



Infrastructure
and Projects
Authority

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Asset Condition Playbook
Associated Document No.1

Public Sector Implementation Guidance

Reporting to
Cabinet Office
and HM Treasury

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Asset Condition Handback Playbook – Public Sector Implementation Guidance

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1. Introduction

1.1. Guidance purpose

1.1.1. 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. The Playbook has been developed collaboratively with representatives from public sector (Authorities) and the private sector infrastructure investment funds that own the majority of the "Project Co" special purpose vehicle (SPV) companies involved in PFI contracts. 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.

1.1.2. This Public Sector Implementation Guidance document has been developed by the IPA to help support Authorities implement the Playbook. It highlights the challenges they may face when navigating through the engagement and survey process with the SPV's. SPV's may have different priorities compared to Authorities and will be subject to different commercial considerations. It is therefore important for Authorities to be suitably appraised on what PFI expiry asset condition surveys entail and how to approach the process to ensure they receive an output that identifies and addresses all of the key issues.

1.1.3. This guidance is universally applicable to all sectors of PFI contracts in England.

1.2. Key considerations

1.2.1. The Playbook offers guidance when the contractual handback provisions are unclear or absent. It assists Authorities in actively participating in the handback process, ensuring assets are returned in good condition and are fit for purpose for ongoing use.

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1.2.2. Before deciding to follow the Playbook’s survey process, it will be necessary for an Authority to thoroughly examine its PFI contract. It may already provide strong handback provisions, which will influence the overall approach to the survey process and could mean that opting to use the Playbook survey might not necessarily be the right approach for an individual Authority. It’s important to also look at options for customising the Playbook’s survey principles based on an Authority’s PFI contract, to provide the optimal outcome.

1.2.3. For Health projects, NHS Trusts should also consider other established survey scopes like the Department for Health & Social Care (DHSC), Centre of Best Practice (CoBP) surveys. Solutions sponsored by Departments, particularly those developed for specific sectors, may provide more tailored approaches compared to the broad guidance in the Playbook.

1.2.4. It is prudent to recognise the difference in knowledge between Authorities and SPVs when applying the guidance. The private sector has been an active participant in the development of the guidance and will be implementing it across numerous projects. In contrast, an Authority may only have one PFI project and will therefore not be as conversant with handback issues as the private sector. Authorities should therefore obtain expert advice and aim to develop a technical team to manage the survey process effectively. SPV’s are likely to be more familiar with the Playbook, principally due to the likelihood of their wider organisation being involved in, or having completed these types of surveys already; this highlighting the importance of a well-informed approach from the Authority.

1.2.5. It is imperative that Authorities do not leave the implementation of the survey process solely to the SPV. Authorities should actively participate throughout to obtain maximum benefit. Whilst the survey process is built around a joint appointment of the surveyor, if they do not have two (or three if the FM Co is a contributor) active clients providing clear instructions to them, experience has shown that they will inevitably gravitate to providing

a service as directed by the SPV. An Authority’s active involvement will ensure that its priorities are considered and that the handback aligns with its long-term future service requirements.

1.2.6. The condition in which the building or asset is handed back will significantly affect the future liabilities of your organisation. Failing to identify and address all issues during the handback process may lead to receiving a financial liability instead of a compliant asset. It is important to prioritise a thorough assessment to guard against any future potential risks.

1.2.7. It’s also important to recognise the conflicting priorities between those of the Authority and the SPV. The fiduciary duty of the Directors of an SPV is to maximise shareholder returns, therefore an Authority’s active involvement is crucial to achieving a balanced outcome aligned with both parties’ objectives. The less involved an Authority is, the more likely the SPV’s priorities will take precedence.

2. Appointers principles

2.1. Timing

2.1.1. Effectively managing assets in the public sector requires a comprehensive yet practical approach, especially for projects governed by PFI contracts. The guidance provided in “Preparing for PFI Contract Expiry,” highlights the need for a thorough condition survey to be carried out at least five years before the concession expiry (and in some cases considerably earlier).

