



Infrastructure
and Projects
Authority

March 2025

Asset Condition Playbook
Associated Document No.2

General Implementation Guidance

Reporting to
Cabinet Office
and HM Treasury

Contents

Associated documents

- 1 PFI Expiry Asset Condition Playbook
- 2 Asset Condition Playbook Appendices

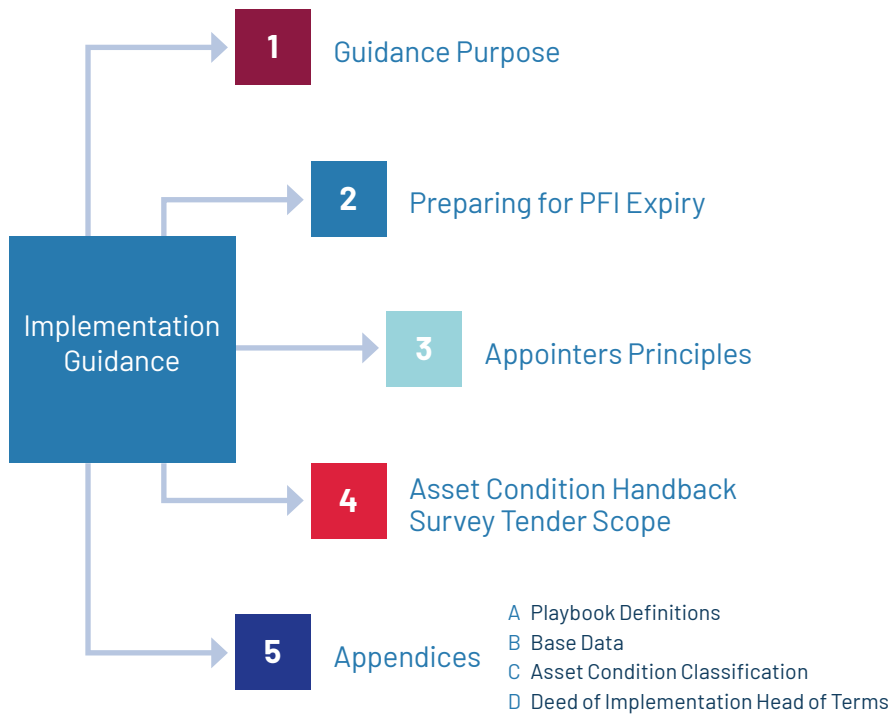
1. Introduction	2
2. Asset condition handback survey	3
3. Appointers principles	9
4. Asset condition handback survey tender scope	10
5. Collation and treatment of surveyor report outputs	14

Asset Condition Handback Playbook – Implementation Guidance

Guidance structure

The Playbook has been structured to guide users through its four primary chapters and accompanying appendices. It facilitates users from the initial stages of initiation and preparation for the survey, through to the implementation and execution of physical surveying activities across the PFI estate.

This guidance has been developed following this structured approach and focuses on pulling together key themes across these the Playbooks chapters to ensure its effective implementation.



1. Introduction

1.1. Purpose of the Playbook

The Asset Condition Handback Playbook (the ‘Playbook’), created by the Infrastructure and Projects Authority (IPA), is a practical guide for completing asset condition handback surveys in the lead up to PFI contract expiry. Developed collaboratively with representatives from the public sector (Authorities) and private sector (SPV), it aligns with the IPA’s commitment to establishing a common understanding and baseline for asset condition surveys on PFI/PPP buildings, building upon previous guidance for PFI contract expiry.

Acknowledging the diversity of PFI contracts, the Playbook avoids excessive prescription, providing a flexible framework based on practical experience for contract expiry and transition. It remains dynamic, with periodic updates anticipated to capture evolving experiences and maintain relevance. In addition, the guidance will be supplemented in the future as specific additional modules are developed to address specialist areas such as fire safety, environmental performance and latent defects.

In addition to the IPA guidance, Preparing for PFI Contract Expiry, the Playbook introduces practical tools for jointly assessing PFI estate asset management and condition compliance. These include Appointer’s Principles, a Code of Conduct, and specific survey elements like the Asset Management (Compliance) Review and Asset Condition Survey. These components collectively form a comprehensive guide for navigating PFI contract expiry to handback.

Tailored for diverse stakeholders, this guidance is universally applicable to all sectors of PFI contracts in England.

Asset Condition Handback Playbook – Implementation Guidance

1.2. Key Objectives

Efficiency and collaboration

Emphasising collaboration, the Playbook encourages stakeholders to work together for a mutually satisfactory handover of PFI assets. Resilient relationships, guided by the Nolan Principles, are deemed essential for resolving contractual issues and building trust



Common understanding

The Playbook strives to create a shared understanding among public and private sectors of asset condition during surveys. It aims to evaluate adherence to contractual provisions and establish a market standard for surveyors to ensure predictability and consistency in survey outputs.



Standard approach

By establishing a standard approach, the Playbook seeks to assist surveying firms in developing necessary skills and capabilities at scale, ensuring sufficient market capacity. The approach is expected to prevent unnecessary duplication and reduce the risk of disputes between parties



Continuous improvement

Acknowledging the evolving landscape, the Playbook anticipates periodic updates based on lessons learned from surveys conducted across different sectors, asset types and sizes. The Goal is to ensure continuous improvement in processes and address sector-specific issues

1.3. Purpose of this Implementation Guidance

The purpose of this guidance document is to support Authorities and SPV's to implement both the commercial and practical aspects of the Playbook by providing insights and practical methodologies necessary to jointly navigate the asset handback that is necessitated as part of any contract expiry.

