

Case Study

Contract Research : Improved predictions of extreme weather for Deloitte LLP

Key Facts

- Devastating floods in the UK in 2007 showed just how vulnerable property and the infra structure are to extreme weather.
- Predictions of climate change suggest that extreme events like flooding, are likely to become more frequent and the impact on business could be extensive, particularly financial institutions such as mortgage lenders and insurance.
- Deloitte LLP provides audit, tax, consulting and corporate finance services to a wide range of clients.
- In September 2007 a partnership between Deloitte LLP and the University of Reading's Walker Institute was set up to help advise on the risks associated with of climate change.
- The Walker Institute for Climate System Research brings together the University of Reading's unique breadth and depth of climate expertise. It is a leading UK multidisciplinary research centre delivering better knowledge of future climate and its impacts for the benefit of society.
www.walker-institute.com.
- The collaboration between Deloitte LLP and the Walker Institute ensures that businesses are better informed about the frequency, severity and cost of future extreme weather.

The Client

Deloitte LLP provides audit, tax, consulting and corporate finance services. It is the UK member of Deloitte Touche Tohmatsu, one of the largest professional services organisations in the world with approximately 165,000 professionals working in over 140 countries.

The Challenge

Devastating floods in the UK in 2007 showed just how vulnerable property and infra-structure are to extreme weather.

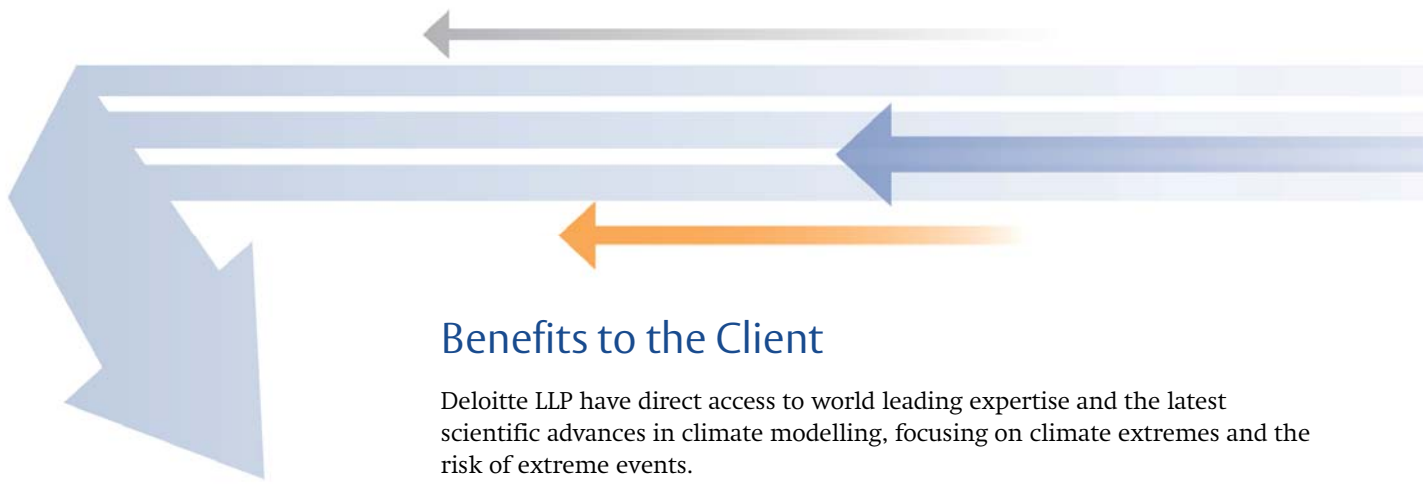
Predictions of climate change suggest that if such extremes become more frequent the impact on business could be extensive, particularly for those in the financial sector such as mortgage lenders and insurance. For example, climate change is likely to increase the risk of flooding and if certain areas are considered at higher risk they could become less attractive to householders, businesses and developers. This could affect local and possibly regional property values, with implications for mortgage lenders amongst others. While there are risks from climate change, there are also potential benefits that businesses could capitalise on.

For businesses to be able to assess the possible risks and opportunities of climate change they need much more detailed advice about local and regional changes in climate and weather extremes.

Solution

Deloitte LLP and the Walker Institute for Climate System Research have started a research programme to provide scientific research and advice on the implications of climate change for business.

Research within the Walker Institute is aimed at providing greater regional detail and improved predictions of extreme weather, particularly for the next 5 to 20 years. The output from the collaboration with Deloitte LLP will provide businesses with more detailed advice than ever before on local and regional climate change.



Benefits to the Client

Deloitte LLP have direct access to world leading expertise and the latest scientific advances in climate modelling, focusing on climate extremes and the risk of extreme events.

The research provides the client with detailed local and regional predictions of climate, providing information on the frequency, severity and cost of future extreme weather events.

Deloitte LLP are ideally positioned to convey climate developments to member firms that in turn can provide the best advice to their clients.

Benefits to the University

The University is developing and strengthening its knowledge base through interaction with Deloitte LLP.

In partnership with Deloitte LLP the University is bidding for work on further projects, involving the World Bank and Manchester City Council.



'We are delighted to have the opportunity to work with leading academics to bring the best advice to our clients in a fast-moving and critical area such as climate change.'

David Cruickshank
**Chairman of the Board of
Deloitte Partners**

University of Reading

The University of Reading is a world-class research-intensive university covering a broad spectrum of disciplines across the Life and Physical Sciences, Arts and Humanities, Social Sciences and Henley Business School. Areas of particular strength include: Climate Systems Science, Preventative and Therapeutic Health Sciences, Sustainable Construction and Environments and Computational Science and Informatics.

The University works with businesses providing support for research and development, as well as access to expertise and equipment to solve business challenges. To find out how you can access the leading minds at the University of Reading please contact our Knowledge Transfer Centre.