2.1.2. In early forms of PFI contracts, the provisions relating to asset handback are often insufficient. The framework presented in the Playbook can serve as a useful tool for creating and implementing a pre-handback survey. However, it’s essential to have a clear understanding of the existing contract terms, as these may better suit the public sector’s specific situation or be adapted to customise the suggested survey scope in the Playbook.

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2.1.3. Various factors should be examined when considering the timing of the survey. These considerations may justify initiating the surveying process earlier, ensuring a proactive and thorough evaluation of the asset's condition and the adherence of the SPV services to their contractual obligations.

- a. **Operational challenges** - Surveying complex PFI assets like hospitals tends to be more time-consuming than other PFI assets as they are highly serviced buildings and require continuous operational availability. Moreover, if there's a substantial need for rectification works, it's important to allocate enough time to complete them while ensuring the ongoing operational availability of these intricate assets.
- b. **Financial considerations** - Given that the original construction contractor is likely to have little or no liability post 12 years after construction and the FM contractor's liabilities will be capped at subcontract level, it is important to understand the remaining value left in the project to remediate any issues found. Whilst SPV's should have been reserving cash for future maintenance and lifecycle liabilities, early experience has shown that surveys have indicated levels of non-compliance that SPV's have not been expecting and if remediation costs are substantial, this may present funding challenges. In setting the timing it is important for Authorities to understand the levels of equity and future returns left in the project over the remaining contract term. In broad terms, the lower the value, the earlier the survey should commence.
- c. **Stakeholder changes** - Changes in key stakeholders, such as project ownership or service providers, should be significant factors when considering an early handback survey. Such changes may create gaps in knowledge, base data and appreciation of service delivery obligations. Dealing with these situations will require substantial efforts to negotiate and define an appropriate survey scope.

- d. **Performance issues** - If there are concerns about the underlying performance of the Service delivery, particularly if these are giving rise to levels of service failures that may trigger Authority rights, an earlier survey should be undertaken to evaluate the status of assets.
- e. **Contract Management** - If it's evident that shortcomings in managing the PFI project have occurred, whether by the Authority or the SPV, it's very possible that the management framework will not have ensured that the asset has been maintained to the required standards. The greater the divergence, the more additional time and resources will be required to prepare the asset for handover at expiry.

2.1.4. Where the factors above are identified, starting the asset condition survey 5 years out from expiry may not be sufficient and timing of the survey will need to be considered earlier.

2.1.5. When it is evident that shortcomings in managing the PFI project have occurred, the Authority should also consider expanding the scope of the survey to ensure that it encompasses a sufficient proportion of the contract deliverables and provides a more detailed assessment of the assets condition.

2.2. Surveyor appointments and their Duty of Care

2.2.1. The Playbook envisages that the Authority, SPV and where relevant FM Provider will jointly appoint a surveyor through a formal tendering process. Between these multiple stakeholders, there may be differing priorities, objectives, and expectations among the Parties. Each Party may have distinct criteria for selecting a surveyor, reflecting their specific perspectives and requirements. Managing these challenges requires proactive collaborative engagement from all parties. As referenced in the Playbook, addressing any potential conflicts of interest from tenderers is important.

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2.2.2. The Authority needs to establish a clear understanding of what it is seeking to achieve from the survey process and for this to be reflected in the evaluation criteria for tenderers. Doing so will ensure the Authority is able to influence the selection process and provide a knowledgeable and informed contribution that ensures that the Authorities priorities and objectives are considered. Ultimately, the aim is for the Authority to receive a fully compliant asset at handback. To accomplish this, a clear and comprehensive specification and methodology for the survey is critical, as well as ensuring that the chosen surveyor possesses the capability to deliver on these requirements.

2.2.3. The surveyor should be appointed in a manner that enables their duty of care to be extended to relevant third parties. This is especially important when the Authority leases parts of its estate or, for example, hosts school academies in PFI buildings. Extending this duty of care (for example, through the provision of collateral warranties) ensures that the interests of these third parties are covered by the surveyor's activities.

