

REPORT

CREATING A FUTURE READY ECONOMY

Delivering prosperity for business, resilience for communities, and health for people and nature.

Supported by:



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Introduction: an economy fit for the future

Our world is in transition, with underlying causes clearly described by NATO¹:



Resource scarcity, propelled by climate breakdown and the depletion of vital ecosystems, is reshaping the dynamics of global security. The demand for renewable and non-renewable resources intensifies, setting the stage for heightened competition and potential confrontation. The adverse impacts cut across sectors, from agriculture to energy, triggering inequities with far-reaching consequences.



As a result of these pressures, business as usual is no longer an option.

We still have agency to choose how we respond and decide our future — but that window is closing fast.

Earlier in 2025, Business in the Community (BITC), supported by Royal London and with background research from the University of Exeter, engaged with over 100 leaders from business, academia and civil society to explore how the UK can ensure a fair and inclusive transition, to create an economy that is resilient to the social, environmental and geopolitical shocks that are escalating as these forces play out.

Participants from a wide range of backgrounds and sectors shared their insights through a combination of interviews, focus group sessions with BITC's Regional Leadership Boards and policy roundtables in Westminster and Edinburgh. We have also drawn upon insights from a further 100 community organisations that were engaged through conversations in Bradford, Tees Valley and Greater Manchester.

The conclusions identify that focusing on a just transition to an economy that is resilient to these shocks can drive growth and accelerate delivery of the UK Government's Missions. Indeed, it is the only way to deliver lasting shared prosperity.

This report shares the insights from our research and makes recommendations to help government and business create an economy fit for the future.

KEY MESSAGES...



In a volatile world, leaders from government, business and civil society need to work together to ensure the UK economy is future-ready



Tackling our biggest social and environmental problems creates opportunities to drive economic growth in ways that build resilient, shared prosperity



A vision for a future-ready economy must be co-created and use a range of indicators to measure progress



Businesses and communities can innovate for growth and resilience but need the government to clear the way



The UK is recognised as a global leader in tackling shared social and environmental challenges. Now is the time to capitalise on this leadership

The choice before us

Future economic success will be inextricably linked to the health of the climate and nature.

The global economy is underpinned by nature and a stable climate. Earth's life support systems—clean water, pollination, climate regulation, and fertile soil are irreplaceable. There are no technological alternatives. Losing them brings national security risks: food instability, health crises, insurance system collapse, and eventually economic failure.

These concerns echo those of scientists and professionals at the forefront of risk management. The Planetary Solvency report ² from the University of Exeter and the Institute and Faculty of Actuaries makes it clear:



...our economy rests on society and our society rests in the Earth system, with these systems now deeply interconnected.



The broader insights from the Planetary Solvency report show a profound shift in the Earth's systems, with implications for everyone.

Without rapid, concerted action, more than 4 billion people could die, and global GDP could be halved.

The cost of inaction

The science is unequivocal.

