

Nesta's Strategy to 2030 2025 update

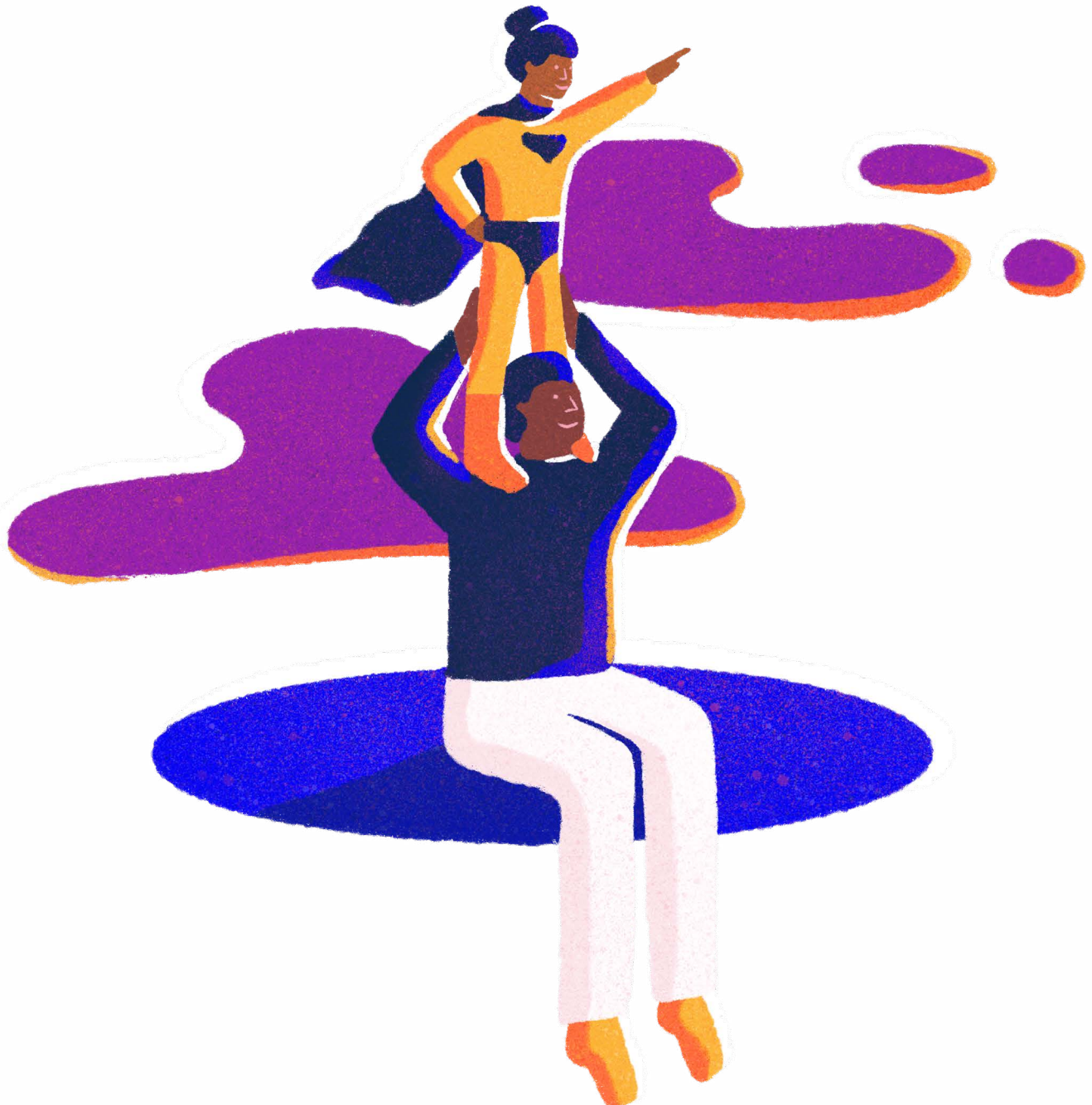


nesta



Our purpose: at Nesta, our purpose is to design, test and scale new solutions to society's biggest problems.