2.3. Payment for surveys

2.3.1. The principle set out in the Playbook is that both the Authority and SPV will contribute towards an equitable share of the surveyor costs. In determining what represents an equitable cost sharing, the Appointers are referred to in clause 14.2 of the Playbook and the related considerations regarding how this should be approached. This section sets out some of the issues Authorities should consider when determining appropriate commercial arrangements.

a. The Authority entered the PFI contract with the expectation that the SPV would maintain the assets to the specified standards. The surveyor's assessment will determine the SPV's level of compliance with these requirements as set out in their condition and compliance scale interpretation guides (further information given in Chapter 4 of the Asset Condition Playbook, Part 2 'Scope of Requirements', sections 3.4

and 3.5). Where the specified standards are clear, then the Authority has arguably already paid for this maintenance and level of service through unitary charges; and it shouldn't be financially responsible for a survey that simply confirms breaches of the contractual standards. Allocating the cost of undertaking the survey must therefore be balanced against the relief periods which may be offered to the SPV to rectify issues identified, as the latter represent meaningful commercial benefits to the SPV.

- b. The Authority should consider past experiences with monitoring performance with the SPV, and related track record. An informed assessment of potential issues and the contract's handling of such breaches can help the Authority decide if a relief period is right for it, and how that should affect the commercial arrangements between the parties.
- c. The Authority should consider what its overall strategic objectives for asset condition are, and the commercial arrangement it is seeking to achieve which will need to involve a clear understanding of, a) the amount of potential financial risk it may be relieving the SPV of during any negotiated relief period, and b) the condition of the asset, both before the assets are surveyed and following the appraisal of the asset's condition by the surveyor.

2.3.2. Taking into account the factors detailed above, and the broader equitable sharing arrangements arrived at, it may be appropriate for the Authority to require that the cost of the survey process is met by the private sector in full (which may include contributions from the SPV and FM Co).

2.3.3. Authorities should also consult with their respective departmental bodies to establish any budgetary classification issues associated with the commercial arrangements being proposed for the survey process and to ensure their approach aligns to existing departmental practise in delivering value for money.

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2.4. Base Data

2.4.1. Chapter 1 'Introduction to the Asset Condition Playbook' and Appendix B (Base Data) of the Playbook, confirm that the SPV, with the cooperation of the Authority, should collate the base data to the PFI contract between 12 to 24 months before the intended survey data. The rationale being (recognising the comment in 2.4.3 below) that it is widely recognised that in a large proportion of PFI contracts, the base data has not been maintained to a standard commensurate to the requirement set out within the PFI contract. This is a further factor that the Authority should consider when deciding what is a fair and equitable share of surveyor costs.

2.4.2. The cooperation afforded by the Authority, specifically in terms of its relaxation of any contractual provisions relating to the application of deductions for any shortfalls in this base data, should only be to the extent that the SPV is able to demonstrate that it is still providing its services in accordance with statutory legislation. Examples of shortfalls in base data that would not warrant relief from contractual provisions would be:

- a. Incomplete records of maintenance activities, such as maintenance schedules, service logs, work orders, fire strategy documents and fire safety equipment which are necessary to prove adherence to statutory maintenance requirements.
- b. Lack of documentation regarding health and safety inspections, risk assessments, and compliance audits, and fire safety system maintenance indicating potential non-compliance with health and safety regulations.
- c. Missing documentation related to regulatory permits, licences, or certifications required for operating the facility, suggesting non-compliance with statutory licensing or permit obligations.

2.4.3. PFI contracts often lack specific details regarding the extent and detail of base data required. To address this, the Authority should take a two-pronged approach:

- a. **Identify internal needs** - The Authority should determine the data required for their effective oversight of the SPV's services both before and after expiry.
- b. **Review contractual terms** - The Authority must review Appendix B (Base Data) and understand the minimum base data recommended for auditing purposes.

2.4.4. While Appendix B (Base Data) provides a helpful starting point, the ultimate focus should be on ensuring the Authority has the information it needs. This information will enable the Authority to manage the PFI contract effectively and plan for future service delivery post-PFI.

2.4.5. Where the adherence to the anticipated timeline associated with the collation of base data is not achieved, or the base data is incomplete at the point the surveyor is appointed, the anticipation of the Authority should be that the SPV should immediately appoint a 3rd party contractor(s) to remediate any gaps, rather than waiting for the Survey to take place.