This guidance aims to offer users of the Playbook with a comprehension of asset condition surveys; that can then be tailored to the specifics of their PFI contracts. It outlines requirements for surveys, their tailoring to contract needs, and delves into considerations such as commercial agreements and the establishment of legal frameworks to support surveying activities. The goal is to equip users of the Playbook with a holistic perspective, facilitating their navigation of the complexities of asset condition surveys within the parameters of their PFI contract.

2. Asset condition handback survey

2.1. Purpose

The purpose of this voluntary asset condition and asset management (compliance) survey is to assess the condition of the assets being returned to the Authority prior to the expiry of the PFI contract and to facilitate a smooth transition from the SPV to the Authority and/or its future service provider. This is a key step within the expiry timeline set out in the IPA guidance, Preparing for PFI Contract Expiry.

There are a huge variety of existing contract provisions relating to handback requirements and all Authorities should assess their existing contract provisions alongside the Playbook. Typically though, assessment of condition was anticipated two years out from Handback, which with the benefit of hindsight is an insufficient period of time to undertake a review

Asset Condition Handback Playbook – Implementation Guidance

and carry out any corrective actions. The voluntary survey anticipated by the Playbook therefore may provide a number of key advantages for both parties:

Compliance with contractual agreement - PFI contracts typically include specific requirements regarding the condition in which the assets should be returned to the Authority at the end of the contract period. The handback survey can be used to establish if the SPV has fulfilled its contractual obligations regarding the maintenance of the assets.

Risk mitigation - The surveys help identify any deficiencies, defects, or maintenance issues that may have arisen during the PFI contract period. By identifying these issues before handover, the Authority can address problems and mitigate potential risks and liabilities being transferred to the public sector.

Smooth transition - Conducting a thorough handback survey ensures a smooth transition of control from the SPV to the Authority. It allows for the identification of any discrepancies between the agreed condition standards, and the actual condition of the assets.

Rectification plan development - The survey provides information on asset condition to enable the identification of rectification works required to bring the assets up to the contractually agreed condition standards.

Dispute avoidance - In cases where there are disagreements between the Appointers regarding the condition of assets, the handback survey serves as a basis for navigating any differences of opinion through an objective assessment of the asset condition which can be used by either party as part of existing dispute resolution procedures set out in the PFI contract.

Future planning - The information gathered during the handback survey can be valuable for future planning and decision-making related to asset management. It helps the Authority understand the condition of the assets and plan for their ongoing maintenance, future use, and lifecycle.

In summary, the Asset Condition Handback Survey is a critical step in the conclusion of a PFI contract, ensuring that the assets are returned in a compliant condition, minimising potential risks for all parties involved.

2.2. Suitability

The Playbook proposes a voluntary survey five years before PFI contract expiry, with preparatory activities beginning two years prior to the survey activity. Aligned with the PFI timeline, this survey complements, if any, mandatory handback surveys in the Project Agreement, allowing for mutual agreement of the fulfilment of any contractual handback survey requirements.

The Playbook's survey approach is vital for projects, particularly those projects with undefined pre-expiry survey requirements. It has a broad scope that can be tailored to the individual needs of a project.

For complex PFI assets like Hospitals, an earlier survey may be necessary to allow greater time for the completion of rectification works.

The Playbook, part of ongoing IPA guidance for PFI project expiry, is specifically designed for handback. It provides a sample based, independent review of asset condition, compliance, and performance, tailored especially for a PFI expiry process. It provides for an upfront appraisal, Base Data preparation, compliance review on a sample basis, environmental condition data review, and asset condition assessments against industry standards and contractual requirements.

The sampling approach this survey affords may not always be appropriate, especially for PFI projects in distress during earlier contractual years where a survey activity may be of benefit, in these instances the sample percentages could be increased up to 100% thereby gaining full benefit from this voluntary approach.

Asset Condition Handback Playbook – Implementation Guidance

2.3. Exclusions

The most prominent exclusion and an element that is being considered for future versions of the Playbook, relates to Fire Safety.

Whilst a desktop documentation review is suggested as part of the surveyors Asset Management (Compliance) Review, It's important for the Authority to recognise that whilst building surveyors may have knowledge of fire safety systems, they are not accredited to offer observations or recommendations that the Appointers can depend on for assessing fire safety compliance. Any observations highlighted following the desk top review, should be shared with a competent chartered fire safety engineer and a detailed Fire Safety review undertaken.

Other exclusions that remain under development relate to the evaluation and assessment of a facilities compliance with the original specified Authority Construction Requirements. Where the Appointers consider this a service that should be considered by the surveyor, this could be instructed as an additional service.

2.4. Preparation for Handback

To support with the considerations contained within this guidance, it is important that the following activities, as discussed to a greater extent within the IPA guidance, Preparing for PFI Contract Expiry, are completed:

Contract awareness and management – Knowing your PFI contract and its service coverage is crucial. For Standard Form contracts, defining services will likely be a straightforward process; for complex contracts, collaboration between the SPV and the Authority from an early stage will be necessary to shape what the survey activities will look like.

