



Education Estates[®]

Sustainability Conference

05 February 2026 | ExCeL London



EDUCATION ESTATES[®] SUSTAINABILITY CONFERENCE PARTNERS



Finance & Funding

CHAIR: Ian Caldwell, Strategic Project Support - Kings College London

Speakers:

Nicola Hogan, Head of Sustainability, University of East London

Roli Martin, Managing Director, Global City Futures

Ben Hartfield, Principal Sustainability Consultant, Turner & Townsend

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Education Estates 2026

Financing Net Zero for your
Education Estates



> Summary content

- Public sector Net Zero projects in progress
- Key Challenges
- Project Bundling
- Working on solutions.....
- Practical examples – tiered investment pooling
- Collaborative operating model
- Government funding
- Balance sheet management

> In progress...



Durham
County Council

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CITY
COUNCIL

NHS
Royal Devon
University Healthcare
NHS Foundation Trust

East
Devon
District Council

Exeter
City Council

Innovate UK

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Energy Security
& Net Zero

Southwark
Council

> Key challenges - Investment

Challenges in attracting net zero private sector investment....

Insufficient public funds



Private sector attitudes to risk

> Key challenges - Investment

Challenges in attracting net zero private sector investment....



- **Public sector-led net zero delivery programmes face challenging viability gaps.**
- **Progress is often stymied under resource and capital restrictions. Alongside this, availability of public funding from central government grant funding programmes is limited and highly competitive.**
- **Public capital is insufficient to finance the net zero transition.**

> Key challenges - Investment

Challenges in attracting net zero private sector investment....



A significant proportion of net zero projects have:

- i. Lower rates of return than the opportunity cost of private finance and/or**
- ii. Higher risk than equivalent projects with traditional private sector return rates**

Private capital providers are unwilling to invest in net zero projects that have these characteristics

> Balancing public and private sector objectives

Public sector

Maximise limited public funds as leverage to attract private sector investment

Avoid 'cherry picking'