2.5. Known issues

2.5.1. Known issues are faults with the building asset, or the services being provided under the PFI contract that either one or both parties are already aware of. The principle of any commercial agreement is that there should be an obligation on both parties to disclose any issues they are already aware of. If the Authority and SPV are already actively discussing and seeking to resolve specific issues, it's generally unproductive to include them in the PFI handback survey. Involving a separate surveyor runs the risk of complicating any resolution process, especially if technical expertise is already engaged.

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2.5.2. However, for unresolved issues where a jointly appointed surveyor’s neutral assessment could be beneficial, their inclusion is worth considering. Their unbiased opinion can potentially lead to faster resolution and acceptance by both parties.

2.5.3. Known issues can also influence the Authority’s share of survey costs if the Authority agrees to the SPV addressing them during any agreed relief period, where the SPV is exempt from PFI contract deductions, but the Authority should make sure that the extent of known issues is objectively clear and that relief for them provides value for money as part of any commercial agreement.

2.5.4. Although usually linked to less significant building asset issues, another factor that the Authority should consider as known issues are any existing faults or failures that already exist on the PFI helpdesk. Where clear service performance or unavailability issues have already been reported and raised on the PFI helpdesk, these should not normally be incorporated into the output from the surveyor’s report findings and should be dealt with via “business as usual” processes.

2.6. SPV/Authority Code of Conduct

2.6.1. The expectation of the Authority and the SPV is that the parties involved will act in a manner consistent with the behaviours outlined in the Seven Principles of Public Life (commonly known as the Nolan Principles). While these behaviours apply to the Authorities representatives and there being appropriate internal personnel mechanisms to hold these representatives accountable to these principles, there is an expectation, as set out by the [Committee on Standards in Public Life “The Seven Principles of Public Life”](#), that these principles also apply to all those in other sectors delivering public services, including SPV staff. As such, the Authority should ensure that it champions these principles in all engagements with the SPV and where divergence is identified from any Party, ensure that these are addressed at the earliest opportunity.

2.6.2. The Playbook emphasises the SPV’s agreement to address non-compliance issues identified by the surveyor following a triage process. This process categorises issues based on urgency and severity, prioritising those that pose immediate safety risks and those that will have a material impact upon the Authorities ability to deliver their required services.

2.6.3. The principle behind this agreement is clear, as a quid pro quo for being granted relief the SPV should adhere to the triage process and rectification plan. However, a fallback mechanism exists to ensure compliance. If the SPV fails to address non-compliances, the original contract provisions will automatically apply after any negotiated relief period expires. These provisions might include deductions for non-compliance, step-in provisions or other sanctions.

2.6.4. Despite this fallback, a risk remains for the Authority. The SPV may choose to strategically weigh the risks associated with not rectifying certain non-compliances. For example, the SPV could weigh up the cost of remediation versus the deductions that would flow from non-remediation and strategically only fix those issues that make economic sense for the SPV. This should be considered within any commercial agreement to safeguard the Authority’s long term interests and contractual rights.

2.6.5. Options the Authority can consider to assist in mitigating this risk include:

- a. **Clearly defined triage process** – The Authority and SPV should establish a transparent and well-defined triage process. This process should clearly categorise non-compliance issues based on their severity and urgency.
- b. **Financial incentives** – Consider incorporating milestones into the planning and execution of maintenance and improvement plans into the commercial agreement. Where inaction is identified against an agreed timeframe, any relief from the payment mechanism should be reinstated to act as a deterrent against inaction by the SPV.

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- c. **Step-in** – The agreed principles can be further strengthened by including additional “step-in rights” for the Authority. These rights would come into effect following a long stop date, typically following the expiration of any negotiated relief period.

This would allow Authorities to:

- a. Directly appoint a new contractor to rectify the outstanding compliance issues; or
- b. Taking over the rectification process themselves, using their own resources or hiring subcontractors;

2.6.6. By implementing risk mitigation arrangements, the Authority can strengthen its position and encourage the SPV to take a more proactive approach towards addressing all identified non-compliances, even those with potentially lower financial consequences for the SPV.