Our vision: by 2030, Nesta will have significantly improved the lives of millions of people. Combining rigour and creativity, we will be a world leader in driving innovation for social good.





Contents

Foreword	3
Our reasons for optimism	6
What we want to achieve	8
Our missions	8
A fairer start	9
A healthy life	13
A sustainable future	17
Areas of exploration	22
How we'll achieve our strategy	23
What we'll need to be successful	28
Join us	31

Click the **Nesta** gateway to return to the contents

What we want to achieve



Our missions

To achieve our vision of significantly improving the lives of millions of people, we're **doubling down on our three 2030 missions**: to give every child the same chance of developing to their full potential, to halve obesity, and to cut household emissions by 30%. These missions address entrenched societal challenges and demand bold, innovative solutions.

Three years in, we remain confident that **each of these issues is fundamentally tractable**. We've already achieved significant milestones that validate that our approach and resources can make a difference. And, informed by several years of practical experiments and research, we have a clearer view of the path to 2030 – one that recognises that although highly ambitious, each mission is achievable.

A fairer start





We want to break the link between family background and life chances. **Our mission is that from 2030 every child has the same chance of developing to their full potential in the early years.**

Children growing up in poverty can expect to die a decade earlier, spend more years in poor health and have fewer years of employment than their more affluent peers. This gap between richer and poorer opens at birth, widens during the early years and persists throughout life, becoming increasingly difficult and costly to close.

Achieving this mission is not only a moral imperative, but an economic one. The cost of lost opportunity in England alone is estimated at around £16 billion per year. With a strong evidence base to guide action, new technological possibilities, a will in the sector to better coordinate, and political momentum to prioritise the early years, we believe major change is possible.

How we've evolved since 2021

The first phase of our work on this mission focused on better **defining and measuring the outcomes we are trying to improve**. We used a wealth of administrative and longitudinal surveys to characterise the size and nature of socio-economic inequalities in different dimensions of early development. Notably, we produced the first ever descriptions of early childhood inequalities at the population level for Scotland and Wales. While recognising the importance of understanding child development in a holistic way, we decided our work would focus primarily on children's cognitive, language and socio-emotional development.

Next, we looked to **improve our understanding of the barriers** that prevent children from reaching their developmental milestones, and **sought out interventions and changes to the system that could remove those barriers**. Responsive caregiving and opportunities for early learning within and outside the home emerged as particularly important, with evidence showing that the most impactful ways to improve children's outcomes include quality early education and care, along with joined-up systems of support that deliver holistic services, including parenting support, to families.



Crucially, for the benefits to accrue, any such interventions - and the policies behind them - must be **well designed, targeted, implemented and funded**. This is a huge challenge requiring a multi-disciplinary approach. Through a range of practical work with frontline organisations, deep ethnographic work with families and policy analysis, **we have identified specific elements of the needed change that we will focus on driving**. This has enabled us to start making a practical difference and improve our policy recommendations.

- Our analysis of early-years government spend over the past 15 years revealed a need to rebalance policy priorities and spend towards support for children's home environments and quality of early education for children from poorer backgrounds.
- Through our design and testing work of parenting interventions, such as [Tiny Happy People](#) and our AI-powered venture Ogma, we reinforced our conviction that digital technologies have a big role to play in delivering cost-effective support for families, as a complement to in-person interactions.
- Through [multi-year innovation partnerships](#) with three local authorities, we built data products that exemplify the impact that better collection, integration and use of data nationally and locally can have on outcomes, by enabling better detection of need and targeting of support.
- Working closely with parenting intervention developers, and by [mapping early-years practice](#) across local authorities, we highlighted the deep fragmentation of the parenting support landscape and the need for greater funding, guidance, coordination and support for local implementation and evaluation.
- We co-produced a [joint midwifery and home visiting model](#) with Stockport Council, which has reinforced our conviction in the importance of joining up services around the family and helped us better understand some of the barriers to integration on the ground.

We have also updated the wording of our mission statement, ensuring the ambition level is maintained while making it more applicable across the different nations of the UK.



