

18th March 2025



Confirmation of Agenda

UMAL’s Annual (Virtual) Conference

Hosted by **John Pienaar**

Morning Session

9.15 – 9.45	Conference site opens
9.45 – 10.00	Opening Remarks John Pienaar
10.00 – 10.45	Review of 2024 and outlook for 2025 James Roberts
10.45 – 11.30	Balancing Budgets and Avoiding Claims Andy Peacock and Paul Francis
11.30 – 12.00	Break

Afternoon Session

12.00 – 12.30	Decarbonisation Retrofit Insurance Rob Best (Dual)
12.30 – 12.50	Risk Management Trends Andy Peacock
12.50 – 13.15	Ask UMAL All presenters
13.15	Close

Delivering **knowledge, value** and **service** to our Members

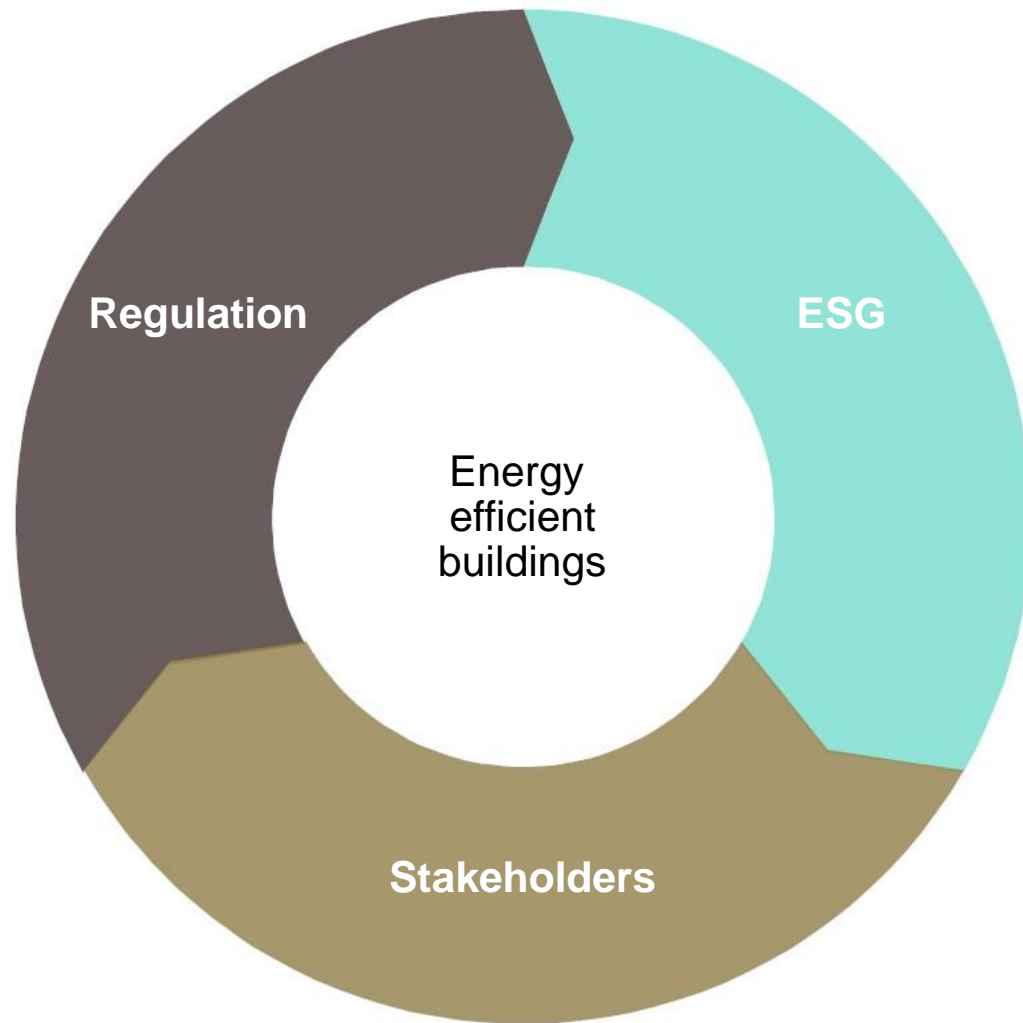


Helping make net zero projects viable

March 2025



The move to energy efficient buildings is driven by



Regulation

- Energy Act and emissions targets
- Minimum energy efficiency scores (MEES)
- Decarbonisation measures
- Government agendas



ESG

- Carbon reduction/energy savings
- Medium/long term property liabilities
- Reputational risk
- Media exposure and comparison



Stakeholders and asset performance

- Social responsibility and wellbeing
- Reduced energy spend
- Avoiding legacy assets
- Brand reputation
- Student and occupant expectations

Higher education: decarbonisation retrofit opportunities & risks



The Intergovernmental Panel on Climate Change (IPCC) states that global greenhouse gas emissions must be reduced by about 45% (compared to 2010 levels) by 2030. This contributes to achieving the Paris Agreement target of limiting global temperature rise below 2°C above pre-industrial levels.