Relationship management – In part, the success of any survey activity, such as the voluntary survey recommended by the Playbook, relies on effective cooperation and collaboration among PFI stakeholders. It requires active participation, open communication, and a shared commitment to ensure a comprehensive assessment and meaningful insights. Establishing a joint relationship management plan is essential. This plan serves as a structured framework to address challenges, outline roles, and facilitate clear communications.

Commercial approach – In PFI expiry planning, creating a commercial strategy is important. This strategy brings together contract management, relationships, asset understanding, and future service plans. The commercial strategy will draw together the key commercial issues and map out the process through which both the Authority SPV can seek to align their objectives.


Assets – Understanding your contract is vital, and so is knowing the assets covered in the PFI contract when developing the voluntary survey scope. If the SPV and Authority haven't consistently managed and monitored the contract, identifying and properly assessing PFI assets during the survey can become challenging. To achieve this, collaboration among the

Asset Condition Handback Playbook – Implementation Guidance

Authority, SPV, and often the SPV subcontractors is crucial. Together, they can determine which assets are included within the PFI contract and establish the required condition for each asset throughout its lifecycle.

The agreed survey activities will have a significant dependency upon the condition of the Base Data, which is further discussed in Appendix B (Base Data) of the Playbook. The provision of Base Data is a prerequisite for the surveyor to undertake their services as set out in the Playbook's Scope of Requirements (Part 2 of CH4-1-Asset Condition Handback Survey Tender Scope).

A Lesson learnt from PFI projects already navigating the expiry timeline is the importance of allocating sufficient people resources to manage the contract expiry. As highlighted within IPA guidance, Preparing for PFI Contract Expiry, the existing operational contract management team is likely to be fully engaged with the operational management of the PFI contract and it would be counterproductive to divert resources from this. The outcome of the surveying activities will in part be dependent upon the adequate allocation of dedicated personnel to handle the complexities of these surveying activities. Therefore, establishing a team focused on surveying and managing contract expiration will be important. This team will be able to manage the handback survey process without compromising ongoing operational management. The effectiveness of the surveying activities and overall contract transition may rely on the commitment and expertise of this team.



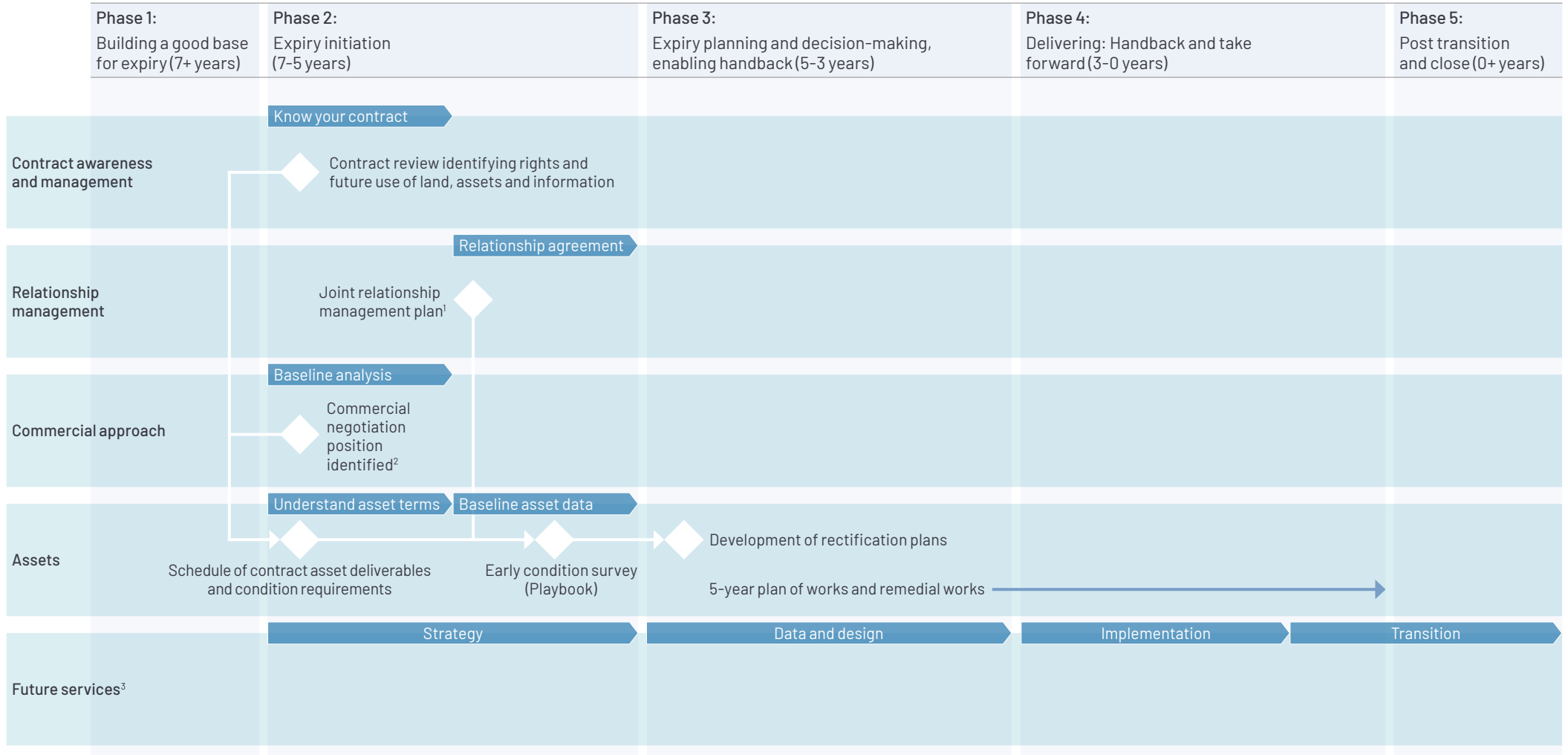
It needs to be recognised, certainly for PFI contracts that formed part of the early wave or those that have changed ownership or responsibility, that Base Data may not always be as complete as expected. Understanding what Base Data is required for maintenance, the survey process and what the Authority will need to develop its future services provision, is required at an early stage of the pre-survey activities.