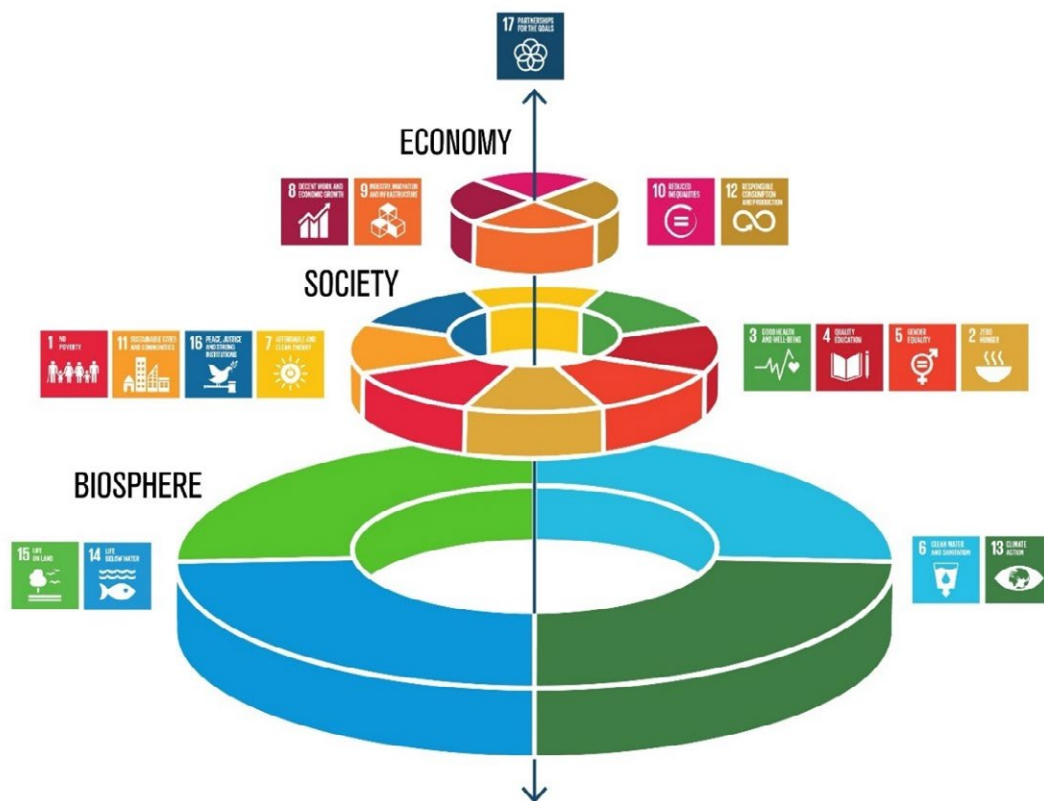
Planet Earth has crossed seven of nine planetary boundaries³, as defined by the Stockholm Resilience Centre. These are the life support systems of our planet. With an increasing amount of extreme weather, we are seeing the beginnings of the effects of rising global temperatures. Irreversible tipping points loom and the window for preventing cascading climate risk is rapidly closing.

Without coordinated action, the UK and the world will face severe consequences.

Climate damage to the UK is predicted to rise from 1.1% of current GDP to 7.4% by 2100⁴, under current policies, and these are likely underestimates. Global GDP could fall by more than 50% as Earth systems fail⁵. Billions of people would face displacement, hunger, and economic hardship as resource scarcity intensifies^{6,7,8}. Regional inequality would deepen permanently as vulnerable areas bear the disproportionate impact^{9,10}. Insurance systems would collapse under cascading climate risks¹¹. National security would be threatened by food instability, water conflicts, and mass displacement¹².

Evidence shows earlier projections vastly underestimated the damage.

Traditional economic models assume smooth, gradual impacts—but climate change triggers threshold effects, system collapses, and tipping point cascades that render gradual adaptation impossible¹³.



The SDGs ‘wedding cake’ shows how economies and societies should be seen as embedded parts of the biosphere.

Source: Stockholm Institute, Creative Commons

There are also significant concerns about resource availability. Recent studies mapped real-world trends against the scenarios produced in the 1972 Limits to Growth report to the Club of Rome¹⁴. They found that the real-world data confirmed, rather than refuted, the conclusions from the report, and that a combination of pollution and resource scarcity could limit growth if new ways of creating value are not rapidly developed^{15,16,17}.

Since the financial crash in 2008, economic growth in the UK has stagnated amidst a worldwide slowdown¹⁸.

More recently, the global pandemic, spiralling energy costs due to the war in Ukraine and more frequent extreme weather events as our climate destabilises, have been making economic growth even harder to achieve^{19,20,21}.

In the UK, inflation remains stubbornly high²². Many people are struggling²³, and inequalities in wealth distribution remain prevalent²⁴.

Growing the economy is understandably government’s number one priority. But that cannot be achieved in isolation from the systems that support it.

There is support for fair and inclusive action on climate and nature

There is, however, reason for hope in our ability to shape the future.

Leaders can act now to ensure that this is a just transition and build an economy with secure energy, good jobs, warm homes,, and thriving communities , where investment and the benefits of the transition flow to the places and people who need it most. Where growth rebuilds, rather than undermines the integrity of Earth's systems.

But the time is now. Either we actively shape a transition to an economy that works for people and planet, or we will have change forced upon us through system collapse, resource scarcity, and compounding crises. There is no third option. There is no status quo.