3. Surveyor scope of requirements

[Chapter 4 of the Asset Condition Playbook ‘Asset Condition Handback Survey Tender Scope’](#) of the Playbook is the main document for engaging with the surveyor. It begins by explaining the tendering process used by the Appointers to select the surveyor (Part 1 - Tender Instructions), and then details what needs to be surveyed and to what extent (Part 2 - Scope of Requirements).

While much of the discussion among the Appointers as part of the Appointers Principles informs the Scope of Requirements, additional considerations are discussed below. These considerations are important for the Authority to ensure that the survey activity meets the specific requirements of their individual projects.

3.1. Sample sizes

3.1.1. While the surveyor is responsible for selecting its samples within an agreed sampling percentage established between the Authority and the SPV, it’s vital for the Authority to actively participate in this process. The main purpose of this is to ensure that any areas of concern that it has are incorporated into the surveyor’s sample for consideration and review.

3.1.2. A consideration with the Playbook that will further benefit the Authority is the flexibility regarding sample sizes. If the surveyor finds it challenging to determine the SPV’s compliance with project requirements based on the initial sample size, they have the right to request an increase. This progressive sampling ability enhances the Authority’s capacity to gain deeper insights into the SPV’s service delivery, thereby ensuring a more comprehensive assessment of compliance. Wherever possible, the Authority should support the expansion of the surveyor’s sample size, however, the Authority must be mindful of any delays and increase in cost this may introduce to obtain the surveyor’s reports. However if the reason sample sizes need to increase is due to non-compliance with the contract standards, any increase in cost should not necessarily be shared between the Parties.

3.2. Condition grading of non-maintainable assets

3.2.1. In most cases, the SPV typically provides the Authority with various building components that might not be directly maintainable but are essential for the Authority’s service delivery. These assets include underground or concealed utilities like pipes, conduits, and electrical cables, as well as prefabricated building components such as wall panels or external cladding systems.

3.2.2. To assess the condition of these assets and their impact on service delivery, the surveyors may need to assess the indirect maintenance activities that have been completed by the SPV such as the testing for electrical cables as part of statutory electrical testing activities.

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Combined with an age-based assessment considering an asset’s expected typical lifespan, a surveyor should be able to provide a condition grade.

3.2.3. While the Playbook focuses on surveying maintainable assets, the Authority should consider having these components included to inform any potential risk transfer at the end of the PFI contract. This proactive approach will help ensure a comprehensive understanding of asset conditions and aids in mitigating risks associated with contract expiration.

3.3. Environmental condition validation

3.3.1. An important element of the Asset Management (Compliance) Review is the measurement of environmental conditions. Often contained within the Authority Construction Requirements, service delivery requirements or Space/Room Data Sheets, they are routinely linked into the Availability criteria or Use Parameters for spaces as they play a key role in how the Authority delivers its services and how it cares for the welfare of its building users. The Playbook provides guidance to the Authority and SPV on the extent to which this survey activity is incorporated into the surveyor’s activities within section [Appendix A - Base Data “Records evidencing compliance with the environmental conditions”](#).

3.3.2. Surveys undertaken to date have shown particular attention should be given to standards such as ventilation flow rates and pressures, lighting lux levels, water temperatures and acoustic privacy. The Playbook places the onus on the SPV to demonstrate compliance in these areas, failing which the Surveyor’s Scope of Requirements should be expanded to include assessment of these issues.

3.3.3. Authorities should not however solely rely on the SPV’s view of the base data and will need to consider these issues, alongside historic monitoring records and building user feedback in determining whether the SPV’s assessment has been carried out correctly. Where the Authority holds concerns, this should be addressed by ensuring a comprehensive assessment is undertaken by the jointly appointed surveyor.

3.3.4. A methodology that the Authority may consider adopting when it comes to the extent of validations checks it considers necessary if the performance data provided, is set out in Fig 1.

Fig 1.

