

Version 5. FAQ – Street Works Performance Based Inspections (PBIs)

Introduction

This document answers questions that we have received relating to street works inspections regulatory changes from; consultation responses, public webinar engagement and Highways and Utilities Committee (HAUC) England's Inspection Working Group (IWG). Newly added ones are at the top.

The [legislation](#) underpinning performance-based inspections came into force on 1st April 2023.

This supporting FAQ document should be read in conjunction with the new [code of practice for inspections](#) which has been updated and the legislation linked above.

For further background, the [Government response to street and road works further reforms](#) was published on 13th May 2022.

FAQ

"New performance reporting?"

We have recently introduced a new report into Street Manager. Admins will find it in the Performance Reporting section and it takes the place of the previous report (see screenshot below).

For the first time we introduce a pass/fail % into a report to save users calculating that themselves. We recommend users use this report to calculate their Q2 results but it is worth mentioning that currently, if a failed inspection is accepted by the promoter, but then withdrawn following discussion between the parties, that will show up in this report as a fail.

Hopefully that is not an everyday scenario but HAs should be checking for these before finalising the data. We will likely have more detailed feedback when this report is used in

anger at the end of the quarter and will be back with an update, if required, in early October.

Performance Reporting

Select a reporting type

Report type

- ☐ Number of PAAs and PAs sent or received
Total number of PAAs and PAs sent or received within a requested timeframe and based on date created
- ☐ PAA and PA outcomes
Outcome of PAA and PA assessments based on the date the outcome decision was made
- ☐ Number of change requests sent or received
Total number of change requests sent or received within a requested timeframe and based on date created
- ☐ Change request outcomes
Outcome of change request assessments based on the date the outcome decision was made
- ☐ All inspection outcomes
Total number of inspections broken down by their type, category and outcome, and based on date the inspection was created
- ☐ Number of fixed penalty notices
Total number of fixed penalty notices broken down by their status and based on date issued
- ☒ Sample Inspection pass/fail rate
Outcome and current status of recorded sample inspections
- ☐ Number of inspection units
Completed works and no of inspection units accumulated

Continue

"Are there any solutions to resolving any incorrect quota data being entered into Street Manager?"

The initial basis of the PBI process is the agreed numbers/quota of inspection units accumulated in 21/22 & 22/23.

All authorities must input the agreed numbers/quota for each of the promoters working in their region into SM before starting the next quarter.

If the correct numbers/quotas are not input this will lead to incorrect number of samples being generated and challenges over invoices for more sample inspections that were completed than was agreed between the HA & SU.

When Q1 24/25 starts, the agreed inspection units from 21/22 & 22/23 will be automatically populated by SM, as well as the units for 23/24 using the new method of calculation. There will be no ability to amend these numbers/quotas if they are not corrected by all authorities before the year end.

It is imperative to make sure that the correct number/quota of inspection units are recorded in Street Manager ASAP to prevent ongoing challenges after the end of the first year of the new regime.

"Following incorrect quota numbers, which failure should be followed?"

It is expected that the percentage generated by SM within the quarter, is used to base your decisions on reduction/increases in inspections rates, irrespective of whether there has been any over or under sampling to get back on track to complete the agreed annual quota.

"I am concerned about the lack of automation in PBIs?"

We will soon publish a roadmap to automation in PBIs, detailing the proposed stages and timelines for introduction.

"Some HAs are inputting different numbers of samples than agreed. What can be done?"

All organisations need to check that data is input correctly. It is advised that numbers generated by API products should be checked by all parties before being input into the system. We also recommend all orgs engage with each other to validate data and assurance on numbers input into Street Manager.

"What happens to failed inspections recorded incorrectly?"

Inspection reports that are disputed do not enter the failure rate calculation; they are withdrawn.

"Are withdrawn inspections included in the calculations?"

If an inspection report is passed and then withdrawn, it is still included within pass rates. If a failed inspection report is accepted, but then later withdrawn, it will still be calculated as a failure. Essentially, the system currently operates on a right first-time input.

"How do I calculate my pass/fail rate?"