Manage balance sheets



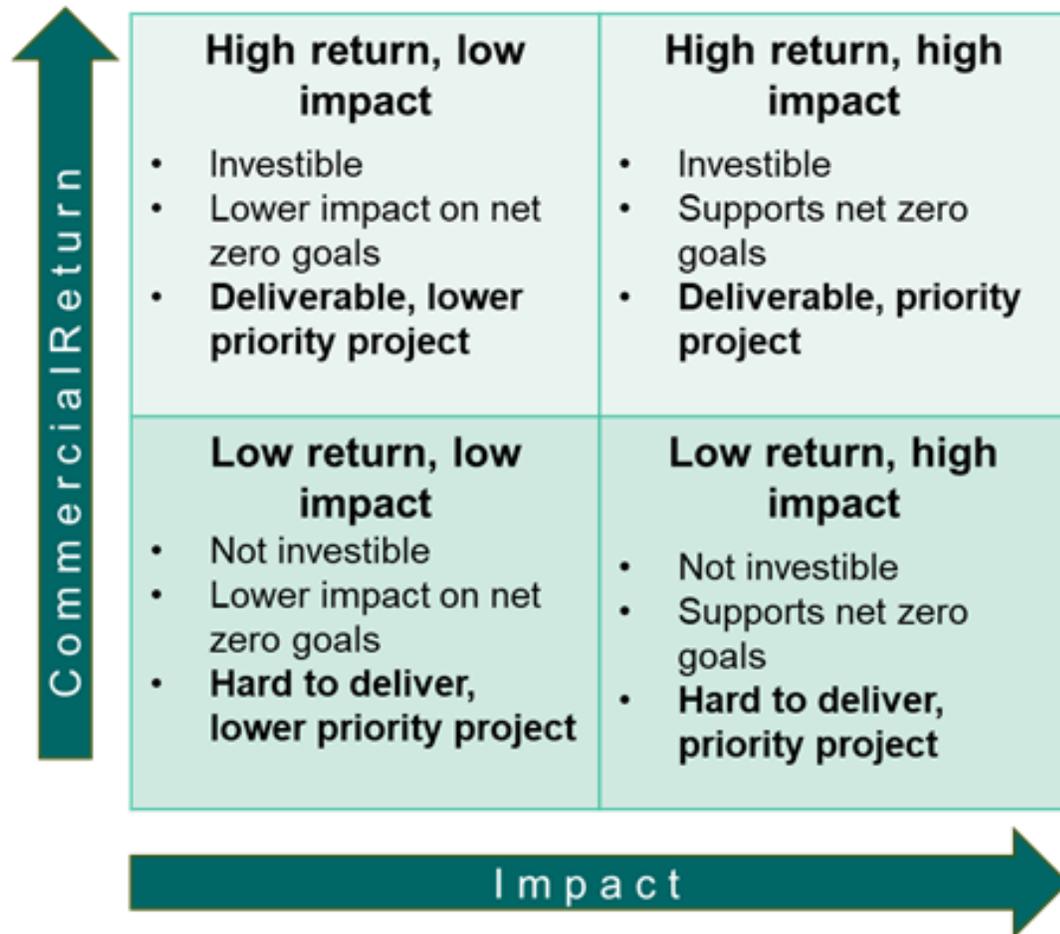
Private sector

Clean, visible, and replicable governance

Commercial return on proposals



> Bundling projects?



Project type	Funding options
High return, high impact	Private investment
High return, low impact	Private Investment
Low return, high impact	<ul style="list-style-type: none"> • Standalone – grant funded, or pump primed with public sector finance to make viable for private investment • Part of a mixed portfolio – private investment if combined with sufficiently viable projects
Low return, low impact	<ul style="list-style-type: none"> • Grant funded