In 2021, over 168 UK higher education institutions pledged to become carbon neutral by 2050, with some institutions aiming to decarbonise by 2023.

Data from the Higher Education Statistics Agency shows that 133 UK universities accounted for 1.4m tonnes of carbon dioxide emissions between 2021 and 2022.

Accounting specialist Grant Thornton calculates the cost of decarbonising the UK's higher education sector at £37.1bn (at a time when half of all UK universities anticipate a financial deficit).

In October 2024, Universities UK described universities as “powerhouses of sustainable transformation, through their world leading research, teaching green skills for the future and good practice on their own campuses.” They highlighted that 91% of students want their place of study to take climate action and 74% of international students stating that how seriously the university takes global and environmental issues is most likely to influence their choice of institution. Decarbonisation is a real opportunity for UK universities to lead the way.

In terms of sustainability disclosures (likely to be mandatory in the future), a recent paper* by Pinsent Masons references that the number of reporting regimes that corporates already have are expected to increasingly apply to universities. The Environmental Association for Universities and Colleges (EUAC) has been commissioned to develop a standardised carbon emissions reporting framework. This includes a strategy which anticipates that by 2025 all education settings will have nominated a sustainability lead and put in place a climate action plan.

It is expected that these disclosures and measurable climate change goals will be reflected in QS rankings and other influential rating guides.

*How universities are impacted by climate and sustainability reporting requirements: December 2024



Often finding internal or external funding for these retrofit projects is key

Rob Best
Managing Director

Barriers to delivering efficiency



Time, knowledge, focus and skills of supplier resources



Certainty of returns, projected savings and performance



Reputational and social risk of not achieving expected results



Restricted timescales to undertake work



Competing demands on funding new capital projects v retrofit projects



Ability/desire to borrow money for retrofit



Financing is not always simple



Projects are often predicated on savings to be achieved

How to get low-cost, external funding for retrofit projects, without the security of assets backing it up

External finance is available, but the certainty and reliability of delivering the expected energy savings and legislative standards, is essential to pay back periods

Possible failure of equipment installed and consequences on building performance and payback ability, is a risk

Achieving the expected income from energy generating assets, such as solar panels and EV charging points, is key

Ideally, work would be done in short windows of quiet time, opportunity

Insurance backed certainty can help



What is it?

Energy Efficiency Retrofit Insurance is specifically designed to help provide certainty to asset owners, investors and contractors, to finance and undertake decarbonising, building energy upgrade and retrofit projects.

How does it help?

It is a key foundation for financing and payback, also provides access to broader opportunity.

What is Energy Efficiency Retrofit Insurance?



DUAL Climate Risk & Resilience AA+ Superior backed solution covers three key areas:

Equipment damage,
malfunction &
breakdown

Revenue lost

Asset performance:
shortfall in energy
savings and revenue
from energy produced

It covers most types of assets and installations



Asset types

- Education facilities
- Social housing
- Commercial offices
- Public buildings
- Hotel and leisure
- Industrial premises
- Residential buildings
- Hospitals

Technology

- Heat and power sources
- Lighting
- Heating, ventilation and air conditioning
- Building management systems
- EV & power generation
- Windows and doors
- Wall and roof Insulation
- PV installations

Improve funding viability & financing opportunities



Result for the insured	How DUAL and Energy Efficiency Retrofit Insurance helps
Confidence energy savings will be achieved	Energy shortfall insured
No unplanned maintenance surprises	Unexpected equipment breakdown and damage covered by insurance
Increased certainty of ROI	Equipment installed, interruption to revenue generation and savings underpinned by insurance
Closing the funding gap	Energy savings can be used to secure and payback funding
Potential for access to financing	Introductions to specialist funds and financiers facilitated
Potential for reduced borrowing rates	AA+ (superior) rating of insurer facilitates better rates of borrowing
Opportunities for off balance sheet borrowing	ESCO's able to deliver turnkey projects and attract funding with monthly payments from Client over a long period
Projects specifically designed to deliver results, through an integrated team approach	World leading technical and technology organisation providing prioritised, project planning and delivery
Avoiding building performance surprises	Remote monitoring of building energy performance with early warning system available