This path requires courage, coordination and clarity, but it is still achievable.

The evidence for action is strong. BITC's [State of the Nation 2025](#) report²⁵ identified the UK's economic outlook as one of the biggest concerns of business leaders, with uncertainty increasing pressure to cut costs and boost profitability.

80% of leaders participating in the research saw responsible business as a driver of growth. However, only 29% believed that the UK government collaborates effectively with businesses to solve social and environmental problems.

Whilst the political and media discourse often sees action on climate and nature as barriers to growth, that view is not shared by the public. Recent research by Britain Talks Climate and Nature shows that action to address the climate crisis and restore the health of nature matters to 74% of people, but most feel like they are in the minority²⁶.

The UK needs to create a future-ready economy

Economic growth that is not intertwined with action to ensure shared prosperity and rebuild the health of Earth's systems will ultimately fail.

In turn, this means that we need to redefine how we measure success. GDP alone is no longer enough.

We need metrics that give equal billing to the lived experience of those who are struggling the most in our society, and the health of nature, alongside financial performance.

With the word ‘economy’ coming from Greek roots that mean ‘management of the home’, we propose the following definition as a starting point to aid discussions about what a future-ready economy would look like:

A future-ready economy is one that enables societal resilience to social, geopolitical and environmental shocks.

It ensures prosperous businesses, healthy people, a stable climate and thriving ecosystems that reinforce each other.

It builds energy and food security. Provides high-quality, affordable housing and secure, fairly-paid, and rewarding work to underpin long-term shared prosperity.

Applying a future-ready economy lens across the UK Government’s Five Missions and within the Industrial Strategy is an opportunity to secure our international leadership role and long-term prosperity for communities and businesses across the UK.



KEY FINDINGS

1

In a volatile world, leaders from government, business and civil society need to work together to ensure the UK economy is future-ready.

Research participants were clear about the issues that need to be tackled:

- The UK faces multiple compounding shocks: a cost-of-living crisis, geopolitical conflict disrupting trade, rising energy costs, and escalating climate and nature impacts. Together, these compound public insecurity and business uncertainty.
- Current economic models are no longer delivering. Short-termism, inequality and extractive business practices undermine long-term resilience and prosperity.
- Building a future-ready economy urgently requires collaborative action from businesses, government and civil society to tackle these challenges systemically.
- Delay is not a neutral choice. Every year without coordinated action between business, government and civil society narrows our options and increases the cost of inaction.

At the heart of a future-ready economy is the need for business as usual to transform into a force for shared prosperity for business, people and nature.

Our research has enabled us to identify three areas to focus action:

- **Future-ready communities:** Directing investment where it is most needed and maximising the value of investments of time, money and expertise to help communities build resilience to future shocks. This means making sure that people see and feel the benefits of change now: warmer homes, lower bills and good jobs. It involves keeping wealth within communities, building pride in the places where people live and work and ensuring clean, safe environments where nature thrives.
- **Future-ready systems:** Removing barriers to finance, governance and delivery so that markets funnel investment into places that need it most. Sharing risks fairly and ensuring communities and nature experience positive outcomes.
- **Future-ready leaders:** Equipping businesses and civil society leaders to understand challenges and opportunities. This means embedding 'future readiness' into strategies, operations and supply chains. Government engagement is needed at every level to create an environment that gives everybody the confidence to act at speed and scale.

CASE STUDY

Spain's just climate and energy transition strategy.

Spain's comprehensive national approach to a just transition shows how a focus on fairness and meeting local needs can unlock private investment and benefits for communities.

The Climate Change and Energy Transition Act (2021) made Spain the only European country legally required to produce regular just transition strategies. To deliver this, the government created the Just Transition Institute in 2020, a dedicated body to coordinate planning, monitor worker outcomes and broker local agreements.

Its Just Transition Agreements are place-based pacts, co-developed with trade unions, companies, municipalities and civil society. More than 15 Just Transition Agreements have been signed, mobilising €8 billion in private investment, supporting over 1,200 jobs, and aligning 279 projects with local needs in former coal regions. Social measures include redeployment or early retirement for 100% of affected coal workers and large-scale mine restoration works prioritising former employees.