For PBI calculations, we recommend that you use this GitHub link [here](#). As this will have the up-to-date version of the PBI calculation spreadsheets with any further amendments required. However, please see the latest PBI calculation spreadsheets (with thanks to Kevin Ferguson from Durham Council) as of this date below and a step-by step guide produced by industry stakeholders:



Quarter Percentage
Workings V2 - HA.xls>



Quarter Percentage
Workings V2 - Pr.xlsx



Performance based
inspections calc V2 t

"How do I increase/decrease my sample inspection %?"

The DfT have recorded a video guide to this which you can view here:

<https://www.youtube.com/watch?v=q8nRbhsbJZA>

"Are sample inspections that are not completed at the end of the quarter carried over?"

No, in a Performance Based Inspections world, inspections all expire at the end of the quarter and counters for number of As/Bs/Cs completed are reset to zero. It's possible for any incomplete inspections to once again be generated at random in the next quarter.

"Can Street Manager auto-calculate and can this appear on the sample page?"

Over the following quarters, Street Manager will look to simplify the PBI process. We will aim to automate the failure rate calculation process, this may initially take the form of doing the calculation in a Performance Report and presenting the user with a failure rate %. We will then look into possibility of pulling this into Street Manager itself. At the same time we will look at generate an inspection unit number for users ready for start of 23/24 financial year.

"One of our inspections was recorded in error for a different promoter and was withdrawn. Can this inspection be charged for? If not, does that not leave us with a shortfall in inspection numbers? What should we do and can anything be changed in Q2 to stop this happening?"

Withdrawn inspections cannot be charged for. Street Manager does not currently replace withdrawn inspections in its quarterly figures. This is on the list of optimisations that we need to prioritise with the Governance Group.

"Any guidance on disputes?"

In the first instance, any disputes should be resolved at the lowest possible level within the organisation.

Should it not be possible to resolve the dispute, please consult the code of practice section on non-compliance which details out escalation processes.

"Street Manager generates samples on works where a currently open non-compliance is ongoing, what is happening here?"

This was an initial choice made to ensure true randomness, if you are removing routine failures from the pool of possible inspections, you are giving a disproportionately positive view of performance, particularly if you actively inspect works outside of the sample process. You also risk diminishing your pool of potential inspections which could become a factor with a poor performing promoter as the inspection rate climbs past 50%. There are downsides to this approach though with it not being an efficient use of Inspector time to travel to a site only recently visited and failed. As such, following feedback from HAUC England and the Inspections Working Group, Street Manager will be changed to exclude open failures from sample generation. We have not yet looked into this in detail and are currently focused on delivering the Auto-acknowledge functionality, but when we have a timescale, we will let you know.

"When will the Auto-acknowledgement functionality be deployed into Street Manager?"

We are working hard to get the Auto-acknowledgement functionality, which will count failures which do not get a response within 10 days as being accepted purely for the calculation of the pass/fail rate, into Street Manager before the end of Quarter 2 and will be able to give an update on this in the second half of July. When it is introduced it should work in such a way that will retrospectively cover the quarter so as long as we introduce it before the end of September, the pass/fail rate calculation should be covered.

"How is the pass/fail rate calculated?"

This is a complicated question, the formular in the spreadsheet above is doing some complex things, for instance around failures without a response, and has now been updated to include HA accepted failures. But let's look at it in more simple terms. The regs are clear that only accepted failures can be counted. So, your quarter pass/fail rate is made up of A/B/C passes, accepted failures and failures that did not have a response within the 10 days, as per the Code of Practise.

As such, if you have a failed inspection in Q1 and the promoter disputes it in Street Manager, it sits outside of what we think of as the "inspections pool", the pool of available inspections used to calculate the pass/fail rate. Maybe in Q2 it gets agreed as a failure, and forms part of Q2s pass/fail rate. Maybe, after some back and forth and escalation, the dispute is agreed by the HA. As such, it never forms part of the pool. This means that you will never get a neat 1-2-1 ratio between inspections carried out and what makes up your pass/fail rate. You will always have disputes falling in and out, failures that were not responded to within 10 days but where the inspection was carried out in the previous quarter and other factors.

"My HA is blocked from completing it's Cat A quota due to a bug, can we have an update on this?"