Our game plan to 2030

The prime minister recently set the ambitious goal of raising the proportion of children reaching a good level of development from 67.7% to 75% by 2028. While this target is a galvanising force for action that we should leverage, we must ensure that it is achieved within the context of improving the outcomes of all children, regardless of family background.

To see these changes happen by 2030, some big policy shifts must occur within this Parliament. We will continue to advocate for a strengthened policy framework and increased spending, with a focus on joining up services to support families with young children, creating enabling conditions for the scaling of effective parenting support, and leveraging the substantial investment in early education and childcare to drive quality provision for disadvantaged children in particular.

But these policy changes will not be enough without effective implementation. The next step for us will be to ramp up our strategic partnerships with intervention developers, delivery partners, and local and devolved governments to scale good practice where it already exists. Where it doesn't, we will test and learn our way to new solutions on the ground that have the potential to scale.

A healthy life



We want to increase healthy life expectancy while narrowing health inequalities. **Our mission is to halve the prevalence of obesity in the UK by 2030.**

If achieved, this could lead to an extra 400,000 years of healthy life lived by people across the UK and an estimated £98 billion in [societal cost savings](#). This would put obesity levels in the UK back to where they were in the 1990s.

We believe this is achievable by focusing on changes to the food environment. Typically, the onus is put on the individual to change, with interventions focusing on giving better information or encouraging an increase in physical activity. Behavioural science shows that asking individuals to make large lifestyle changes is likely to be ineffective at the scale required. By contrast, lots of small changes to the food environment - many of which may be imperceptible to individuals - can generate the big changes in diet that would be enough to halve obesity in the UK, without asking too much of individuals or removing the joy from food.

How we've evolved since 2021

Since launching the mission in 2021 we have researched the change in diets needed, used that research to develop policy proposals, and worked with private sector partners to test and refine our thinking.

Our **foundational research** combined gold-standard physiology modelling with nationally representative survey data to show that an 8.5% reduction in kcals - about 216 kcal per day for people living with excess weight - would be enough to halve obesity. Consumption often fluctuates by more than this each day without people noticing.

To understand **what changes in diet would be needed** to yield this calorie reduction, we brought together data about food purchases from supermarkets and convenience stores ('in home'), as well as restaurants and takeaways ('out of home'), to create the most accurate profile of sales and nutrition across these categories that has ever existed for the UK population. This allowed us to realistically model the needed changes in purchasing behaviour and diet.

We then identified **what it would take to bring this change about.**



and businesses, and over the next few years our focus is on proving that change is possible.

We've already synthesised the best available evidence in our Blueprint for Action - we broadly know what needs to happen. The next step is scaling up our partnerships with retailers, producers, restaurants and local and devolved governments to trial and test these changes in real-world settings. By piloting these interventions, we want to demonstrate that significant improvements in diet are possible without major downsides for industry or consumers. This evidence will help ensure that policy is designed in a way that delivers maximum health benefits with minimal disruption to business, while keeping food enjoyable and accessible.

By 2027, we want to have built an undeniable case for action, giving policymakers, industry leaders and the public the confidence that a healthier food system is not only necessary but achievable.

A sustainable future





We want to reduce carbon emissions from homes.

Our mission is to reduce home carbon emissions in the UK by 30% by 2030.

Homes are directly responsible for around 13% of the UK's carbon emissions. Most of this comes from using fossil fuels - gas and oil - in home heating. We're focusing on finding ways to speed up adoption of clean alternatives, such as electric heat pumps.

Adoption of heat pumps and low-carbon heat networks is already much further forward in some other countries. Our research suggests that if switching to low-carbon heating was more affordable and more straightforward we could see much faster adoption in the UK. With a 30% reduction in emissions by 2030, the UK would be well on track to decarbonising homes and able to move to mass-market adoption in the 2030s. This could also have a wider impact on global emissions by showing other countries grappling with the same challenge that home decarbonisation can be delivered quickly and in a way that is politically and publicly acceptable.

How we've evolved since 2021

Since launching the mission in 2021 we have iterated on our theory of change, seen some promising early impact, and begun pushing towards impact at scale.