Spain also innovated with grid-linked energy tenders. In the 2022 Andorra tender, 55% of the award criteria focused on social and environmental value. Winning bids committed to €1.5 billion in clean energy, €60 million in socio-economic initiatives, and 6,300 jobs with quotas for former coal workers and for women^{27,28,29,30}.

2

Tackling our biggest environmental problems creates opportunities to drive economic growth in ways that build resilient, shared prosperity.

Recent debates have often pitched economic, social and environmental problems as mutually exclusive. This is a dangerous fiction.

Research participants told us how the climate agenda has become polarised. Terms like “net zero” and “just transition” are weaponised, misunderstood, stripped of meaning. Cross-party support has been eroded, risking the paralysis of action at the worst possible moment.



We've broken the bipartisan all-party consensus. Net zero is now framed as a cost to people.

Interview participant – academic expert



However, there is strong evidence that transitioning to low-carbon energy has huge potential to ensure secure and affordable energy while creating opportunities for skills development and good jobs³¹.

It can open up opportunities for investors with an appetite for social and environmental returns, securing investment in the UK. Community energy ownership models can also put money back into people's pockets, so they see the direct benefits of the transition³².



The language of transition currently risks alienating the people who could be impacted the most. Government and businesses need to embrace the discomfort of co-creating with people who are struggling with what change might mean for them.

Roundtable participant



CASE STUDY

Anzen: Innovation in retrofitting.

Anzen is a UK start-up with an ambitious vision to decarbonise one million homes by 2025, concentrating on homes in fuel poverty and those with structural limitations. Drawing on the lived experience of the company's founders, of homes with inadequate heating and poor ventilation leading to mould and health issues, they developed the Climate Wall.

This plug-and-play solid-state heat pump is refrigerant-free and promotes healthier indoor environments. It can be installed by an electrician in under two hours and is designed for the UK's ten million space-constrained homes where standard heat pumps are not a viable fit.

In June 2025, Anzen secured £1.1 million pre-seed investment, co-led by Green Angel Ventures and Desai Ventures, with backing from Sustainable Ventures, Colbridge Ventures, One Planet Capital, and Carbon13. This demonstrates investor confidence in the technology, but venture capital alone cannot deliver deployment at the scale required for net zero housing.

By reducing installation costs and disruption, the Climate Wall addresses one of the biggest barriers to retrofit: affordability and accessibility. Early pilots indicate strong potential in social housing, rented properties, and off-gas grid homes where energy poverty risks are high^{33,34,35}.

The UK Government's Industrial Strategy recognises that tackling climate change presents significant growth opportunities: net zero sectors are growing three times faster than the overall UK economy, generating tens of billions in private investment into the UK.³⁶

But focusing on net zero sector growth alone won't build a future-ready economy. Traditional policy approaches that treat environmental, economic, and social challenges as distinct problems are no longer effective³⁷. They never really were — we just didn't feel the consequences as clearly as we do now.

We must think and act at system intersections by addressing multiple problems simultaneously. Doing so, we can find new ways to create value that builds up the foundations we depend on to create resilient prosperity.

Targeting investment in post-industrial and rural regions to create high-quality jobs, supports small and medium-sized enterprises and social enterprises, as well as major contractors, and can help rebuild wealth in those communities.

It is also vital to rethink risk. Failure to invest in an inclusive transition to a future-ready economy is a systemic risk. Every year of delay increases eventual cost, narrows options for managed change, and shifts more control to the chaotic logic of collapsing systems.

A systems approach reveals how actions taken in one area can have repercussions elsewhere, resulting in both opportunities and unexpected outcomes that need to be carefully managed.

This will amplify the impact of strategic interventions and realise valuable co-benefits of climate action such as warmer homes, good jobs, improved health and wellbeing and stronger communities³⁸.

The links between climate, nature and health, in particular, mean a just transition would deliver substantial benefits to health and substantial savings to the Government.

For example, air pollution in the UK contributes to around 36,000 deaths each year and the costs to the NHS between 2017 and 2025 are estimated to be about £200 million annually, rising to £18.6 billion by 2035 without action³⁹. Creating urban green spaces has been shown to have both physical and mental health benefits⁴⁰.