Building Type	Influencing Factor(s)	Potential Surveying Scope
Naturally ventilated domestic type buildings where the impact of environmental performance is considered very low.	<ul style="list-style-type: none"> – Base Data gap analysis; – 3rd party warranty of Environmental – Performance Data provided as part of the Base Data 	Desktop Analysis if influencing factors are all positive through to 100% validation by Surveyor where influencing factors are deemed to show concerns.
Buildings which are not highly serviced but where the impact of environmental performance issues will impair the occupier’s enjoyment of the building if not correct.	<ul style="list-style-type: none"> – Complaints or occupier concerns – Level of lifecycle undertaken on systems and primary plant – Warranties for lifecycle works undertaken – Age of primary plant – Presence of BMS 	Physical validation by the Surveyor of environmental performance of 10% of functional areas if influencing factors are all positive through to 50% validation by Surveyor where influencing factors are deemed to show concerns.
Highly serviced buildings such as Hospitals and laboratories.	<ul style="list-style-type: none"> – BMS functionality – BMS records – Calibration records for BMS – Re-commissioning records following lifecycle works or Variations 	Physical validation by the Surveyor of environmental performance of 25% of functional areas if influencing factors are all positive through to 100% validation by Surveyor where influencing factors are deemed to show concerns.

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3.4. Additional Services

The Playbook guidance provides a flexible framework intended to be expanded and adapted to include additional surveying elements as required by individual Authorities and departments.

Examples of additional services that have been adopted in existing expiry and transition processes are set out below and Authorities and departments are encouraged to consider their specific needs when determining the scope of survey required for their assets.

Additionally, it is anticipated that the Playbook will continue to evolve, with periodic updates being issued to capture evolving experiences of the handback process.

3.4.1. Authority Construction Requirements and defect identification

3.4.1.1. The Playbook does not currently include any checks on the compliance of the building with the original Authority's construction requirements, which is often the document that will set out the legislative and guidance documents that the building should have been constructed in accordance with. Where the building has been occupied and operated satisfactorily since completion the SPV may assert that exact adherence with these requirements is unnecessary, and also that the Authority would have been aware of and approved any deviations or variation from these requirements through the original design review process. This is unlikely to be the contractual position, as this was the primary responsibility of the SPV.

3.4.1.2. In Appendix C of the Playbook the surveyor is provided with guidance that if in the conduct of their work they observe or identify matters which are outside of the express deliverables of the Service, but which, in their professional opinion may represent manifestations of deficiencies, these should be highlighted. However it should be

noted that the standard of proof required in such determination is greater than, and different to, the deliverables which the Surveyor is instructed to produce under the Asset Condition Playbook scope given. These matters may be important and warrant further consideration by the Appointers, regardless of whether they meet the definition of 'Material or Imminent Risks to Health & Safety'. If requested, the Surveyor shall notify the Appointers of any such observations, and make recommendations, if any, which in its opinion would be appropriate for the Appointers to further consider.

3.4.1.3. As an example - Openable windows in healthcare buildings must have window restrictors limiting the opening to 100mm, as per Healthcare Building Note 00-10 Part D. Similarly, police custody cell doors must fold flat against the corridor wall and be secured when not in use, as outlined in the Home Office Police & Building Design Guide. Failure to consider these requirements during the survey may result in a condition grade B being assigned to these types of assets if the windows or doors meet other condition indicators but specific standards contained with Authority Construction Requirements are not considered.

3.4.1.4. There are three basic options open to Authorities to address these issues, either

- i. rely upon observations made by the surveyor;
- ii. seek to broaden the joint survey scope to include review of the building against the original construction requirements, or
- iii. to commission its own review against these standards. In either event the Authority should review the original construction requirements and those obligations (which often include compliance with relevant standards) prior to the survey being procured so it is making an informed decision prior to engaging on the survey scope with the SPV.

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3.4.2. Rectification work costs

- 3.4.2.1. The surveyor's scope does not include the provision of cost estimates for returning the condition of assets to a condition grade B, or the relevant required standard set out in the contract. Understanding the likely costs of these works and therefore the financial liabilities for which the SPV is potentially exposed will enable the Authority to better understand the continuing project viability and establish from an early stage any potential financial liabilities associated with the continued operation of the facility following expiry.
- 3.4.2.2. Based upon the surveyor's findings, Authorities may wish to consider whether they would benefit from having their own understanding of rectification works costs. If they do, options could include extending the surveyor's scope, or undertaking its own shadow costing exercise. Key considerations in this decision will be the initial financial appraisal carried out, as discussed earlier in this guidance, the nearness of Handback and the quantum of survey findings. The main financial risk for any Authority arises if the financial costs of rectification exceed the remaining capital and returns that the SPV has access to. In such a scenario, there is a risk that the Authority may be required to meet the cost of rectifying the non-compliances identified by the surveyor that exceed the SPV's affordability.

