



Lloyds Universities retrofit: factsheet

Deal information

Deal announced	May 2026
Sector	Retrofit
Location	GB-wide
Counterparty	Lloyds Bank
NWF Finance	£350m
Product	Guarantee

Summary

The National Wealth Fund will provide Lloyds Bank with an 70% guarantee on a portfolio of up to £500m worth of loans to universities to enable the retrofit of their estates. The loans provided by Lloyds will help universities accelerate the decarbonisation of their buildings, reducing energy consumption and emissions while creating and supporting green jobs in the process. Universities will be able to use the loans on eligible measures for retrofit including the installation of low carbon heating, insulation, low carbon lighting, renewable energy, ventilation and heating controls, as well as work on resilience measures and biodiversity.

Sector context

Decarbonising the UK's built environment is a huge challenge. Universities account for ~2.3% of the UK's GHG emissions and currently rely on the gas and electricity grids for ~90% of their energy consumption, most of which is associated with heatingⁱ. The cost of achieving net zero for universities is estimated to be £37bn (~£125m per institution) of which £8.8bn is associated with their built estates (~£30m per institution)ⁱⁱ. This is significantly higher than the grant support historically or currently available, such as the Public Sector Decarbonisation Scheme (PSDS)ⁱⁱⁱ.

Impact and additionality

Universities are constrained in their ability to invest in retrofit by competing spending priorities and growing pressure on their financial resources. NWF's guarantee will enable Lloyds Bank to bring a more flexible, price-competitive finance offer, that otherwise wouldn't be available, to

the market. This offer will be better suited to retrofit investments than finance already available to universities, helping unlock investment in retrofit activity.

The £500m of overall investment will include a minimum of £350m to be spent on eligible retrofit measures. This will enable the retrofit of hundreds of university buildings across the UK, saving up to 2.8 mtCO₂e of GHG emissions and supporting thousands of jobs through the installation of energy efficiency measures and clean heat technologies.

ESRG considerations

NWF has undertaken due diligence of Lloyds' ESG policies and processes, in line with the ESRG Framework for indirect investments. Retrofit will need to be carried out in accordance with relevant published standards, with a sufficient level of quality assurance to ensure good outcomes.

Impact metrics

Impact	Metric
~4,000	Direct Jobs Created and Supported ^{iv}
Up to 2.8 mtCO₂e	Emissions avoided ^v
£500m	Private Finance Mobilised
~300	Buildings retrofitted with energy efficiency and/or low-carbon heating measures ^{vi}

ⁱ [Priestley Centre for Climate Futures](#)

ⁱⁱ [Association of University Directors of Estates](#)

ⁱⁱⁱ [Public Sector Decarbonisation Scheme](#)

^{iv} NWF estimate based on DESNZ employment factors, ~2,800 are attributable to NWF's investment.

^v NWF estimate based on publicly available university emissions and retrofit costs data.

^{vi} NWF estimate based on publicly available university retrofit costs data.