2.5. Implementation

To illustrate the intended roadmap of activities envisaged as part of the Playbook and IPA guidance, Preparing for PFI Contract Expiry, the [graphics on the following pages](#) have been developed which takes the Playbook from its initiation through to the implementation of rectification plans developed from the surveyor findings.

Asset Condition Handback Playbook – Implementation Guidance

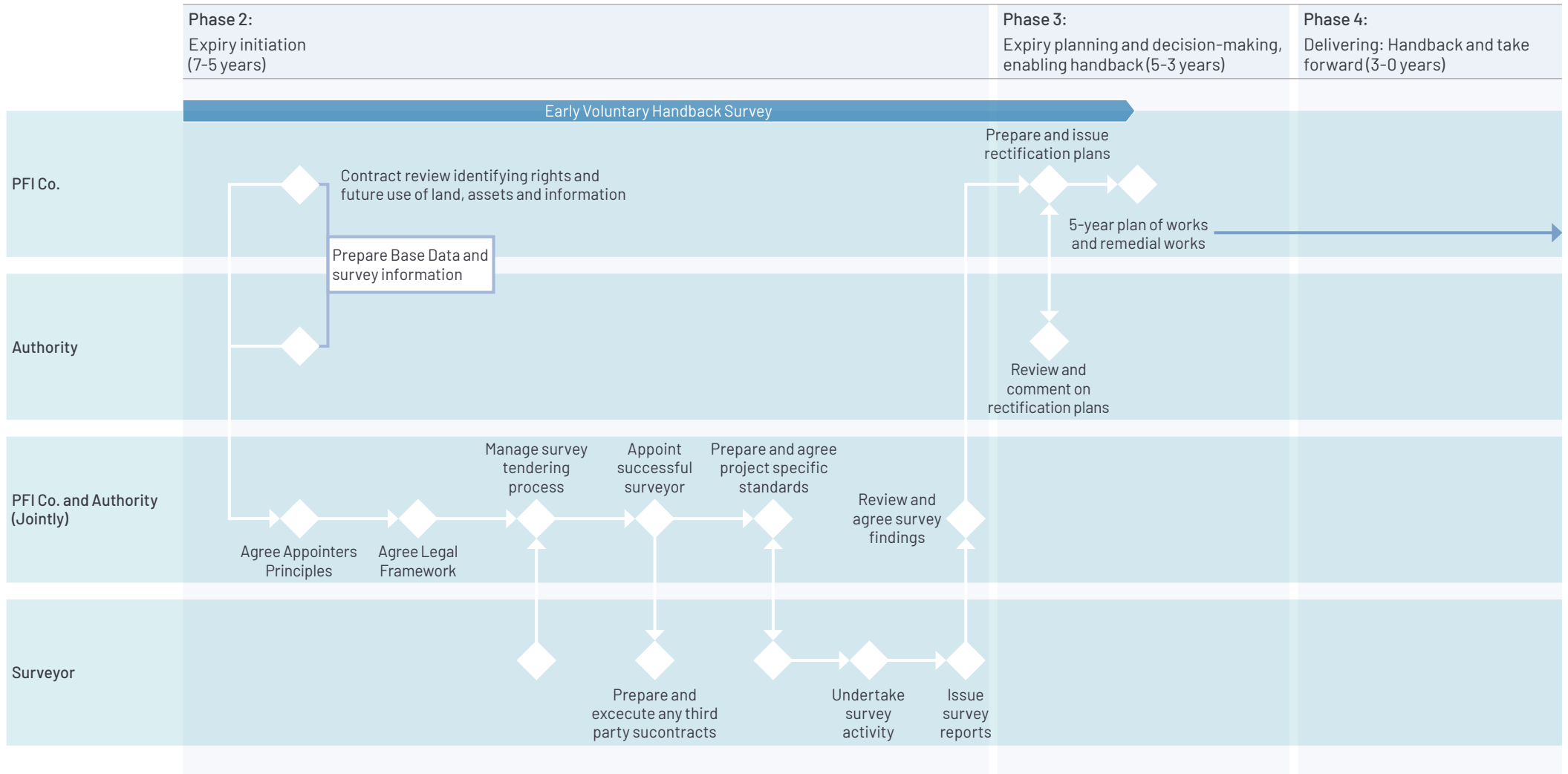
Fig 1. Relationships with the wider Expiry timeline