Our **early analysis** found that accelerating the switch to low-carbon heating will be the most influential factor in decarbonising homes at the pace required. We have actively contributed to a growing consensus among policymakers that electrification is the most cost-effective way to cut household emissions, and quickly identified affordability as a key barrier to uptake of low-carbon heating. Our detailed research and modelling exploring the drivers of heat pump costs highlighted the role of electricity pricing in making heat pumps less affordable than boilers. This has now become a key focus of our policy work.

Our **first wave of interventions**, putting theory into practice across different parts of the solution, have begun to have an impact.

- On affordability, our work with the Development Bank of Wales influenced its rollout of retrofit loans, while one of our new ventures,



[Carno](#), has shown it can reliably reduce the survey and design stage of a heat pump installation by up to three hours.

- On simplifying the consumer journey, we have developed consumer-facing tools such as [Get A Heat Pump](#), which provides a single source of comprehensive and impartial advice. [Furbnow](#), a spinout from our venture studio, has helped simplify hundreds of home retrofits since launch, while our investment in [Aira](#) supported its UK expansion, enabling it to help thousands of UK homes to install heat pumps
- On shifting attitudes, our [Visit A Heat Pump](#) service not only smooths the customer journey by helping consumers understand the realities of ownership, it also allows common myths to be addressed through peer-to-peer experience sharing. We are also working to get positive stories into mainstream media with reach into the millions, briefing broadcasters and production teams on home decarbonisation.
- On supporting installers, another spinout, [Renbee](#), is onboarding hundreds of installers to its platform, cutting installer admin, while [Start at home](#) gives newly trained heat pump installers a heat pump to install at home, enabling them to become knowledgeable about and confident with the technology.
- On demand shifting, our [HeatFlex](#) trial with the Centre for Net Zero showed that demand can be shifted away from peak periods while maintaining home temperatures.

The next step is to build on this early promise and move increasingly towards impact at scale. We have already had some successes in driving towards impact at real scale.

- During the energy crisis of 2022, we launched a public-facing campaign, [Money Saving Boiler Challenge](#), aiming to help households save money and reduce carbon emissions by running their boilers more efficiently. Our evaluation suggests that 3.1 million households turned down their boiler flow temperatures over the course of the campaign, saving an estimated 500,000 tonnes of carbon dioxide and an estimated £300 million annually on household energy bills. The campaign also helped raise awareness



and acceptance of lower-temperature heating, which paves the way for heat pumps.

- Our policy work has helped shape the agenda at UK level and in the devolved nations, and has contributed to changing specific policies. For example, we commissioned modelling on the cumulative noise of heat pumps, which found that even under worst-case scenario conditions there would be no noticeable impact on noise levels. This helped reassure the UK government that modifying permitted development rules for heat pumps in England would not lead to additional noise nuisance. Going forward, significantly fewer heat pumps should need planning permission, lifting a barrier to adoption.

Along the way we have learned a lot and adjusted accordingly.

We've deepened our understanding of what it takes to decarbonise homes and where we can have the biggest impact. We have moved away from trying to improve the efficiency of existing fossil fuel heating systems, as switching to low-carbon alternatives is more important in the long term. And rather than focus on shifting energy demand away from peak times as a goal in itself, we are folding it into our work on affordability. Shifting demand is an important enabler of low-carbon heating, and when coupled with tariffs rewarding households for shifting demand can reduce running costs, but may not cut household carbon emissions directly.

The external landscape has also changed. Substantive government investment in heat pump subsidies has lowered financial barriers for households, while rapid advancements in AI and digital solutions have created new opportunities for personalised, scalable interventions. As a result, we've refined our approach, doubling down on scaling heat pump adoption while stepping back from areas with more limited impact.

Our game plan to 2030

Our best chance of achieving the 2030 mission is through helping develop and scale up initiatives, policies and services that rapidly increase uptake of low-carbon heating.