3.4.3. Fire safety

- 3.4.3.1. Within [Annex 4-1 \(Asset Maintenance Checklist\)](#) of the Playbook, it is suggested that the surveyor conducts a desktop review of relevant fire safety documentation. The suggested template incorporates a review of documents such as statutory testing certification relating to fire systems and equipment. This is limited to a validation check that the correct type of documentation is present, not its accuracy or suitability.

- 3.4.3.2. It is necessary for the Authority to understand that while surveyors may possess competencies in fire safety systems, they are neither accredited nor appointed to provide observations or recommendations upon which the Authority can fully rely for assessing the SPV's compliance in this specialised area. Therefore, any observations made against these documents and recorded conditions of fire safety assets during asset capture should be considered with this in mind.
- 3.4.3.3. The IPA is currently developing a separate fire safety review scope ensuring compliance with fire legislation and regulations with the intent that this will be carried out by suitably accredited fire safety engineers.

3.4.4. Specialised surveying activities

- 3.4.4.1. As well as the specialist surveying activity associated with fire safety, the Authority and the SPV may wish to seek additional services from the surveyor; subject to confirmation of their professional accreditations.
- 3.4.4.2. Examples of the common additional surveys that the Authority may wish to consider are:
- i. IET Guidance Note 7: Special Locations
 - ii. Structural design
 - iii. Water safety
 - iv. Anti-ligature

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4. Managing the output of the survey

4.1. Dealing with survey findings

4.1.1. Chapter 3 (Appointers Principles) of the Playbook provides a triage process for the management of the surveyors' findings for both the Asset Management (Compliance) Review and Asset Condition Survey parts of the Playbook scope.

4.1.2. The triage relies on the Parties agreeing whether survey findings are health and safety issues, will create an operational issue for the Authority, or are routine in nature. As such the Authority will need to actively engage with the survey findings to make sure that they are in agreement with the way Project Co categorises the findings.

4.1.3. This assessment will vary between projects, however Fig 2 and 3 below includes examples of borderline, or more nuanced issues which will not necessarily fit easily in the triage process for Authorities to consider:

Fig 2 Asset Management (compliance) Review

■ Partial Compliance (Amber)		Scheduled maintenance tasks might be documented as completed, but upon inspection, the surveyor finds evidence that the work was not done properly.
		Maintenance tasks might be outlined in the schedule, but they are overdue or haven't been performed within the recommended time frame.
		Lighting levels are provided in accordance with Room Data Sheet (RDS) but the levels recorded are far in excess of what is specified (>50%%)
		Statutory maintenance has been completed, however actions raised have not been completed
■ Limited/ No Compliance (Red)	Non-Urgent	Assets (not linked to statutory compliance) that are not being maintained as part of any routine or planned maintenance activity
		A CAFM system is being operated, however its integration with an asset register is partial or missing completely
	Health & Safety	Missing statutory compliance inspection records
		No evidence of safe systems of work for the completion of maintenance activities
	Urgent Operational Impact	Missing or incomplete dynamic testing records of non-critical ventilation systems within a Hospital
		Electrical systems having been designed with a single point of failure in contradiction to the relevant standards

Fig 3 Asset Condition Survey

Condition Grade – B/C		Any asset that currently complies with all of the Project Agreement requirements but is likely require replacement within the next 5 years
Condition Grade C or D	Non-urgent	Deterioration in an assets visual appearance that has no impact upon the services of the Authority in the short term
		Unknown staining (likely water) on the ceiling that requires investigation
	Health & Safety	Faults or discrepancies in the life safety systems such as fire alarms and emergency lighting or water temperature issues
		Window restrictors not working on upper floors of a space accessible by the public
	Urgent Operational Impact	Emergency electrical power supplies having faults or not having been tested
		Airflow rates within a clinical area being less than required by relevant standards

