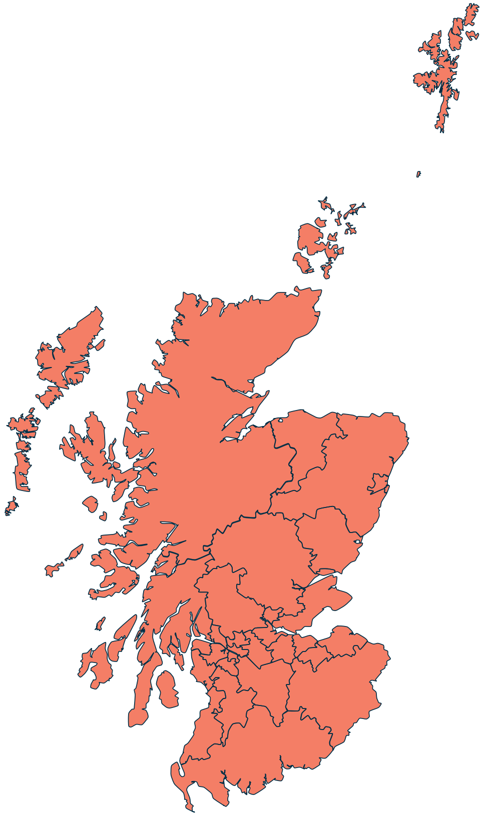
Preparing today for a successful PPP contract handback



LOCATION: Scotland-wide

DATE: Current

OUTCOME: Management

The challenge: When contract expiry becomes a strategic priority

For many Public Private Partnership (PPP) projects, contract expiry once felt like a distant milestone. Now, as an increasing number of long-term agreements approach the end of their operational life, public sector organisations are facing a critical question: how do you ensure a seamless transition that protects public services, safeguards valuable assets and avoids costly disputes?

Recognising this growing challenge, Scotland's public sector infrastructure centre of expertise, the Scottish Futures Trust, established the Scottish PPP Expiry Leadership Forum, bringing together senior leaders from public authorities, private sector partners, funders and specialist advisers.

Their collective experience highlighted one overriding lesson: successful contract handback is never an event, it is a programme that begins years in advance.

Start early, stay ahead

Rather than viewing expiry as something to address in the final months of a contract, forum participants agreed that organisations should begin planning at least five to seven years before handback. This extended timeframe allows teams to understand contractual obligations, assess asset condition, identify information gaps and establish robust governance before critical decisions need to be made.

Early preparation replaces reactive problem-solving with evidence-based decision-making, reducing uncertainty, strengthening relationships between stakeholders and creating greater confidence throughout the transition.

Five foundations for a successful handback

The discussions identified five characteristics that consistently underpin successful expiry programmes:

1. Early programme planning that treats handback as a structured project with defined milestones
2. Dedicated resources and specialist expertise to manage transition activities without impacting day-to-day service delivery
3. Strong governance with clear accountability, decision-making processes and escalation routes
4. Collaborative stakeholder engagement that keeps public authorities, contractors, funders, advisers and service users aligned
5. Robust evidence and practical tools, including condition surveys, lifecycle modelling, workforce planning and comprehensive asset data, to support informed decisions

Together, these foundations create a more transparent, controlled and lower-risk approach to contract expiry.

Turning risks into opportunities

Participants reflected on the common challenges organisations face as contracts approach expiry. Fragmented asset information, unclear governance arrangements, workforce transition pressures and differing stakeholder expectations can all introduce unnecessary complexity if left unaddressed.

Successful organisations tackle these risks by establishing dedicated project boards early, clearly defining roles and responsibilities, and maintaining open communication across all stakeholders. Investing in workforce planning, including the Transfer of Undertakings (Protection of Employment) regulations (TUPE) considerations and knowledge retention, also helps ensure continuity throughout the transition.

Protecting assets and public services

Asset condition emerged as another critical area of focus. Agreeing inspection methodologies early and linking survey findings with lifecycle investment plans enables organisations to understand the true condition of their assets before handback. This not only protects long-term asset value but also creates opportunities to align future investment with wider ambitions such as sustainability and net zero.

Beyond the physical estate, maintaining uninterrupted public services remains the ultimate priority. Effective planning for data transfer, operational readiness, workforce transition and future service delivery helps ensure continuity for the communities that rely on these essential services.

Looking beyond contract expiry

Rather than viewing contract expiry simply as the end of an agreement, participants encouraged organisations to see it as an opportunity to modernise services, improve operational resilience and strengthen infrastructure for the future.

The PPP Leadership Forum concluded with a clear message: successful contract expiry is built on preparation, collaboration and informed decision-making. Organisations that invest early in governance, capability and stakeholder engagement will be far better positioned to deliver smooth handbacks, protect public value and lay strong foundations for the next generation of infrastructure management.