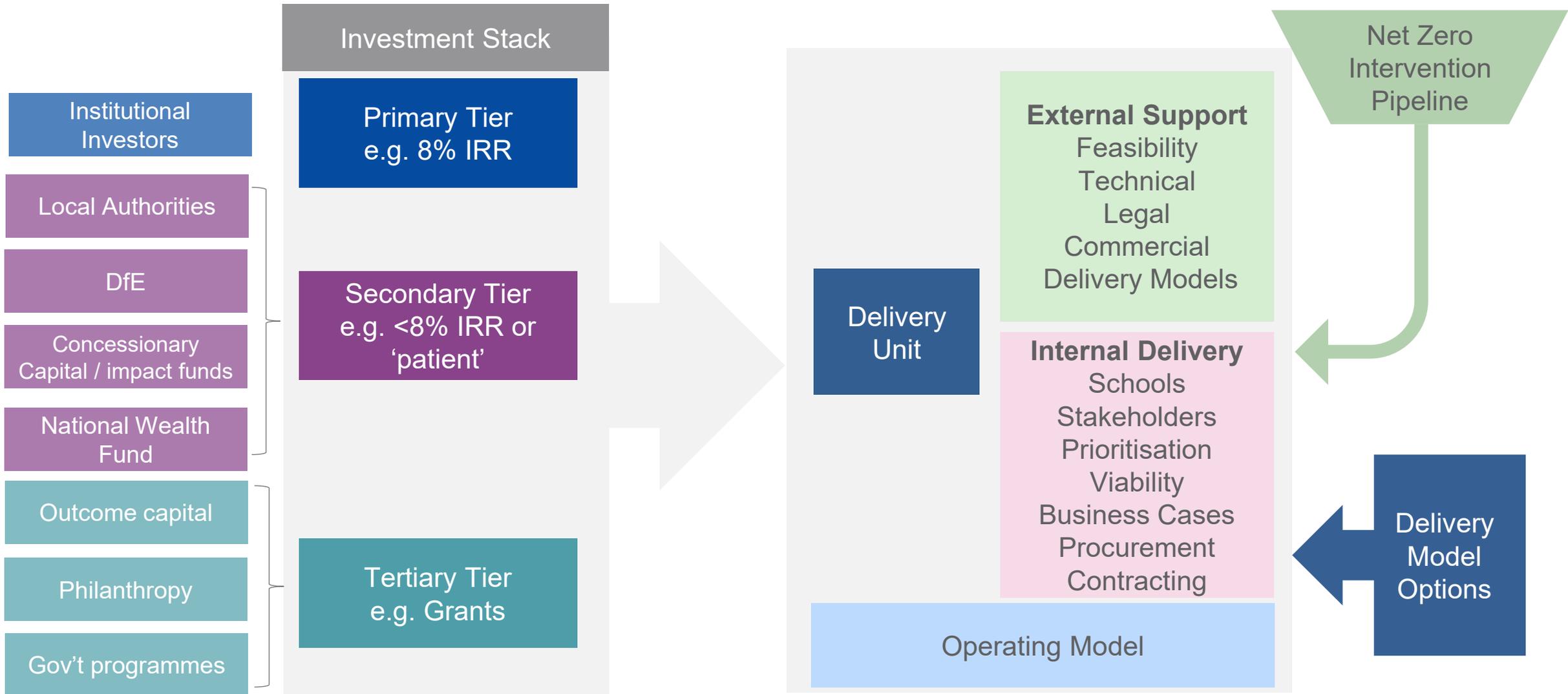
> A way forward

- A successful net zero transition for the Education Sector requires delivery models that can deploy realistic levels of public capital that leverage and maximise private capital by:
 - Subsidising the gap between baseline private capital returns and a net zero portfolio's financial return; and
 - De-risking net zero portfolios with accelerated procurement and private sector facing business models.