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4.1.4. When adopting this approach, the Authority should give careful consideration to those assets graded as B/C (“Currently as B, but will fall below B within 5 years”) by the surveyor. The scope of services included in the Playbook currently does not specifically require the surveyor to assign a life expectancy, and therefore there is a potential risk that these assets and the triage process will make no differentiation between B/C assets that may fail in the first year and other assets that may remain compliant for a further 4 years. The Authority will need to agree with the SPV how these assets will be monitored between the point of the survey and Handback to ensure that the building or asset meets the Handback obligations at the point of Handback, and that there is sufficient time remaining within the contract period to carry out related rectification works. Authorities will need to ensure that they are satisfied with monitoring methods and annual survey and reporting requirements in the run up to Handback.

4.1.5. The Authority should also be involved in developing the surveyor’s understanding of how asset deterioration impacts services. This will ensure that assets are appropriately graded as either a C or D to ensure their reported deterioration is addressed in a timely manner to avoid the risk of an asset’s failure impacting the Authorities operational services.

4.1.6. Another important aspect to consider, is the manner in which the surveyors’ findings are incorporated into both the five-year and annual maintenance plans. It is imperative for the Authority to consistently monitor these findings and their corresponding completion plans, ensuring they are addressed within the designated timeframes outlined in the triage process. Effective oversight by the Authority will be required to prevent the unintentional carryover of findings into subsequent versions of contractually required maintenance plans, potentially extending the agreed timeframe in the triage process.

4.1.7. Finally, the suggested triage process suggests that non-urgent faults or service failures are not logged on the Helpdesk. In most projects, the SPV’s obligation to remediate reactive maintenance issues does not commence until issues are logged on the Helpdesk, and therefore an alternative arrangement will need to be agreed. Authorities will need to consider the risk and mechanics of the SPV not addressing faults within the agreed relief period and be prepared to log any outstanding issues on the Helpdesk at the end of this period.

4.2. Survey rectification works development and review

4.2.1. Rectification work specifications

4.2.1.1. The delivery of the surveyor’s reports is the conclusion of their activities associated with the survey, subject to any additional work which the Appointers may ask the surveyor to carry out based upon their finding. The responsibility for the development of any required rectification works is left for the SPV and its subcontractors, either as part of planned maintenance or service improvement plans or as part of reactive works recorded on the Helpdesk.

4.2.1.2. It is essential for the Authority to actively participate in the creation of rectification work plans to ensure that the surveyors’ findings are accurately translated into proposals for rectification works.

4.2.1.3. The rectification works developed and proposed by the SPV should seek to address the non-compliances identified, ensuring that they meet the contractual requirements, or their modern equivalents, comply with current British/Industry Standards and Building Regulations.

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4.2.2. Rectification work close-out

- 4.2.2.1. Following the conclusion of the rectification works, the Authority must satisfy itself that the proposals provided by the SPV have been delivered.
- 4.2.2.2. One approach would be to involve the surveyor in certifying the completed remedial works. In cases where the remedial works are significant, the Authority may also consider appointing a supervising agent or clerk of works to ensure that the works meet the required standards. Both methods may need to be considered by the Authority.
- 4.2.2.3. Additionally, the Authority will need to ensure that if the remedial works are not compliant or have defects, recourse to the responsible party is available through collateral warranties.

4.2.3. Decant

- 4.2.3.1. In facilitating rectification works, where they would result in operational disruption it's crucial to plan for decant. Choosing the right space for decant is especially important. The Authority should consider factors like proximity, size, and infrastructure support. Careful assessment allows for efficient execution of works, reducing downtime and optimising productivity while ensuring minimal impact on daily activities.
- 4.2.3.2. If existing infrastructure within the Authority's estate does not accommodate decant needs, the responsibility typically falls on the Authority and its broader estates team to find suitable space, noting that the cost of decant may be covered by the SPV.
- 4.2.3.3. Alternatively, the Authority may opt to temporarily adjust its operations during rectification works, a consideration that should be included in the commercial agreement between the Authority and the SPV, especially regarding equitable sharing of survey costs.
- 4.2.3.4. Requests for capital to support decant accommodation requirements will be managed at a departmental level and will be subject to separate business case approval requirements.





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