* but it must be supported by clear national policy and funding (CCC, 2025).

Balance of Power in Climate Politics

Political commitment to climate action in the UK is shifting, with **implications for how climate policy is shaped and delivered at the local level**. Traditionally, climate leadership has been driven by a mix of national policy and local authority input (Department for Levelling Up, Housing and Communities 2022), with a broad consensus between the two about the need for action. Recent local elections have altered this balance, with **new political actors gaining influence in councils across the country**. Meanwhile, national parties have challenged climate targets and identified alternative national priorities.

This shift in local political power presents both risks and opportunities for grant holders. There may be **increased resistance to climate initiatives depending on opinions within local authorities**. On the other hand, the political landscape creates **space for more locally tailored, community-led approaches that align with the values and priorities of newly elected councils**. The evolving political context underscores the **importance of framing climate action in ways that resonate across the political spectrum**, drawing out wider benefits of projects rather than communicating climate and carbon benefits alone. For grant holders, this trend **highlights the need to stay agile and politically aware**, and to build evidence about impacts projects are making across a range of key progress indicators.



London Plane Tree in Brunswick Square, Bloomsbury, London. Copyright: Arup, Paul Carstairs.

Legal Trends

Emerging Greenwashing Legislation

UK legislation is tightening its grip on greenwashing, as litigation and regulatory activity around environmental claims are on the rise. Whilst there's no universal definition, 'Greenwashing' is generally considered as making misleading claims about environmental actions. It poses a **significant risk for any organisation, especially in the third sector where trust is essential**. The UK's Financial Conduct Authority (FCA) introduced an **anti-greenwashing rule in 2024** to combat misleading sustainability-related claims about financial products and services.

Charities and community groups risk greenwashing by association. Think-tank Pro Bono Economics, in a paper looking at how charities and businesses can work together to improve society (2022), highlighted *"Despite the potential positive co-benefits to the business and civil society recipient, marketing and PR is an increasingly challenging area as it underpins the risks of green- and social-washing. Positive marketing about a company's impact in one area [for example, their association with a charity] can be used to divert attention or misinform customers and investors about potentially negative impacts elsewhere"*.

Charities and community groups, who are often limited on time, resources, and specialist environmental knowledge from volunteers, risk greenwashing by stretching the truth or promoting unsubstantiated claims (Marrins, 2022). Combined with the rise of Artificial Intelligence in the third sector used as a tool for drafting content, the importance of fact-checking and reviewing how this information can be interpreted is paramount.

In response to the workshop question "How do you envisage using the findings from this exercise in your own work?", one grant holder shared that they didn't know about the emerging greenwashing legislation, stating: *"I will make sure not to greenwash! I will check this legislation."*



Hampstead Heath, London. Copyright: Arup, Paul Carstairs.

Ethical Trends

Shift in Media Narratives

Media narratives around the climate emergency are evolving. While “*climate doomism*” once dominated headlines, there is a growing shift towards more constructive, solutions-oriented storytelling (Hagens, C., Feshbach, N., Talwar, M. and Low, J., (2024). According to the Yale Program on Climate Change (2024) **impactful climate stories connect with people through shared values and emotions** and “*shared stories of hope*” that highlight the fact that every listener can make a difference. This **shift is helping to inspire public engagement and highlight successful community-led initiatives globally.**

In the UK, for example, the **BBC has publicly committed to increasing its coverage of climate change** and to framing stories in ways that are both **scientifically accurate and empowering** (BBC Net Zero Transition Plan 2025). This includes a **greater focus on local solutions, community resilience and positive change.** For example, the BBC’s coverage of UK saltmarsh restoration demonstrates how localised, visually rich stories can make climate solutions tangible and relatable (Gill, BBC News, 2025). This reflects a broader trend in UK media to **move beyond polarising narratives and toward more balanced, inclusive reporting** that resonates across political and social spectrums.

Despite this progress, **local media and community storytelling remain underutilised tools for building climate momentum.** Green Alliance (2020) has called for “*more consistent and constructive media framing*” to support public understanding and political will for climate action. **Media framing can significantly shape public perception of funded projects,** influencing their legitimacy, uptake and potential for replication. Negative or misleading narratives may reduce support, while positive storytelling can amplify impact and attract new partners.

For grant holders, this evolving media landscape presents both a challenge and an opportunity. **Projects that align with constructive narratives and engage proactively with local media can benefit from increased visibility and public support.**



Baltic Flour Mill Visual Arts Trust’s project Birds, Bees, Bikes and Trees. Copyright: Gavin Forster Photography.



Upland grasslands, UK. Copyright: Arup, Neil Harwood.

Limited Accessible Information

Despite growing interest in local climate action, **many communities still lack access to relevant, up-to-date data on emissions, risks and solutions**. This limits their ability to plan, prioritise and evaluate climate interventions. The Place Based Climate Action Network (PCAN) highlights that **universities have a critical role as local civic actors in knowledge-sharing**, fostering collaborative partnerships and active engagement with other stakeholders to advance effective place-based climate action (PCAN, 2024).

The Green Finance Taskforce also stresses the **need for better localised data and decision-support tools to unlock investment and guide action**, noting that data gaps and fragmentation are a major barrier to scaling green finance at the community level (Green Finance Taskforce 2018). Without robust, accessible information, communities risk misallocating resources or failing to address key vulnerabilities.

Knowledge gaps can hinder the effectiveness of community-led projects by **limiting their ability to target interventions, monitor progress or demonstrate impact**. This can also reduce confidence among funders and partners. However, grant holders are well-positioned to bridge these gaps by **facilitating partnerships with research institutions and supporting open data initiatives**.



The Crafty Gardener. Copyright: Peter Medlicott.



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Glossary

CAF grant holders – we have a handy **Jargon Buster** on **Mighty Networks** ([which you can access here](#)) which provides definitions for these and other technical climate terminology!

Communities	A group of people connected through a shared identity, interest, or experience, including but not limited to living in the same place. It also includes the organisations (for example, community groups and charities) that support, empower and represent communities.
Community-led climate action	Refers to initiatives driven by climate change. These actions often involve renewable energy projects, local adaptation strategies, and efforts to increase public awareness and engagement.
Foresight	Describes a set of approaches, tools and skills to help explore, envision and shape the future.
Participatory foresight	Participatory foresight is a futures-oriented approach that actively involves a wide range of stakeholders, including citizens, in shaping future scenarios and decision-making process.
Co-benefits	Co-benefits are the unintended positive side effects that result from climate action. For more information on co-benefits, see our Co-Benefits Study.

Contact

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If you have any questions about the content of this report, or if you'd like to share any examples of how you're utilising this Horizon Scanning Study and responding to the trends mentioned, please contact: CAFSupport@arup.com

Or find us in the online [CAF Community Network](#)