Increase certainty of outcome

“

Different
project
delivery
approaches
can be insured

Rob Best
Managing Director

Asset owner led programmes of work

- Asset owner takes the lead and manages programmes of work
- Contractors deliver outcomes to asset owners
- Lenders fund asset owners on the basis of savings and insurance
- Project funded by grants, energy savings, carbon credits and more

ESCo/ SPV model

- SPV retrofits the assets to asset owners' specifications
- Lenders fund SPV on back of insured revenue from the asset owner
- SPV guarantees energy performance of assets to asset owners who make repayments over 25-30 years to SPV, part funded by grants, savings and insurance
- Potential for new development and retrofit mix
- Off balance sheet funding opportunity

Finance backed SPV/ ESCo model

Asset owners provide output performance specification for works and identify finance requirements.

SPV provides a technical and financial proposal with funding to deliver the works. Investor/SPV will finance the investment and commit to deliver the works in an established model used elsewhere.

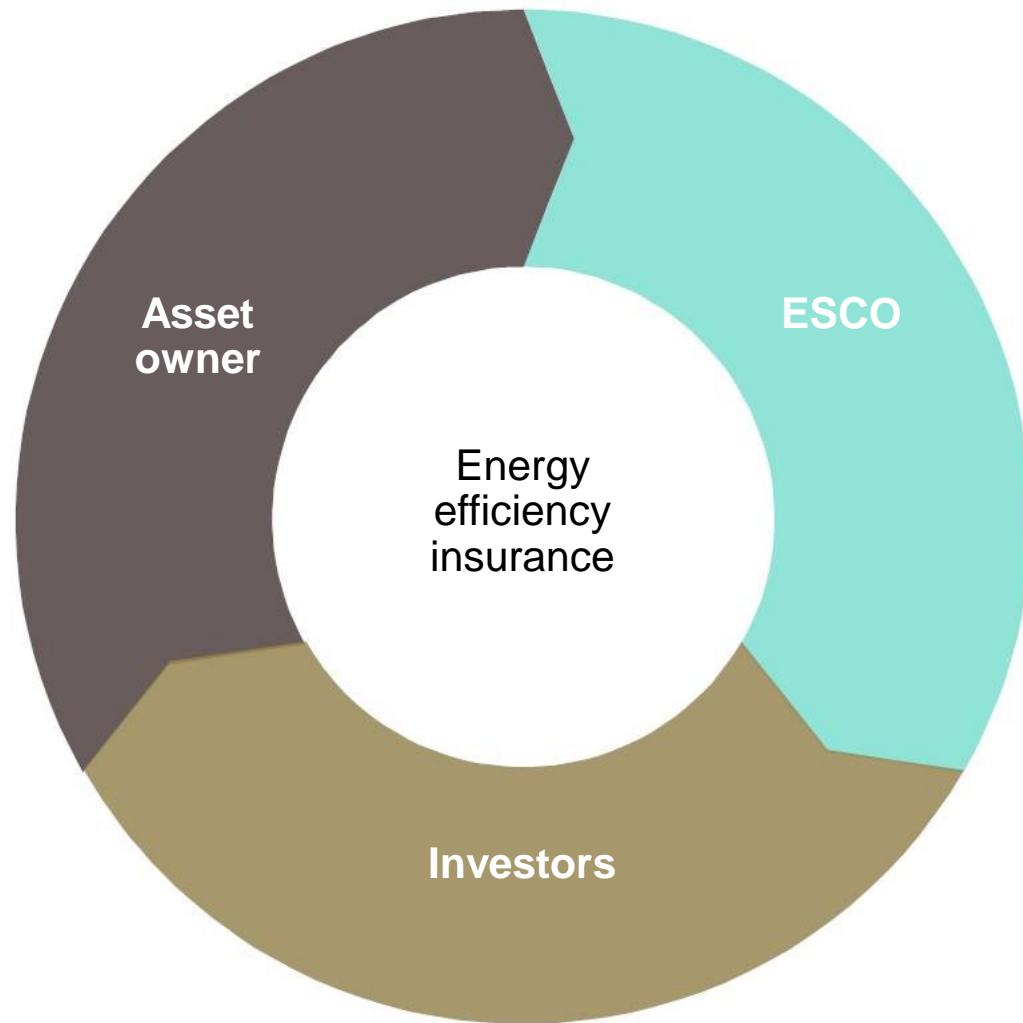
SPV procures a contractor to deliver the works at best value, with asset owner committed maintaining and managing asset post retrofit, including normal repairs and maintenance together with any lifecycle interventions.