1 Joint relationship management plan - This is considered to be the Appointers Principles (Chapter 3-1 to the Playbook).
 2 Commercial negotiation position identified - This is considered to be the Heads of Terms.
 3 Further IPA guidance on the development of a Future Services strategy is under development at the point of publishing & is planned for publication during 2025'

Asset Condition Handback Playbook – Implementation Guidance

Fig 2. Suggested Playbook survey scoping, procurement, and implementation process



Asset Condition Handback Playbook – Implementation Guidance

3. Appointers principles

The Contracting Authority should engage early with the SPV and subcontractors for surveying activities across a PFI facility. Cooperation and transparency from all parties are essential for a de-risked asset handback, ensuring a smooth transition to the Authority or its future service provider or in-house team.

Outlining expected principles and behaviours for all stakeholders and integrating them into a project-specific commercial framework is important for the survey process.

Chapter 3 (Appointers Principles) of the Playbook offers guidance on essential elements the Appointers should have in place to maintain focus and constructive dialogue throughout the surveying process in the expiry timeline.

Some key fundamentals that will require their inclusion within any developed legal framework are:

Surveyor engagements - This encompasses defining the surveyor's scope, expected deliverables, liability protection, and duty of care to appointing parties, including relevant third parties involved in the facility operations/functions.

Payment structure - This should address the funding of the surveying activities and the equitable distribution of costs among the Appointers.

Treatment of survey results - This should seek to address post-survey report delivery, the agreement of final survey results and the classification of findings, including mechanisms such as Helpdesk reporting and Maintenance/Improvement Plans.

Relief periods - Considering equitable survey cost-sharing, this involves addressing the treatment of survey results that might ordinarily be subject to existing contractual provisions, which might take the form of a temporary "safe space" during the completion of Maintenance/Improvement Plans and the Authority's rights related to failures in delivering Maintenance/Improvement Plans.

Dispute resolution - To expedite dispute resolution arising from the survey process, incorporating alternative dispute resolution processes, such as a PFI Handback Dispute Avoidance Group, alongside or in place of existing contractual provisions can streamline navigation through the expiry process.



Asset Condition Handback Playbook – Implementation Guidance

4. Asset condition handback survey tender scope

Chapter 4 of the Playbook is broken down into 2 Parts; Part 1 covers the Tender Instructions and Part 2 the Scope of Requirements for the survey. This section of the guidance aims to provide the users of the Playbook with support and insight into key areas of the surveying process, from surveyor engagement through to reporting.

As previously mentioned, having a dedicated team to oversee surveying activities is essential. Treating surveys and any necessary rectification works as routine tasks underestimates the resources required to generate meaningful survey results for both the SPV and the Authority. It's important for both parties to acknowledge the significance of having dedicated resources to manage the technical aspects of the survey, handle commercial agreements, and manage stakeholder relationships.

4.1. Tendering Instructions

The purpose of the Tender Instructions is to provide a framework that can be simply adapted to facilitate the initial engagements with surveying organisations.

Surveyor Competency

When implementing survey activities, it's crucial to agree on the scope and extent of surveys as part of the Appointers Principles. Additionally, ensure the selected surveyor is experienced in PFI surveys, which require a heightened understanding of project-specific requirements integrated into condition and compliance indicators. The surveyor must not only identify and document asset conditions but also possess the skills to comprehend project intricacies. Proficiency in conducting compliance reviews for asset management, often involving specialised third parties, is essential.

Data Room

To facilitate the tendering process, prospective surveyors will need to be provided with a suite of Base Data to inform their proposals. This information is best shared electronically through a secure web portal, commonly known as a Data Room. This secure method not only ensures confidentiality for tendering surveyors and the Appointers, but also establishes a shared space between the SPV and Authority, streamlining the transfer of project related information during the expiry timeline.

4.2. Scope of Requirements

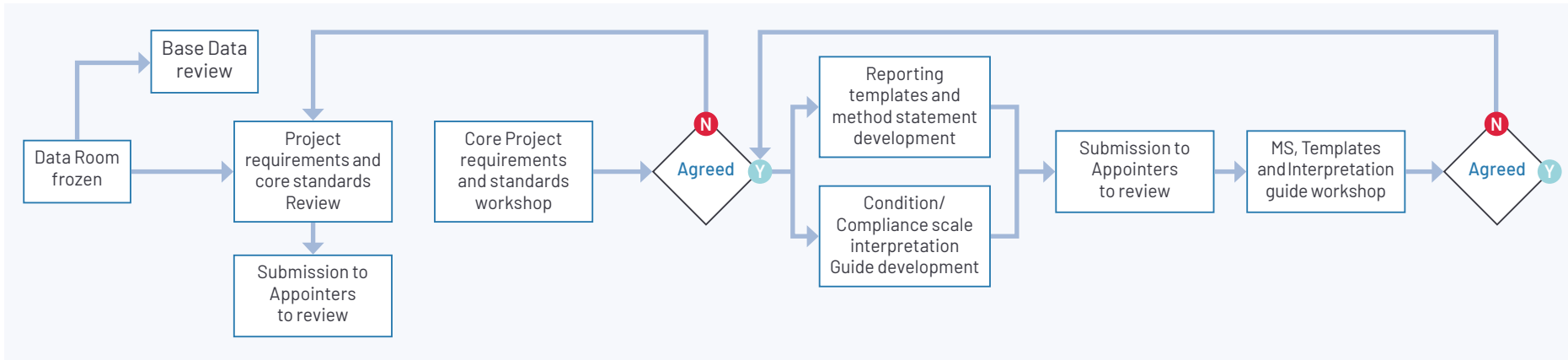
A key consideration to be made by the Appointers, as well as the asset condition surveyors, is how the practical aspects of the survey will be delivered. Below are some practical considerations as to how the Appointers, the asset condition surveyors, and building users can work together to ensure that the surveying activities are delivered in full and without significant disruption to the Authorities operations.