- Achieving net zero, social and affordability objectives cannot take place across the Education Estate with a siloed approach alone.
- A tested, market-facing operating and delivery model is required at a programme level, supported by a blended finance model.

> **Local Net Zero Accelerator**



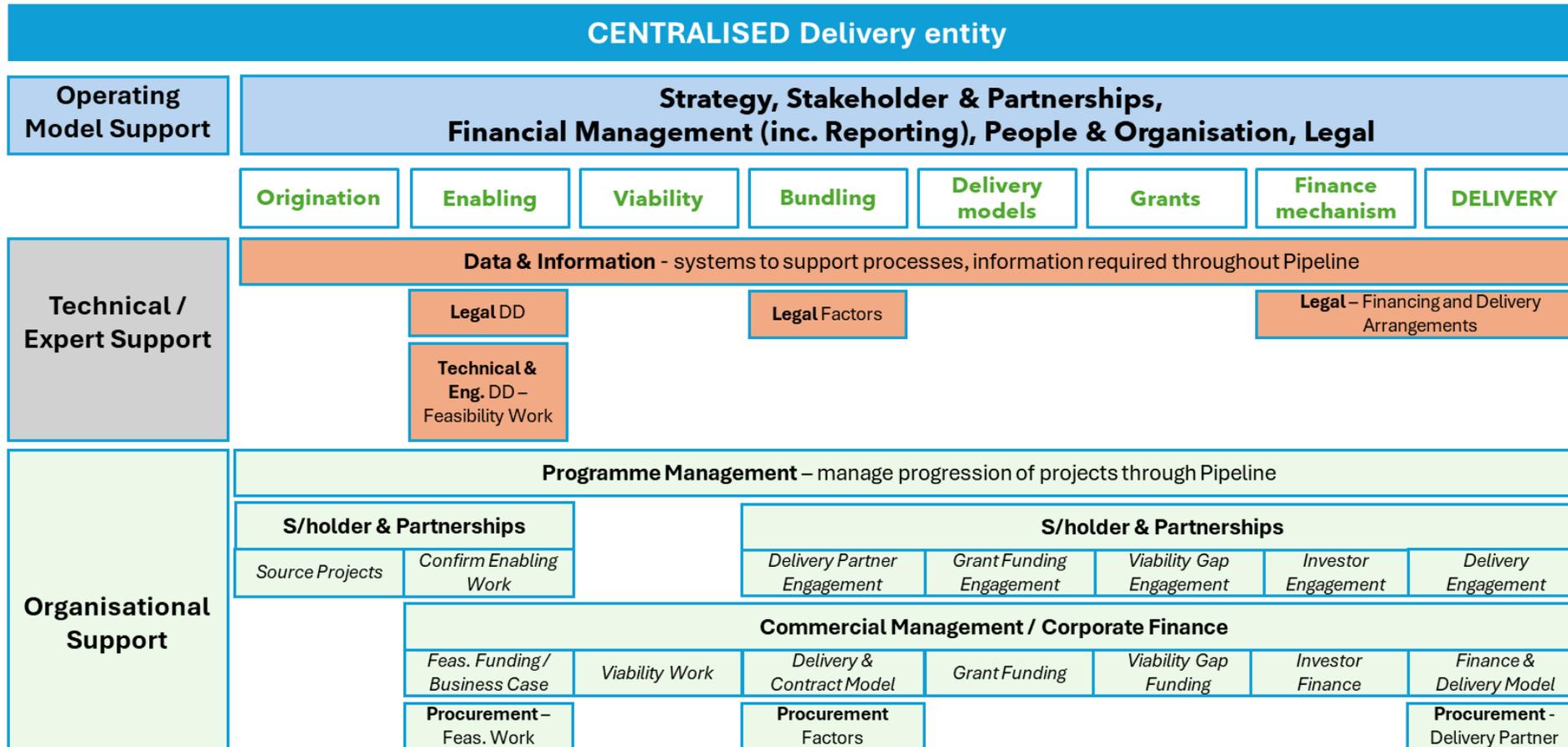
> A tiered approach to investment pooling