Specifically, we want to make it more attractive, easier and more affordable for homes to switch to heat pumps and other low-carbon



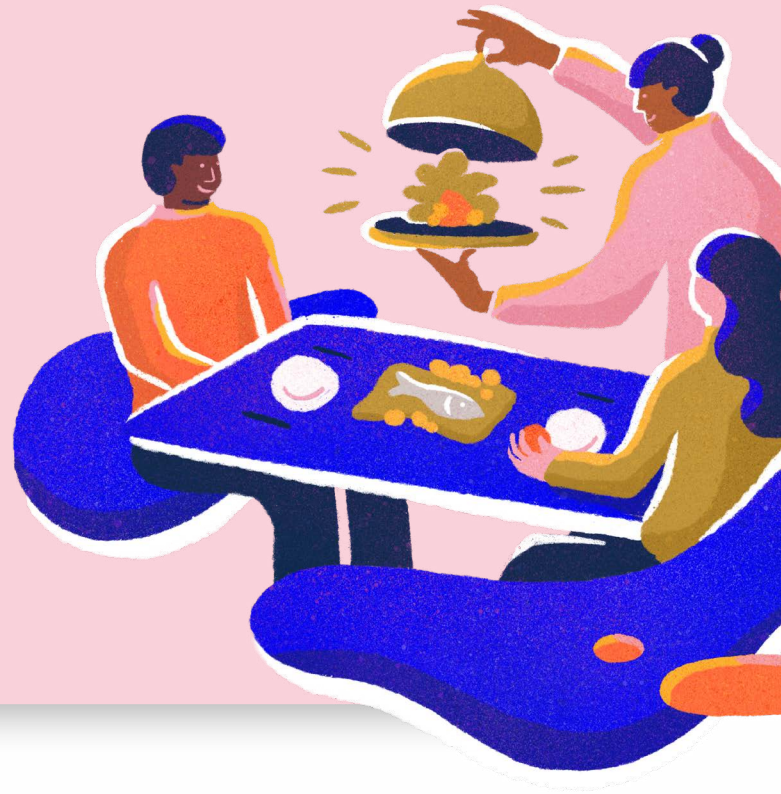
technologies, ensure the policy environment supports and incentivises this shift, and help grow the range of solutions and supply chain to deliver them.

Heat pumps currently make up around 3% of new heating installations each year. By 2030, heat pumps and other low-carbon solutions need to form 50% of all new installations to meet climate goals. Making a shift of this magnitude requires ambitious policies, as well as a rapid shift in public attitudes and the attractiveness of heat pumps and other low-carbon heating solutions as a consumer proposition.

Through our practical innovation work with partners, and our ventures and investment activity, we aim to show how heat pumps and other low-carbon solutions can become affordable and appealing to households whatever their circumstances - for example, by testing how innovative tariffs can reduce heat pump running costs, or finding ways to support homes across entire neighbourhoods to switch to low-carbon heating together. We will continue to work with installers and industry more widely to design and test ways to grow a skilled workforce and support those already in the industry to make the shift to low-carbon heating.

We will use insights from our innovation work to shape policy advice to governments in the UK and devolved nations and work actively alongside officials and politicians to support policy development. We will grow our public-facing work, based on a more detailed understanding of what might motivate different consumer groups to adopt low-carbon heating - through doing this we hope to directly support uptake and create an environment in which politicians feel confident to act.

What we'll need to be successful



Nesta's success continues to depend on five enablers: people and culture, innovation expertise, risk-tolerant capital, convening power, and focus and flexibility.

People and culture

The primary determinant of our success remains the quality and diversity of the people we attract, retain and recruit, and the culture in which we work. We seek to attract talented people to form high-performing teams, offering them the chance to work on some of society's most pressing challenges in an ambitious, fast-paced environment that is deeply focused on real-world change.

A guiding principle of our [culture](#) is that we do whatever it takes to achieve our missions. This means setting ambitious goals, thinking big and refusing to settle for small wins. We prioritise impact, constantly challenging ourselves and each other to go further and faster. We value progress over process, experimenting iteratively and adapting quickly based on what we learn. We believe in the power of collaboration and bring our best to the table, supporting each other to succeed. The culture is dynamic, with the freedom to experiment, the support to grow, and a shared drive to push boundaries. Learning is constant, and bold ideas are always welcome.