4.3. Baseline Standards

With the survey focusing on the evaluation of the asset condition against condition indicators which will return a compliant or non-compliant result, it is important that the surveyors understand and interpret the specific contract requirements correctly. A suggested method is provided Fig 3 ([see page 11](#)) that has proven effective when delivering similar PFI surveys.

Asset Condition Handback Playbook – Implementation Guidance

Fig 3. Example approach to base data review



4.4. Condition scale indicators

A distinction needs to be made between the traditional six facet survey and the expectation of the survey activities outlined within the Playbook.

Feature	Six-facet Building Survey	Playbook asset condition survey
Focus	Six key aspects of building functionality are assessed against general criteria applicable to any building	Prioritisation of specific project requirements relating to asset condition against which the surveyor will assess compliance
Outputs	General recommendations for repairs and improvements	Prioritisation given to grading an asset against a project specific condition grade with a focus on recommendations necessary to return assets to contractually agreed standards

The approach suggested as part of the Playbooks asset condition survey is focused on determining the level of compliance being achieved by the SPV and what, if anything, is required to return the PFI asset to the standard to which the Authority intended at service commencement. While elements of this would be identified by a six facet survey, the general condition indicators would fail to identify specifics that were set out by the Authority as being necessary to deliver its services, Some of these requirements may appear minor, however they are likely to have been included to transfer risk to the SPV as part of the PFI contract’s original intent

The development of project specific condition gradings and condition indicators is a significant task, requiring expertise and careful interpretation. Detailed grade indicators are tailored to each project’s ‘relevant project requirements’ and should not be generalised across different projects.

Asset Condition Handback Playbook – Implementation Guidance

Commonly found within the PFI contracts, service level or output specification schedules, the surveyor will need to conduct a detailed review of the PFI contract to establish the key indicators associated with an assets condition that would make it clear to a surveyor as to whether or not it is fully compliant with the project requirements. Further guidance on the development of specific project requirements can be found in Section 5.0 of Appendix C (Asset Condition Classification Guidance) to the Playbook.

The methodology proposed within the Playbook requires assets to be assessed against both a contractual and industry standard¹ condition grade. This approach will enable individual contract requirements to be considered while also enabling easy comparison with other assets within portfolios.

4.5. Data Collection

A further deliverable that needs consideration relates to the manner in which the asset condition data is to be collected and presented. The Authority will be placing a reliance upon the data collected as part of these surveys as it will be from these that they will be seeking to develop their future services provision.

A particularly important focus will be upon the way individual asset information is collated and to what level of detail. Annex 4-4 (Asset Register Requirement) to the Playbook provides a template for the capturing of asset data, however it is important that Authorities make sure that the data collected is in a form that is suitable for their own post expiry needs, particularly in relation to understanding the likely residual life of individual assets for future lifecycle budgeting purposes. Additional guidance is planned to be issued in relation to residual life.

Both Asset Data Requirements and Lifecycle Strategies for Future Services will be further discussed in the IPA guidance, Future Services, which are planned for publication.

4.6. Sample Sizes

The Playbook² suggests sample sizes for survey elements in the two primary components, aligning with the Base Data preparation 12-18 months before survey activities. The aim is to present information to the surveyor in line with contractual requirements, maintaining consistency.

Appointers should assess suggested sample sizes based on factors like base data completeness, the complexity of the building, historical performance, asset/system criticality, risk appetite, and resource constraints.

In fulfilling their duty of care, surveyors may recommend expanding surveyed sample sizes if they determine that the initial representation falls short of demonstrating asset compliance. Surveyors are also responsible for proposing additional sampling to provide a more comprehensive assessment of overall asset conditions and compliance levels, where such additional sampling is determined to be necessary.

Appointers, must carefully consider the benefits associated with expanding the initial sample sizes. Doing so may offer greater assurance regarding the performance of assets and wider systems plus provide an increased level of detail to prepare the Authority for managing services post-expiry. While budgetary constraints may influence the Appointers decisions, it's crucial to recognise the significant benefits may be provided by increasing sample sizes.

¹ The Playbook supports the use of the NHS Risk Based Methodology for Establishing and Managing Backlog (2004) condition scale indicators in the absence of an alternative industry standard.

² Section 3.6.3 in Chapter 4.