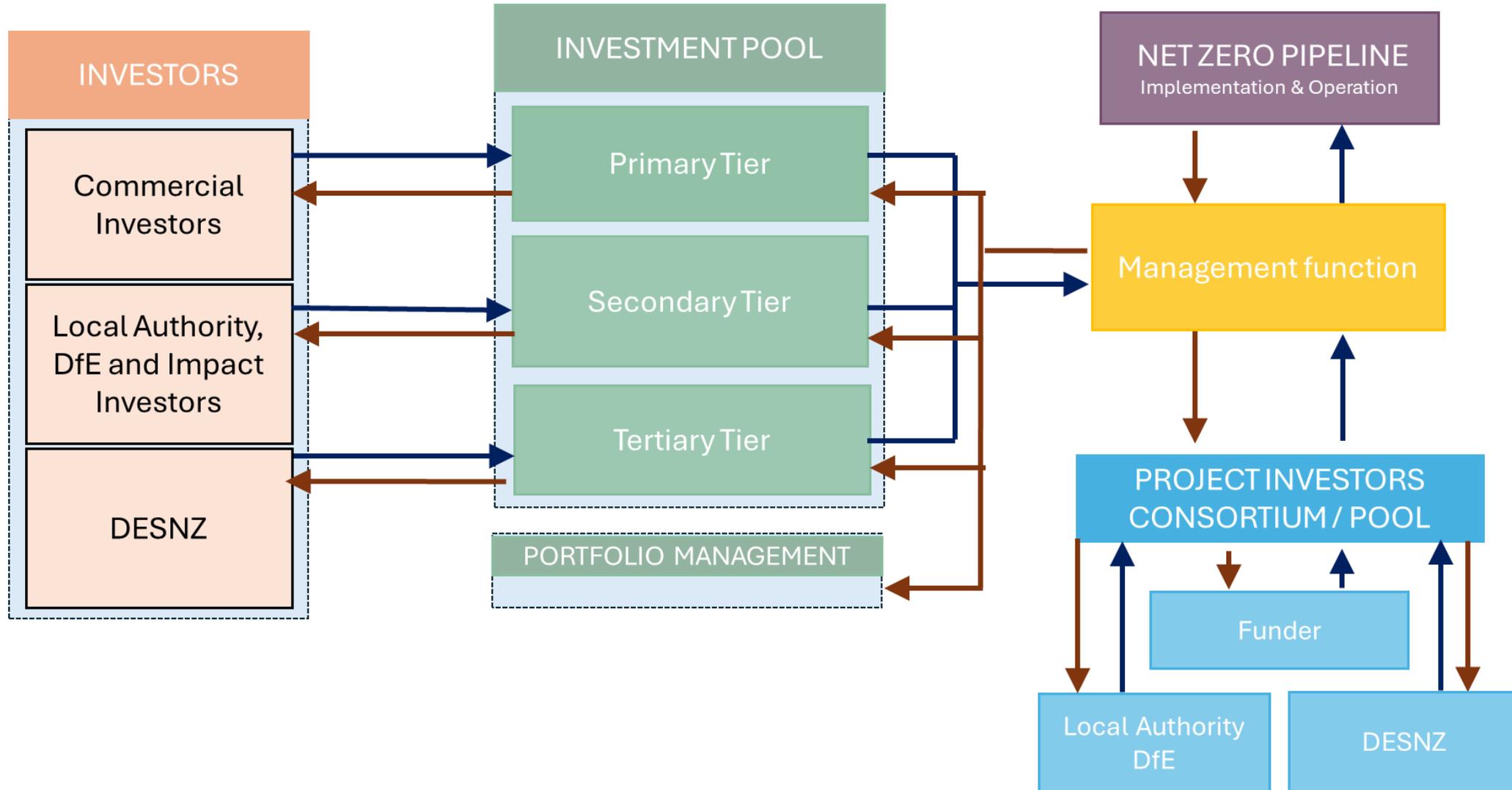
> Collaborative operating model

Education Estates Delivery Vehicle Operating Model Potential Design

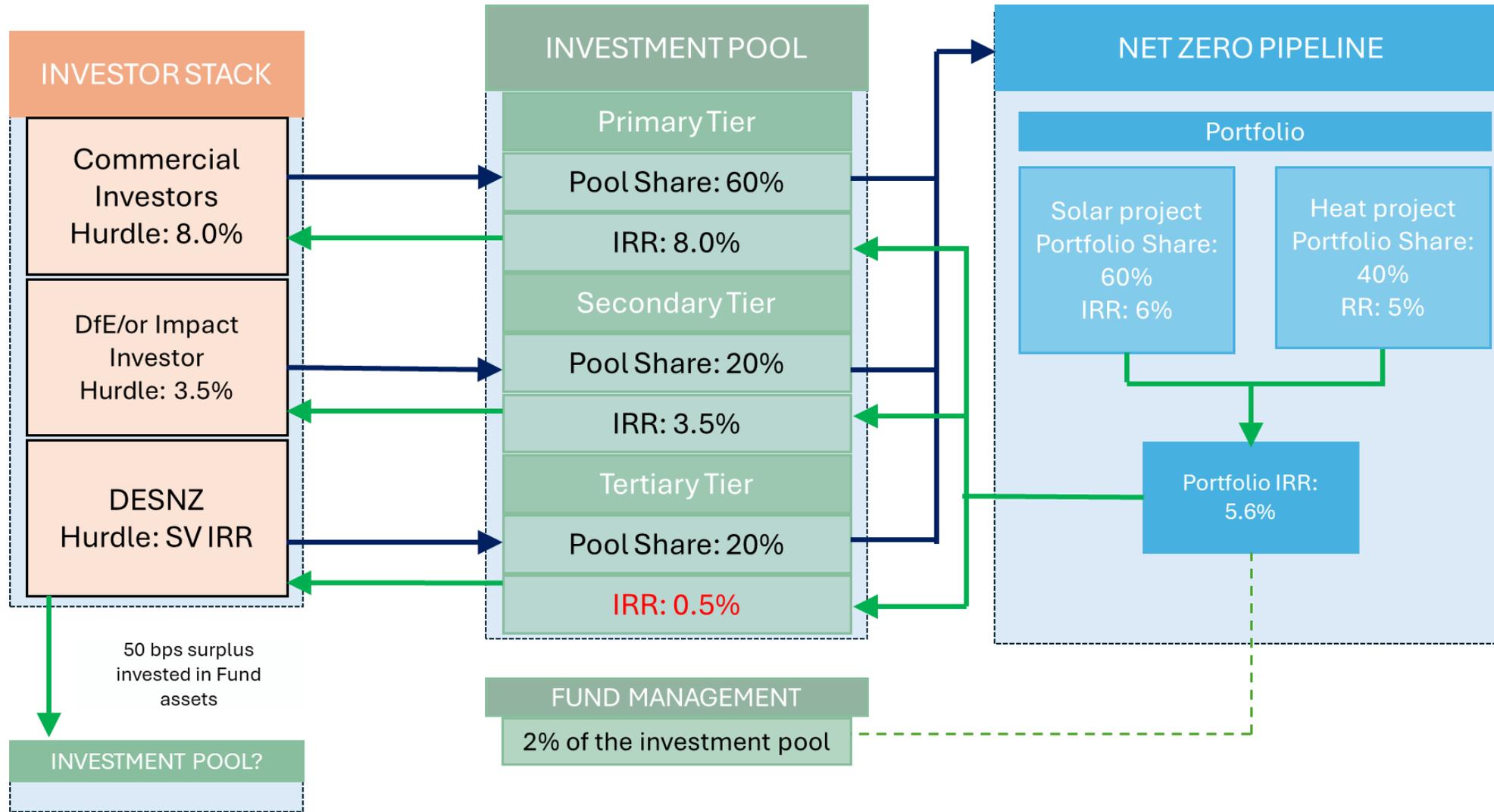