Equity, diversity and inclusion (EDI) are at the heart of our operations. We work diligently to close pay gaps, increase staff diversity, foster an inclusive culture, and promote inclusion both internally and externally. Since 2021 we've been delivering on our comprehensive [EDI strategy](#), and have made important progress against its specific, measurable targets.

Innovation expertise

Tackling our missions requires us to draw on a range of innovation methods. We've strengthened our toolkit since 2021, adding skills such as software engineering and policy to our existing capabilities in data science, design, behavioural science, arts and experimental research, building Nesta and BIT into a combined powerhouse of applied innovation. And we're increasingly making use of new technologies, such as generative AI, across our innovation methods.

We remain committed to applying these and other lenses to our mission work in an outcome-driven way. We take a problem-first lens, asking ourselves: "what is needed to get to the most impactful answer, as quickly as possible?" Often the answer has been, and will be, a multidisciplinary team drawing on several approaches. Our work will continue to be enriched by the varied expertise and perspectives of academics, practitioners and those with lived experience of the issues we seek to address.

Risk-tolerant capital

We will continue to use our risk-tolerant capital strategically to take risks, make big bets and scale what works. This will include investing our capital in new and early-stage ventures that contribute to achieving our missions. As we move into the next phase of our strategy, increasingly looking to take solutions to scale, deploying our risk-tolerant capital effectively to maximise our impact will be essential.

We remain committed to delivering value for money in our spending, and to drawing down on our endowment in a way that safeguards its availability for future generations.

Convening power

We pride ourselves in our ability to bring together diverse groups of people from multiple sectors, from policymakers, investors and industry leaders to academics, charities and frontline practitioners. By doing this,



we ensure that critical conversations and collaborations take place that would not happen otherwise, leading to actionable solutions that drive us towards our missions.

Convening powerful coalitions requires Nesta to demonstrate credibility, maintain a strong external reputation and cultivate sustained, trusted relationships. Leveraging our independence, resources and reputation, we will continue to form unique cross-sector coalitions in support of our missions.

Focus and flexibility

Focusing allows us to bring the best of Nesta to bear on each mission, rally resources and attention around shared goals, and fully commit to plans that we believe offer the best chance of achieving impact at scale. This inevitably means stepping away from work that may well be impactful, but that we have judged to be less impactful than our priorities. For this reason we have chosen to no longer work on productivity, loneliness and secondary education.

Remaining flexible, adaptive and responsive is also important. First, our theories of change for each mission must evolve as the world changes around us and we learn more, or they will become outdated and ineffective. Second, by remaining forward- and outward-looking we can unearth new approaches with the potential to magnify our impact over time. Our Mission Discovery Hub plays a vital role in this, scanning for trends and technologies that could accelerate our progress. Third, some of our work requires us to be responsive to the political landscape and able to engage in broader debates in order to be credible and have a seat at the table. Finally, while we believe in focus, outsized opportunities for impact can sometimes emerge opportunistically. Retaining some ability to react - particularly via our profit-making subsidiaries that require a broader thematic lens to thrive - can be beneficial.

Maintaining this delicate balance between focus and flexibility on an ongoing basis is an important enabler of our strategy.

Join us



Nesta's vision is that, by 2030, we will have significantly improved the lives of millions of people. This is ambitious, but we are confident that large-scale change is possible.

Should we succeed, it will be by standing on the shoulders of trailblazers, allies and critical friends who have encouraged, informed and challenged Nesta's work since our launch in 1998 with a public endowment from the National Lottery. We draw inspiration and support from the shared purpose and spirit of possibility, collaboration and generosity that we find every day across the social impact sector.

We cannot do this alone. We seek the engagement of multiple partners, and in return commit to working openly, sharing our successes and failures, and challenging ourselves to do whatever it takes to achieve our missions.

While the world we operate in will doubtless continue to change rapidly and we will need to change with it, our guiding vision will remain constant. Whether you are a frontline practitioner, policymaker, private company or innovator, we are looking for partners, friends and collaborators to develop ideas, test them rigorously and scale what works.

We hope you share our vision and will join us as we seek to improve the lives of millions of people through innovation.

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