As a result, there is a significant opportunity to make progress on the Government's Missions, creating an NHS fit for the future by improving public health, creating safer streets, and breaking down barriers to opportunity.

CASE STUDY

Aviva restoring the health of nature.

Aviva, a leading UK-based insurer, is embedding climate resilience across its business as it aims to become a net zero company by 2040. A key component of Aviva's implementation strategy is investing in nature-based solutions that cut carbon and help the UK adapt to climate impacts.

In 2023, Aviva donated £38 million to help restore Britain's lost temperate rainforests, through an ambitious partnership with the Wildlife Trusts, that will plant a combination of native tree species, including oak, birch, holly, rowan, alder and willow, across an area equivalent to around 5,200 acres, approximately 2,600 football pitches. Since then, sites have been announced in the Lake District, Pembrokeshire and the Isle of Man.

The restored temperate rainforest will remove around 800,000 tonnes of carbon dioxide from the atmosphere over the next 100 years, provide significant adaptation benefits and create more beautiful, biodiverse habitats, providing economic opportunities for rural communities through tourism. With Aviva colleagues able to use their three days a year of volunteering time on the restoration, it will also help boost employee wellbeing.

This initiative shows how holistic interventions rooted in restoring the health of nature can achieve corporate priorities whilst generating wider, social, economic and environmental benefits, in turn helping to build a future-ready economy^{41,42,43,44,45}.

3

A vision for a future-ready economy must be co-created and use a range of indicators to measure progress.

Change must be designed and delivered with people, not done to people. Top-down consultation is insufficient and breeds the backlash we are seeing across democracies. People want to co-create solutions. They want agency, not to be consulted on decisions that have already been made.

History warns us: poorly managed transitions that lack anticipation, planning and empathy create damage that persists for generations. Communities still bear the scars of deindustrialisation, with regions left behind and trust destroyed.



We're fatigued by extractive engagement. This has to be co-designed.

Roundtable participant





The private sector is looking for policy clarity and investable pipelines... not another consultation.

Roundtable participant



To ensure that initiatives succeed, we need to be able to see the path ahead and the potential pitfalls from multiple angles. Leaders from government and business need to come together to co-create solutions with the people who are closest to the problems.



Generally, big business has handled any form of transition really badly. We are rubbish at understanding collective elephant traps that lie ahead.

Interview participant – business leader



CASE STUDY

Ireland building legitimacy through Citizens' Assemblies.

Ireland's Citizens' Assembly on Climate Change has become a global reference point for deliberative democracy in climate governance. It brought together 99 randomly selected citizens under the chairmanship of a former Supreme Court judge to address the question: "How can the State make Ireland a leader in tackling climate change?"

Across two weekends, members heard expert evidence, reviewed over 1,000 public submissions and took part in facilitated discussions. They issued 13 recommendations on carbon taxation, just transition support, community energy ownership, transport investment, and climate education. Crucially, citizens tied climate action to fairness: they endorsed carbon tax rises only if revenues were ring-fenced for climate measures and social protection, and they insisted on safeguards for jobs, regional economies and low-income households.

The Assembly gave the government political legitimacy to take forward contested reforms. Its proposals influenced the Climate Action and Low Carbon Development (Amendment) Act 2021, which created a Just Transition Commission and a Carbon Tax Fund to support households and sustainable projects^{46,47,48}.

Throughout our research, business and community leaders called for a new narrative rooted in co-benefits: better work and improved health and community regeneration.

The technical language of carbon budgets and regulatory frameworks alienates people. We need stories that resonate with lived experience and public aspirations.



When we frame it at a local level – this will improve the river and the high street – people get that.

Interview participant – business leader



We're not asking people to shrink... we're asking them to imagine what a green good life could be.

Interview participant – academic expert



This led to participants consistently surfacing a deeper issue: that the UK's current economic model is no longer delivering.

Interviewees described a system marked by regional inequality, extractive business models and short-termism that sacrifices long-term stability for quarterly returns.



It's not just about decarbonisation – it's about fixing a broken model.

Interview participant – business leader





Resilience will be the defining word for governments over the next decade.