SPV guarantees energy savings to the asset owner. Energy savings, installed equipment and any generated revenues are all insurance backed for a sustained period, which provides increased certainty.

Asset owner must maintain the equipment as part of normal maintenance regime. ESCo/SPV monitors energy performance and maintenance year on year on behalf of the asset owner.

Payback of capital and interest by the asset owner to the SPV over long term, say 25 years, like a mortgage. SPV expires on completion of the term.

It can bring together and benefit all stakeholders



Asset owner

- Confidence in performance targets being met
- Security of insurance backed savings plan
- Net zero, energy savings delivered
- Borrowings at preferential rates



ESCO/SPV

- Asset, revenue and energy performance protection
- Potentially improved credit risk
- Customer and financier confidence



Investor

- Technical uncertainty removed
- Loan repayments partly protected
- Potential for reduced cost of capital



Helping you do more

One Creechurch Place, London EC3A 5AF

+44 (0)77 7162 0002
robert.best@dualgroup.com

dualinsurance.com/uk-en/products/climate-risk-and-resilience/energy-efficiency-retrofit

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A hand is holding a bright yellow folder or book. In the background, there is a row of books with spines in various colors: yellow, green, white, grey, and dark blue. The scene is set in what appears to be a library or study area with soft lighting.

Risk Feedback

Lies and statistics



Background information

- H&S and Property (distinct areas)
- Survey only data range 02/22 – 02/25 (focus on 2024 only).
- Some grouping and data standardisation.