NET ZERO PIPELINE



> Pooling in practice



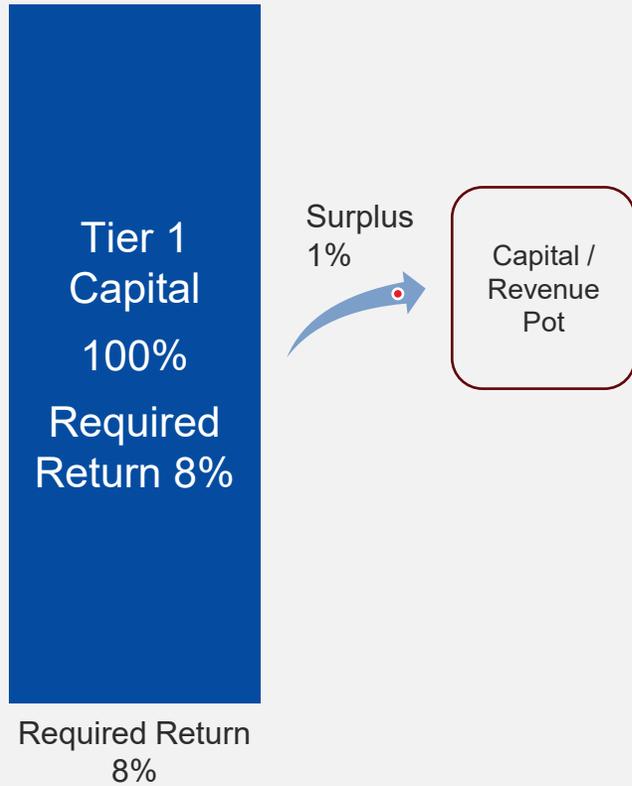
> Pooling in practice



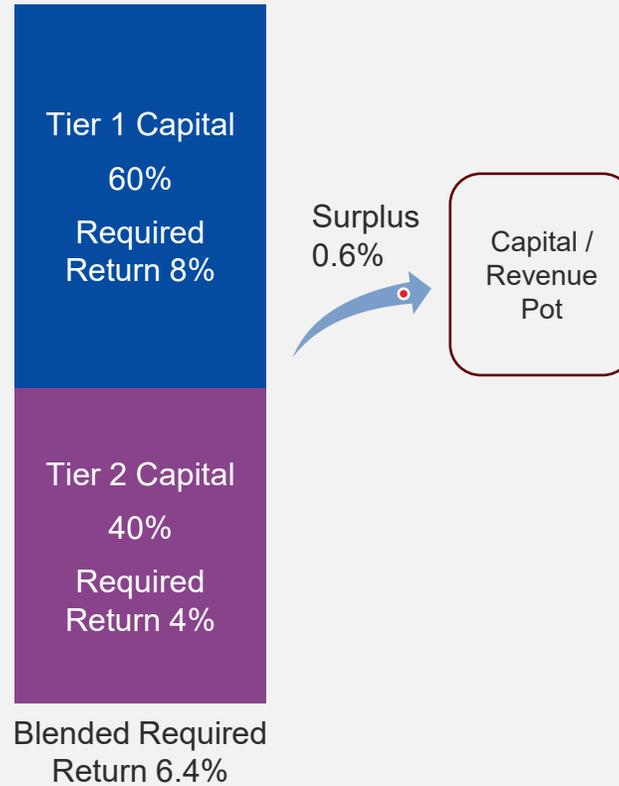