Asset Condition Handback Playbook – Implementation Guidance

4.7. Operational Team Engagement

Performing an asset condition survey can disrupt operational services. Engaging with key stakeholders early on is essential to recognise and minimise the effect. Discussing anticipated impacts allows for tailored plans, ensuring a smooth survey execution without disrupting ongoing operations.

While the survey is non-intrusive³, there is a need for physical access to each space, requiring engagement with operational staff.

Good practice adopted in similar PFI surveys has found the following strategies to work well:

Survey awareness - Facility staff should be promptly informed about upcoming survey activities, usually by the internal communications team or a designated stakeholder representative. This notification should include comprehensive details about the survey’s context and purpose. Once survey programmes are finalised, distributing information to affected staff through channels like email or leaflet drops is crucial, ensuring a seamless execution by including specifics like times, dates, and areas requiring access in these communications.

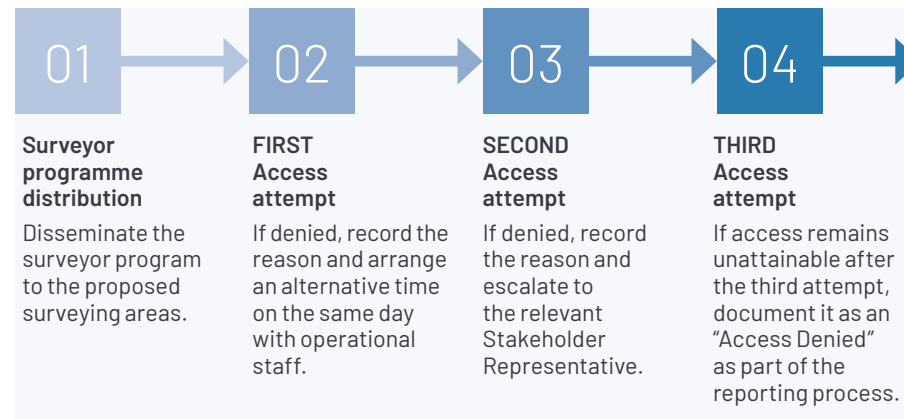
Survey programming - Especially relevant for complex facilities, programming survey areas based on potential operational impact allows a systematic approach, prioritising critical service areas to minimise disruption. This strategy aids in organising the survey programme and provides ample notice to operational services managers. Programming areas by their likelihood of impact enables proactive planning, and where necessary, the implementation of mitigation measures, enhancing survey efficiency and allowing operational teams lead time for short-term adjustments, preserving services with minimal disruption.

³ Para 3.5.7, Chapter 4 of the Playbook.

Contingency planning - Operational dynamics in some facilities can challenge survey programmes, necessitating comprehensive contingency planning. A standard survey programme with a two-week lookahead should identify areas less prone to sudden access restrictions. Maintaining a list of such areas establishes alternative locations for surveyors, preserving the programme timeline amid unforeseen operational changes. This proactive approach ensures adaptability, minimises disruptions, and allows for the smooth progression of survey activities.

Access protocol - Establishing a transparent access protocol for all areas within the building is essential to enable surveyors to conduct their services efficiently. Within Fig 4. below is a recommended access protocol that has proven successful on similar PFI surveys:

Fig 4. Surveyor access protocol



Implementing an access protocol, ensures clear ownership of the access process and is likely to result in a higher success rate of access. This structured approach not only facilitates smoother survey operations but also streamlines communication between surveyors and operational teams, enhancing overall efficiency.

Asset Condition Handback Playbook – Implementation Guidance

5. Collation and treatment of surveyor report outputs

Following the submission of the survey reports, the SPV and the Authority should, based upon the principles agreed as part of this voluntary survey, triage the results of the survey following the methodology agreed.

The suggested methodology set out in Chapter 3 Appointers Principles would place the surveyor findings into possible workstreams as set out in figures 5 and 6.

