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Committees: Resource Allocation Sub-Committee Projects and Procurement Sub-Committee (for information)	Dates: 3 November 2025 18 November 2025
Subject: Air Source Heat Pump and Photovoltaic installation at the Mansion House Unique Project Identifier: 64800019	Regular Issue Report
Report of: City Surveyor Report Author: Adam Fjaerem	For Decision
<h1>PUBLIC</h1>	

1. Status update	<p>Project Description: To install Air Source Heat Pumps (ASHP) and Photovoltaic (PV) panels onto the roof of the Mansion House to provide low carbon heating and hot water and to generate green electricity for the building's consumption.</p> <p>RAG Status: Green</p> <p>Risk Status: Medium</p> <p>Total Estimated Cost of Project (excluding risk): £2.3M</p> <p>Change in Total Estimated Cost of Project (excluding risk): Decrease from an estimated £3M from the Gateway 3-4, 25/06/2025</p> <p>Spend to Date: £44,097</p> <p>Costed Risk Provision Utilised: £206,000</p> <p>Slippage: Planning permission and Listed Building Consent has taken longer than anticipated due to the complexities of the Pre-Planning process.</p> <p>This application is now live and comes with the support of Historic England and City of London Corporation planning officers.</p>
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	Based on the 'going-live' date of 2 nd September a planning decision should be made by 28 th October. However, it is likely that a request for an extension will be requested.													
2. Requested decisions	Next Gateway: Gateway 5 - Authority to Start Work (Light) Requested Decisions: <div>1. That additional budget of £0 is approved to reach the next Gateway;</div> <div>2. Note the revised project budget of £2,058,750 (excluding risk);</div> <div>3. Note the total estimated cost of the project at £2,264,630 (including risk);</div> <div>4. That a Costed Risk Provision of £205,880 is approved (to be drawn down via delegation to Chief Officer).</div> <div>5. That Option 5.1 is approved</div>													
3. Budget	<table><tr><th>Item</th><th>Reason</th><th>Funds/ Source of Funding</th><th>Cost (£)</th></tr><tr><td rowspan="2">Installation of required roof level steel work, replacement of roof area beneath the ASHP installation (not required for the PV installation), installation of ASHP on the building roof, installation of new flow and return pipes from roof to the basement plant room via the back stair case and</td><td rowspan="2">To enable the installation and operation of ASHP whilst respecting the buildings fabric and to avoid vibrations or noise ingress into the building.</td><td>CAS</td><td>£1,774,630</td></tr><tr><td>Contribution from CWP to pay for the roof replacement. CWP project numbers: 64100018 & C0125CW051</td><td>£490,000</td></tr></table>	Item	Reason	Funds/ Source of Funding	Cost (£)	Installation of required roof level steel work, replacement of roof area beneath the ASHP installation (not required for the PV installation), installation of ASHP on the building roof, installation of new flow and return pipes from roof to the basement plant room via the back stair case and	To enable the installation and operation of ASHP whilst respecting the buildings fabric and to avoid vibrations or noise ingress into the building.	CAS	£1,774,630	Contribution from CWP to pay for the roof replacement. CWP project numbers: 64100018 & C0125CW051	£490,000			
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	installation of associated thermal plant in basement plant room.			
	Total			2,264,630
<p>Costed Risk Provision requested for this Issue report: £0 (as detailed in the Risk Register – Appendix 2)</p> <p><i>List the resource requirements to reach the next Gateway in the table above. Please keep the requested CRP separate.</i></p>				
4. Issue description	<p>4.1 The original Gateway 2 paper outlined a project where the ASHP would sit on the mansard roof of the staff bedrooms and would supply heated water to the basement plant room via the flow and return pipes in the riser.</p> <p>4.2 The mansard roof and staff bedrooms were added to the building in the 1930s and the roofs were refurbished in the 1991 to 1993 renewal project.</p> <p>4.3 The detailed design has shown that new steel work will be required to straddle the mansard roof which will require penetrations through the existing roof and anchoring to the walls.</p> <p>4.4 In addition, the design works have shown the mansard roof is in far worse condition than originally anticipated and will need replacing beneath the ASHP.</p> <p>4.5 This roof will be replaced during the planned renewal project, but this will occur after the Climate Action Strategy (CAS) target of Net Zero in our own operations by 2027. The Mansion House ASHP project is a significant contributor to achieving this target.</p> <p>4.6 Following extensive engagement with key City Corporation stakeholders it was decided that partial roof replacement as part of this project was the preferred option as compared to a future temporary removal of the ASHP to enable roof replacement under the planned renewal project.</p> <p>4.7 Conversations are ongoing with the planned renewal project team about how this project will fit in with their master plans for the Mansion House. The replacement roof design will</p>			

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	<p>allow for integration with the remaining mansard roof replacement during the future renewal project.</p> <p>4.8 As such, the project scope has increased to include replacing the section of the roof underneath the ASHP to ensure continuity of heating and hot water provision for the building for the next twenty plus years.</p> <p>4.9 It is important to note that these limited roof replacement works are now ancillary works to the installation of the ASHP. These works will be delivered by Vital Energi using the existing Design and Build call off contract from the Re:Fit 4 framework.</p> <p>4.10 This increase in scope has increased the overall cost of the project against the originally estimates and triggered this Issue Report.</p> <p>4.11 Should planning permission be approved the ASHP and the PV installation works will need to start promptly to complete before the CAS 2027 deadline.</p> <p>4.12 A Gateway 3-5 will be issued for decision to RASC once the outcome of planning application is known. The cost values in this Issue Report are based on robust estimates and there should be limited change between this report and the Gateway 3-5 report unless the Planning Application is refused. In this situation a decision will be made as to whether to drop the project, appeal the decision or redesign the scheme based on the decision criteria.</p>
5. Options	<p>5.1 RASC approve the uplift in scope and costs.</p> <p>5.2 RASC decline the uplift in scope and cost resulting in the project cessation irrespective of the Planning Permission decision.</p>

Appendices

Appendix 1	Project Coversheet
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Contact

Report Author	Adam Fjaerem
Email Address	Adam.fjaerem@cityoflondon.gov.uk
Telephone Number	07871 107 902