> Pooling in practice

Assumed market level (Tier 1) required IRR: 8%

Example 1: bundle IRR 9%



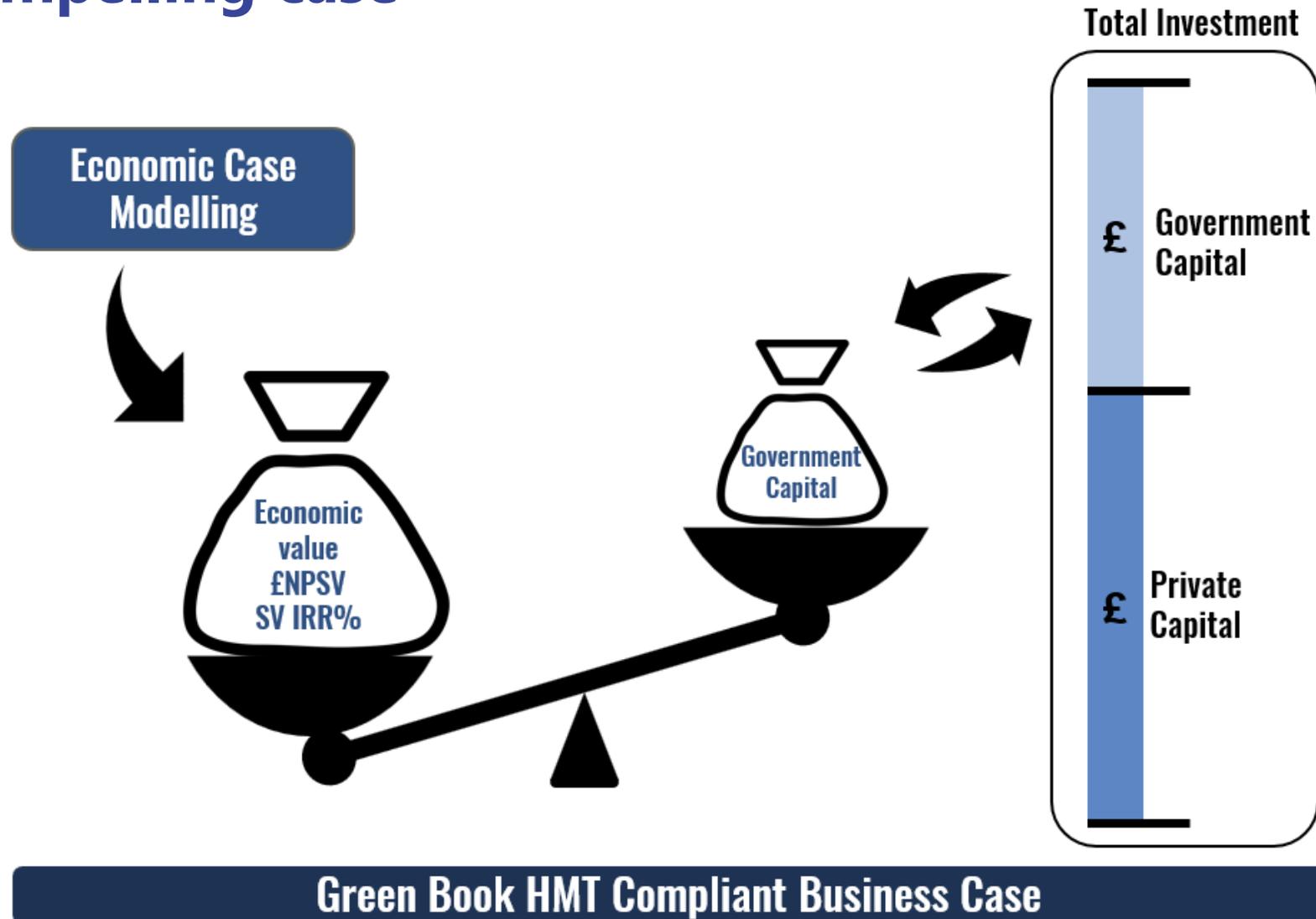
Example 2: bundle IRR 7%