Interview participant – business leader



The UK's Milestones for Mission-Led Government includes Key Performance Indicators (KPIs) that aim to measure change that is felt by working people across the country.

These include increasing household disposable income and GDP per capita, increasing the percentage of low-carbon electricity generated, increasing the number of new homes built, reducing hospital waiting times, increasing the number of five yearolds reaching a good level of development in the Early Years Foundation Stage assessment, and increasing the number of police on the streets⁴⁹.

These all matter. But a future-ready economy requires redefining how we define value and prosperity itself.

In a complex and interconnected world, it is vital that progress is measured in ways that make sense to people.

Metrics must work together, not sit in silos. Several contributors to the research challenged GDP-focused metrics that ignore inequality, ecological degradation, or wellbeing. Real success, they argued, must be measured in terms of resilience, inclusion and restored public confidence.



Measuring everything by GDP is just not aligned with planetary boundaries.

Interview participant – business leader



On its own, growth in GDP does not necessarily translate into tangible benefits for businesses and communities.

Focusing on GDP growth alone creates perverse incentives and outcomes. When floods devastate communities, GDP rises from reconstruction. When wildfires destroy homes and forests, GDP rises from rebuilding. When hurricanes displace thousands, GDP rises from emergency spending. A metric that treats catastrophe as economic growth is fundamentally broken⁵⁰.

There are also other good reasons to expand what is measured and celebrated in economic performance. Improvements in health and wellbeing, social cohesion, public space and educational attainment all contribute to people's perceptions of how well the economy is working for them.

Progress is being made. The Office for National Statistics' inclusive wealth and income accounts reflect the value of unpaid household labour and ecosystem services to create a Gross Inclusive Income (GII) that builds on GDP⁵¹.

The landmark Wellbeing of Future Generations Act in Wales ensures long-term and inclusive planning, while Scotland's Wellbeing Economy Monitor⁵² brings together indicators to provide a baseline for assessing progress towards its ambitions for a wellbeing economy.

Kate Raworth's Doughnut Economics framework⁵³ supports economic activities that are regenerative and distributive by design and is being used successfully in Europe and the UK to ensure people have access to life's essentials while staying within ecological limits.

Most recently, the Doughnut framework has been revised as a measurement of social deprivation and ecological overshoot in comparison to global GDP. The United Nations has convened a group of experts to propose a new set of indicators to measure human and planetary wellbeing beyond GDP⁵⁴ and the World Economic Foundation's (WEF) Future of Growth initiative aims to help decision makers rethink growth so that it is more innovative, inclusive, sustainable and resilient⁵⁵.

BITC will continue to work with businesses and communities to build on these frameworks and our research will explore what this could look like in practice, in the UK, as an alternative measure of economic prosperity.

4

Businesses and communities can innovate for growth and resilience but need the government to clear the way.

Across the country, businesses are working with communities to tackle social and environmental challenges to create economic prosperity. But it is increasingly difficult to do so.



A national framework is missing... and everyone's operating in a vacuum.

Roundtable participant



Participants identified the key shifts that are needed to unlock investment at scale:

- 1** A UK-wide framework for a future-ready economy that promotes community wealth-building models, such as community ownership of key assets, platforms that bundle small business and/or community projects into investable pipelines, with dedicated funding to catalyse private sector investment, would provide clarity and unlock delivery at scale.
- 2** Developing innovative strategies, such as blended finance, can help scale up private sector investment in areas of particular significance to the just transition. This could include retrofitting buildings, strategic infrastructure and developing nature-based solutions. De-risking mechanisms, including expanding long-term contracts, guarantees, or shared-risk funds (like Contracts for Difference), could attract wider investment.
- 3** Regulatory and policy reforms to enable pension funds and other institutional investors to allocate capital to projects providing wider societal benefits. While these investments may seem riskier than traditional financing solutions in the short term, they have the potential to provide stable, longer-term returns while supporting social and environmental benefits. Alongside public finance, philanthropic donations and crowdfunding can provide robust blended finance options, which would help institutional investors deliver a wider range of impacts.



There's a logjam... the money is there, but the models and signals aren't.