Fig. 5 Asset Management (Compliance) Review Triage Process

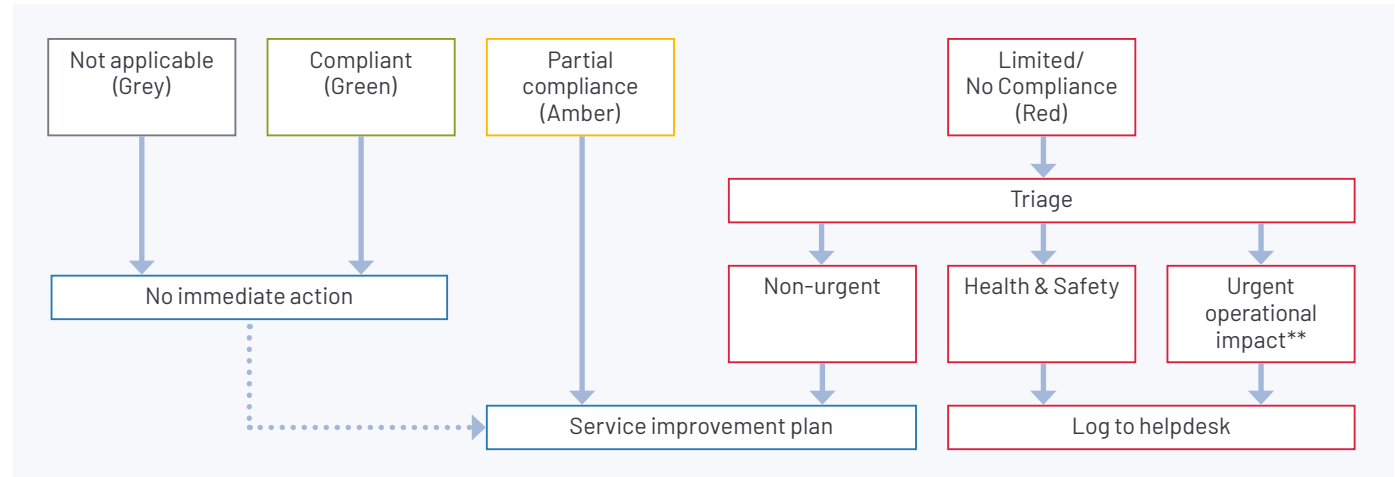
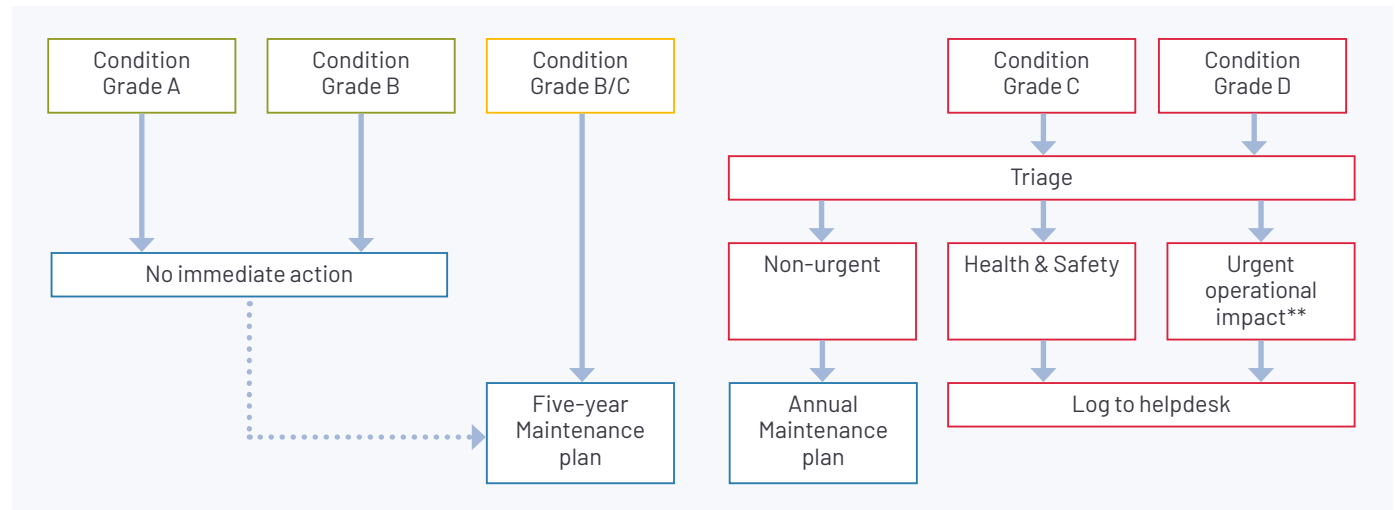


Fig. 6 Asset Condition Survey Triage Process



Asset Condition Handback Playbook – Implementation Guidance

Before conducting the surveying activities, both the Appointers and the surveyor must agree on the compliance and condition gradings, along with their associated indicators. The surveyor will assign a grading to each compliance element, following the applicable process flow. These gradings will determine how the Appointers handle the surveyor's findings, which are considered final and binding, fulfilling contractual obligations, except in cases of fraud or obvious error.

Interpretations of final workstreams (Five-Year/Annual Maintenance Plan/Improvement Plan and Helpdesk) may differ across PFI contracts. If interpretations align with existing contract terms, they should be followed unless otherwise agreed upon by the Appointers. If terms differ, the Appointers should strive to reach agreement as part of their initial commercial agreements.

The review process for compliance elements indicating Limited/No Compliance and assets assigned a Condition Grade C & D should be independently conducted by the Appointers, separate from the surveyor. While there's no one-size-fits-all approach for every PFI contract, it's crucial for the Appointers to agree as much as possible on those findings which would be reasonably classified as Health & Safety or having an Urgent Operational Impact⁴, with all other findings then being considered non-urgent.

⁴ Urgent Operational Impact – Issues identified as having a material impact on the Authorities ability to deliver their required services.





Infrastructure and Projects Authority

Contact IPA

www.gov.uk/IPA

IPA@ipa.gov.uk

[@ipagov](https://www.instagram.com/ipagov)

Cabinet Office

Correspondence team

70 Whitehall

London

SW1A 2AS

publiccorrespondence@cabinetoffice.gov.uk

General enquiries: 020 7276 1234

HM Treasury

Correspondence team

1 Horse Guards Road

London

SW1A 2HQ

public.enquiries@hmtreasury.gsi.gov.uk

General enquiries: 020 7270 5000

© Crown Copyright 2025

Produced by the Infrastructure and Projects Authority

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/ or email: psi@nationalarchives.gsi.gov.uk

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

Alternative format versions of this report are available on request from ipa@ipa.gov.uk