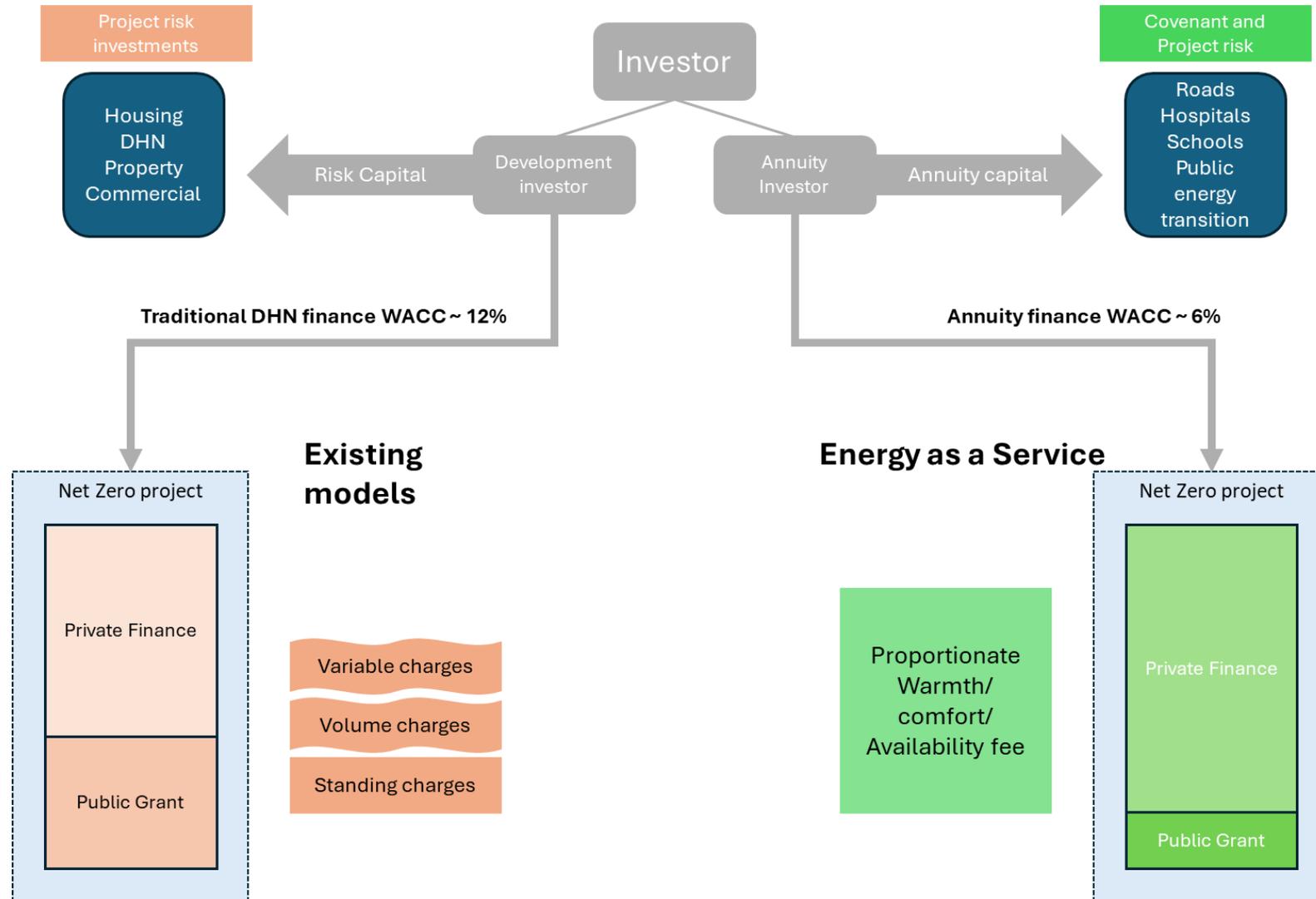
Example 3: bundle IRR 4%



> A compelling case



> Manage the balance sheet: Energy as a service



> Revenue