Roundtable participant



Many of the most compelling examples in our research came from companies that acted early and took risks to innovate for growth and resilience. Examples include Royal London using its investor voice to influence company behaviour, and a utilities provider derisking infrastructure through an approach based on stakeholder co-creation.



Revenue certainty is what unlocked offshore wind. We need the same for retrofit.

Roundtable participant



CASE STUDY

RLAM engaging banks on just transition

In 2022, Royal London Asset Management (RLAM) attended and spoke at the AGMs of four high street banks – asking whether they would consider integrating just transition throughout their climate transition plans.

RLAM continued to work with these banks to shape the integration of just transition in their operations and products and services and track the progression of their plans. Working collaboratively with Border to Coast Pensions Partnership and Friends Provident Foundation, RLAM have now written Investor Expectations for the Banking sector on Just Transition. This provides banks with clear and public expectations and enables other investors to assess and engage with banks on their performance on the just transition. In 2025, RLAM is expecting to publish a report showcasing good practice and areas of possible improvement against its expectations.

RLAM have also used their influence as an investor to engage with the utilities and social housing sectors on just transition⁵⁶.

CASE STUDY

SSE's Just Transition Strategy

SSE was one of the first companies in the world to publish a dedicated Just Transition Strategy (2020), developed with input from Royal London Asset Management and Friends Provident Foundation. Built on 20 principles across five pillars—from securing good green jobs to supporting communities—the strategy is fully embedded into corporate governance and linked directly to SSE's £17.5 billion investment strategy.

Stakeholder co-creation is central. SSE's business plans for transmission and distribution are co-developed with stakeholders, while community funds across the UK are shaped with local trusts; while projects such as their Local Energy Net Zero Project Accelerator tool and LEO (Local Energy Oxfordshire) combine technical innovation with community planning to support decarbonisation.

This approach has supported the de-risking of major infrastructure delivery by helping build legitimacy and investor confidence, as well as helping attract talent.

In 2024, SSE launched an updated Just Transition Strategy, committing the FTSE-100 listed company to a place-based approach and to reporting annually on a comprehensive set of KPIs to embed accountability and transparency and aid wider sector-learning⁵⁷.

The UK is recognised as a global leader in tackling shared social and environmental challenges – now is the time to capitalise on this leadership domestically.

As a small island nation with a large global reach, the UK has long been recognised as a leader in science, climate action and nature protection.

Our research shows that now is the moment to renew this leadership —by embedding fairness and inclusion into the transition and by showing that prosperity and planetary health can reinforce each other.

Public trust in government and business is low, but delivering visible, place-based benefits can rebuild confidence and mobilise partnerships for change. Policies that are seen as fair and effective get more public support^{58,59}.

UK government leadership can unlock significant investments of time, resources and money from business. It can also help mobilise communities to take action locally.

Working together, there is the opportunity to deliver tangible actions with real community benefits, rebuild trust and mobilise future-ready partnerships across government, business and society.

Leaders from business, government and civil society have both a mandate and a responsibility to act.



Shape the future or be shaped by it?

The question facing government, business, and civil society is simple: will we shape this transition to deliver shared prosperity and resilient communities, or will we be shaped by mounting instability as the earth's systems rebalance and opportunities pass?

BITC's vision for a future-ready economy that enables societal resilience to social, geopolitical and environmental shocks, backed with our extensive stakeholder research, can inspire and equip businesses to make resilience and shared prosperity the foundation of the UK's economic renewal.

Together with action from the government, we can help people see that they are not alone in wanting to act on climate and nature and that collectively we can deliver a future economy where people and nature thrive.

Recommendations for Government

1 **Prioritise building a future-ready economy that is resilient to geopolitical, environmental and social shocks.**

- Establish a cross-departmental Cabinet Committee to coordinate action for a future-ready economy. Bring departments together with diverse stakeholders to review evidence, align priorities and create shared plans to build a future-ready economy and agree on a shared set of progress indicators.