2024 numbers



3789

38%

3

2:1

30%

2509

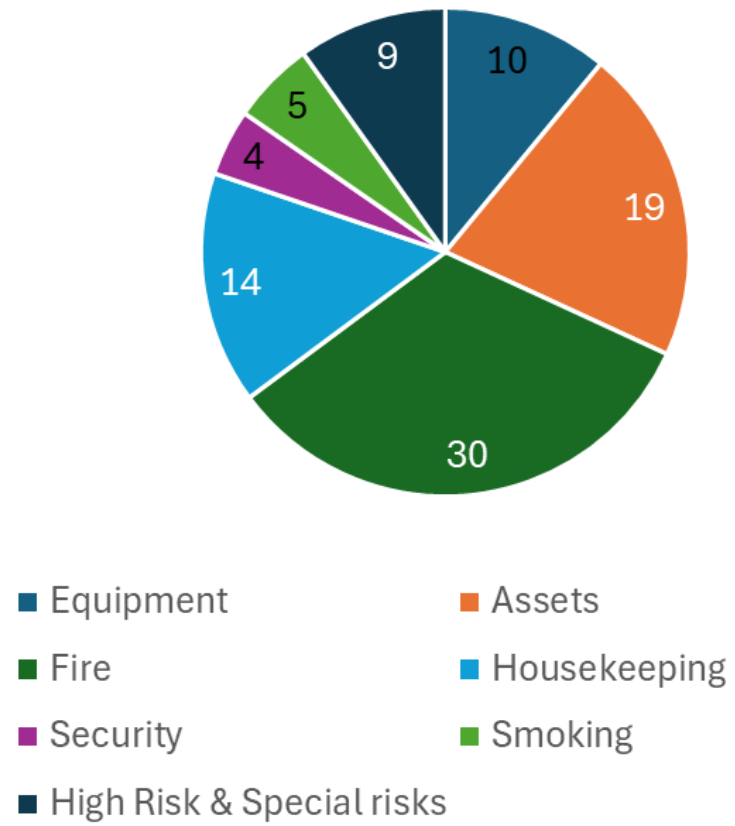
43/32/25

1280

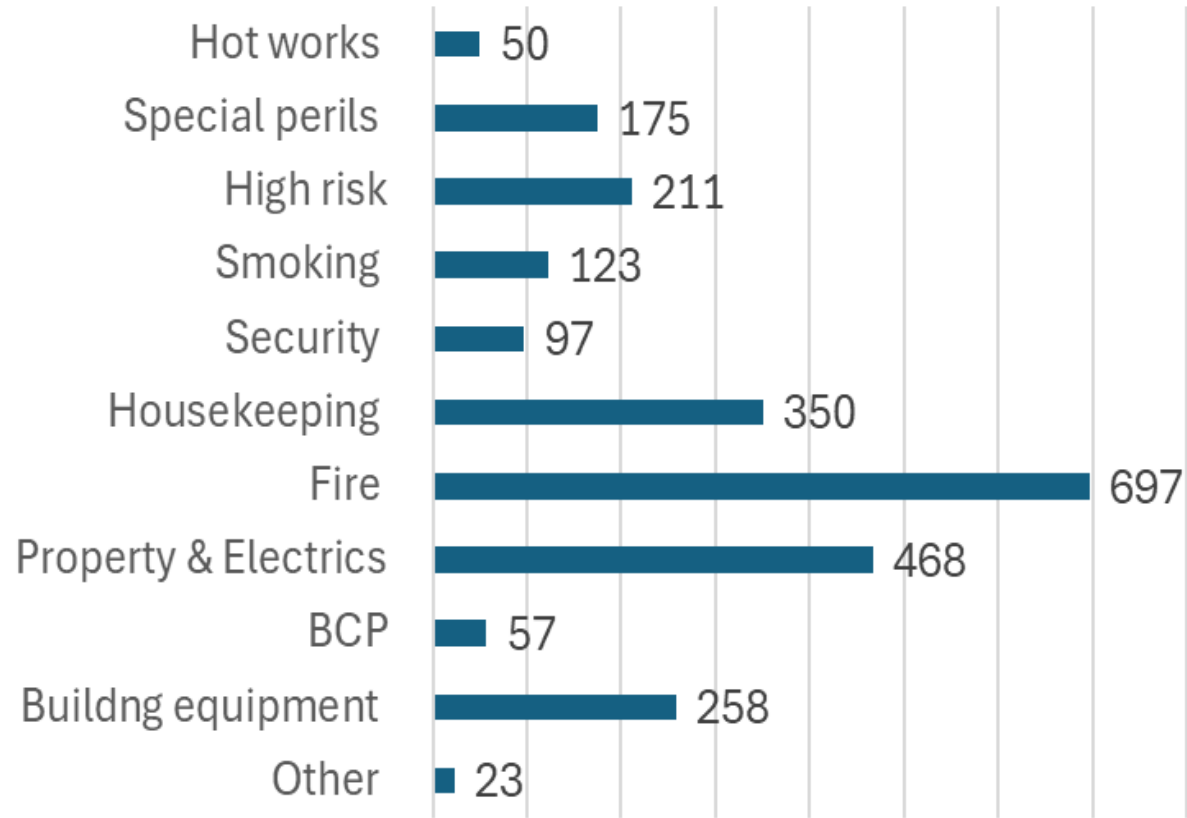
Property dashboard



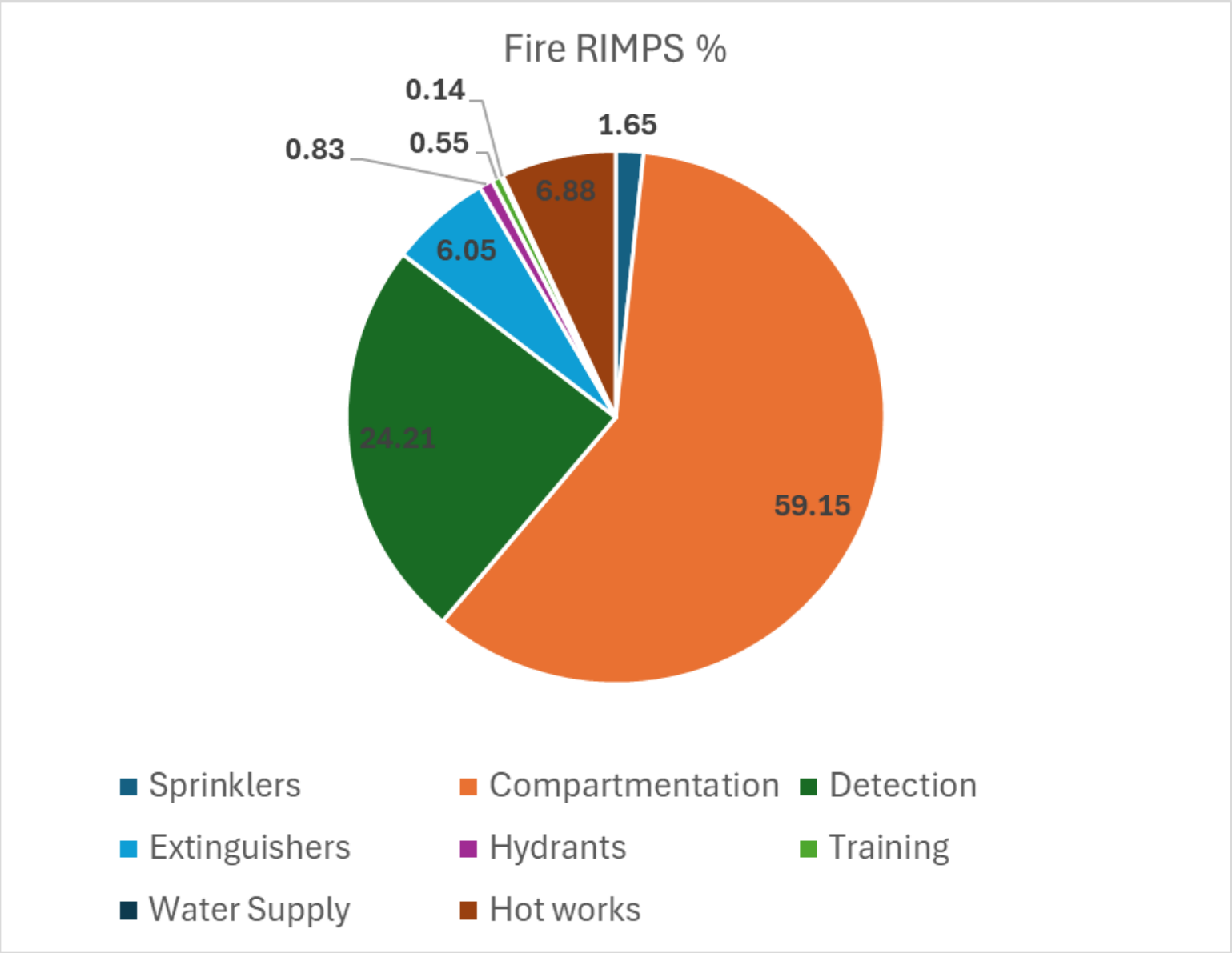
Property Dashboard %



Property dashboard - Numbers



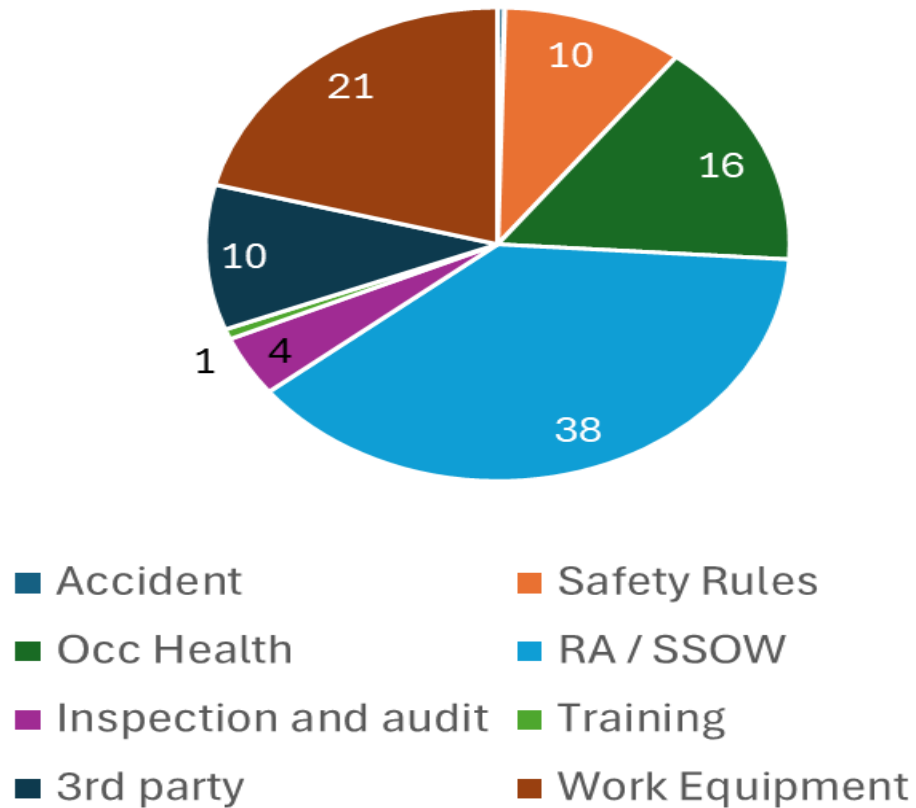
Fire dashboard



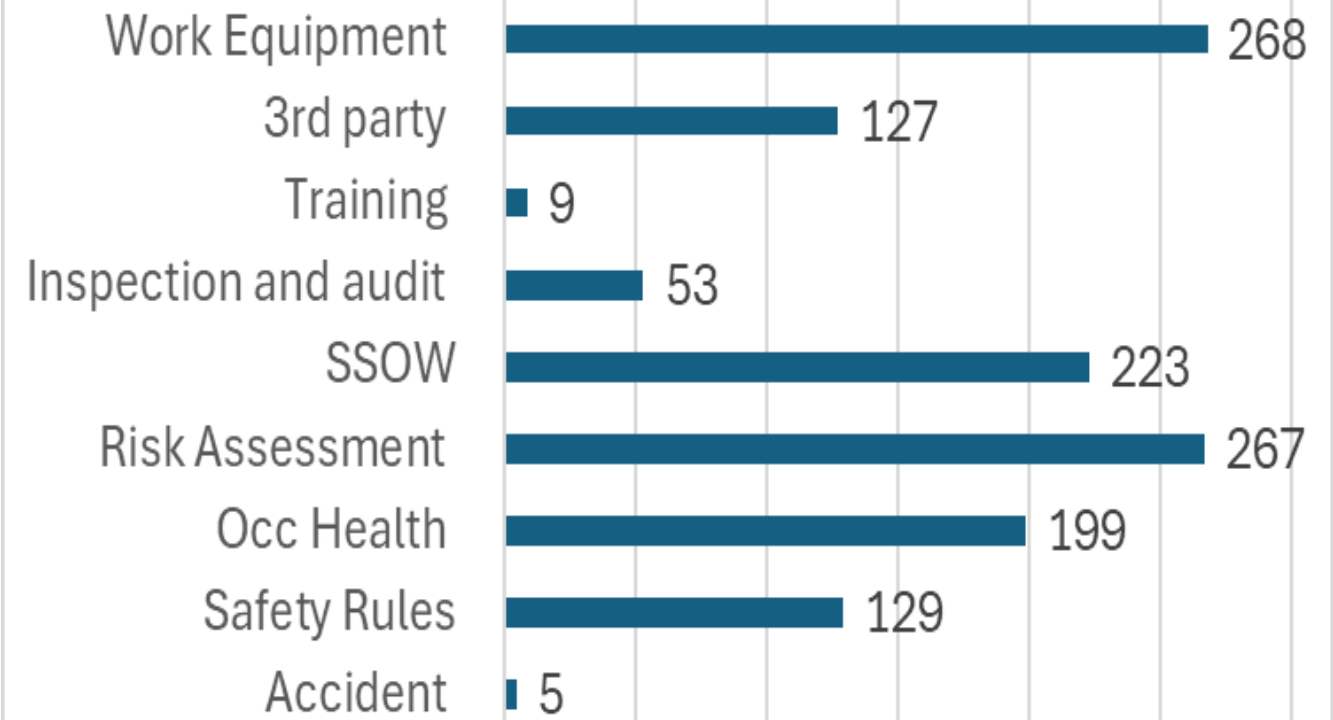
EL / PL dashboard



EL dashboard



EL dashboard - numbers



Tend analysis



Topic areas	Trend
Risk assessments / SSOW, Compartmentation and detection & Work equipment	Increasing
Housekeeping, Building maintenance, Occ health, Third party controls, Training, Special perils & Smoking	Static
Fire (collective)	Reducing

2025 and the beyond



- Gross numbers and no priorities
- Review of the risk portal
- Trends remain largely neutral – but data pool still developing
- Areas to watch
 - Fire – ABD
 - Occupational health ACM / Silicosis / mental health / EAP
 - Reduced staffing models
 - Vacant – webinar
 - Older stock
 - Fire enforcement

Thank you & Questions.