2 **Catalyse private sector investment in building a future-ready economy through fiscal innovation.**

- Develop innovative strategies, such as blended finance, to help scale up private sector investment in areas of particular significance to the just transition. This could include retrofitting buildings, strategic infrastructure and developing nature-based solutions. De-risk private investment by expanding long-term contracts, guarantees, or shared-risk funds and, where risk is shared, reward those who are willing to be pioneers.
- Enable pension providers and other institutional investors to allocate capital to assets that support social and environmental benefits. Coupled with public funding to crowd in investment, such as blended finance, this would help investors deliver a wider range of impacts. Bring departments together with diverse stakeholders to review evidence, align priorities and create shared plans to build a future-ready economy and agree on a shared set of progress indicators.

Recommendations for Government continued

3 Reframe the narrative around action on environmental challenges to focus on co-benefits.

- Shift communications from “the costs of action on climate and nature” to “benefits for people and places”, such as greater resilience to shocks, better jobs, healthier communities, lower energy bills and community ownership.
- Build hard evidence and inspiring stories to refute claims that acting on environmental challenges is purely a cost to society and show that there are lasting, multiple co-benefits. Support place-based storytelling and visible outcomes to counter polarisation.

4 Empower local economic development through devolution.

- Set clear expectations and provide guidance, support and opportunities for devolved authorities to develop their own vision and action plans for a future-ready economy, promoting new ways to minimise internal competition and maximise collaboration so that global market opportunities are maximised across the UK.
- Provide long-term funding and increased powers to devolved authorities with requirements to create strategies with the communities they serve. Invest in local capacity to deliver integrated housing, energy, nature recovery and economic development outcomes, including skills programmes, ensuring that their operational and capital costs are considered and given appropriate priority.

5 Strengthen the UK’s international leadership by becoming a world leader in the future-ready economy.

- Build a future-ready economy with courage and confidence, embedding robust evaluation processes.
- Embed Future Ready Economy Innovation as a key deliverable for UK Research and Innovation (UKRI), with a remit and accompanying power to convene research councils, regulators (Ofwat, Ofgem) and representation from business and civil society, to deliver innovation for the UK and develop tools and resources that can be exported. Ensure that social and financial innovation are given the same priority as technology innovation.

Recommendations for Business

1

Embed action for a future-ready economy in your core strategy.

- Make sure social inclusion, climate resilience, and nature recovery are properly recognised within business models, embedding responsible business to deliver against these priorities, not as an add-on.

2

Co-create transition plans with stakeholders.

- Involve employees, young people, supply chains and wider communities in developing transition plans. Move from top-down consultation to genuine co-design, ensuring benefits (e.g. warmer homes, lower bills, local jobs) are tangible and visible.

3

Invest in building resilience with the communities you serve.

- Support community wealth-building by using purchasing power to scale fair and sustainable practices across suppliers. Support SMEs and social enterprises to build their resilience to shocks and enable them to benefit from green growth opportunities. Help to enable democratic ownership of local assets, e.g. employee/community shares in renewable energy, retrofit, or nature-based projects.

4

Partner with the government in blended finance pilots.

- Enable risk sharing and utilising capital from different sources for long-term return while supporting social and environmental benefits. Engage with industry initiatives and regulators to remove barriers to private investment and create a pipeline of investable projects.

5

Lead with courage and transparency.

- Share risks, lessons learned, and failures openly in corporate reporting and when speaking at events or to the media. Be willing to sit with the discomfort of not having all the answers, welcome challenge and empower people to step up to innovate and solve problems. Demonstrate visible benefits early to build public trust in business leadership.

Conclusion

This is not a call for a new strategy to sit on a shelf.
It is a call for **courage, clarity** and **coordination**.

Courage to challenge the limits of short-term growth metrics and make shared long-term health and prosperity the engine of national renewal on co-benefits.

Clarity in the role of government, to de-risk and to enable the community and business pioneers already building the future.

Coordination to align policies, government, departments and delivery partners around a common mission.

Without these, **we will fail**.

At BITC we know that responsible business is the bedrock of inclusive, sustainable growth. We know that a thriving economy needs thriving communities and that both depend on thriving Earth systems.

We can help every business be part of building a future ready economy for the UK – for people, places and planet – aligning today's commercial priorities with lasting resilience to escalating social, geopolitical and environmental shocks.

Join us and, together, we can deliver lasting shared prosperity for people and nature across the UK.

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