There was a bug in Street Manager that saw "unable to complete" inspections being included in the total of Cat A inspections completed, which was stopping users competing their full quote of inspections. This bug was escalated for a fix when it was reported by several different HAs and was released in the June 26th release, hopefully leaving time for HAs to get the vast majority of their inspections carried out.

"What if a HA does not complete their full allocation on inspections?"

HAs have to have regard to the inspections COP that provides advice on carrying out sample inspections which are randomly generated by street manager. The regulations state at least 5% has to be carried out of As, Bs and Cs inspections, but don't state an overall minimum. The vast majority of SUs will see enough inspections carried out for accurate assessments to be made of failure rates. The outcome of inspections can be challenged if SUs disagree. SUs should be checking their own performance and making sure they comply with standards.

HAs should work to complete their full allocation of inspections.

"How does Street Manager generate random sampling? Is it generating inspections on works recently inspected?"

Street Manager was updated since Performance Based Inspections went live to no longer generate Cat B inspections on works where a Cat B had already taken place under the pre-April sample inspection regime (and the same for Cat Cs).

Please see the Street Manager Business Rules - Section 4.5.2. Eligible inspections, for a fuller explanation of sample inspection criteria:

<https://department-for-transport-streetmanager.github.io/street-manager-docs/articles/business-rules-version-2-00-compliance.html#45-sample-inspections>

"We are still yet to agree our reckonable units, should we input "dummy" numbers?"

"Dummy" estimates should not be entered into Street Manager. This will be the final year in which all parties will need to agree numbers. In future years, Street Manager will automate this. Organisations should work together to come to agreement as swiftly as possible.

Once numbers are entered into Street Manager, they cannot be changed until the next quarter.

If you have incorrectly entered too many units, DfT strongly recommends that you stop carrying out inspections when you reach the correct number.

This will help you in subsequent quarters. Please refer to the code of practice around not carrying over sample inspections between quarters.

Should agreement not be made by the end of April, we'd do not think it is unreasonable for highway authorities to input estimated reckonable units to ensure that inspections can take place.

We'd expect, where possible, agreement with larger organisations takes place first and this would enable highway authorities to program their inspections of works whilst agreeing numbers with smaller organisations throughout the rest of April.

If there remain issues in agreeing reckonable units, organisations should revert to Street Manager inspection unit numbers to settle any disagreements.

"I have a joint site meeting pending on a works, how should I respond to the defect?"

If the site meeting is not taking place within 10 days, we would suggest you may want to dispute initially and then you can accept if that is appropriate after the outcome of the site meeting.

"I don't have relevant contact details for escalation processes in the new code, what steps can help this?"

Promoters should ensure that HAs have relevant contact details and phone numbers for supervisors and managers involved in the new escalation process - see the code of practice.

"How has Department for Transport (DfT) calculated performance-based sampling 30/50 split?"

We have used data from street manager for the 2022-23 financial year. We aggregated category A, B and C inspections and only included inspections where there is a definitive outcome (pass or fail) to give the baseline performance for a SU.

" What are the failure rates/changes at the end of each quarter?"

Quarterly performance is calculated in Street Manager using Category A, B and C inspections aggregated for the previous 3 months every quarter. Using the table below, the sampling rate change for the next quarter will be:

Applicable percentage quarterly adjustment calculation

Undertaker's failure rate in previous quarter (%)	Percentage point adjustment to previous quarter's applicable percentage
0.00 to 9.99	Decrease by 5 percentage points
10 to 14.99	0
15 or above	Increase by 5 percentage points

"How are inspection units calculated from 1 April 2023?"

- Duration of 15 working days or less should = 1 unit
- Duration of 16-30 working days should = 2 units
- Duration greater than 30 working days should = 3 units

"Street Manager (SM) is integral to successful implementation of these policies, will the system be able to support the changes in legislation?"

Yes, the DfT has funded any changes required to enable users to adhere to the legislation and have worked closely with the Street Manager SME group on the journey of these updates. All the necessary changes to support the regulations coming into force have been made.

Since April, we have identified optimisations that could be made and these will be discussed with the Governance Group.

Street Manager is reliant on the data quality that is input by users. As owners of your data, you should ensure that your organisation's data input is up to date and is as accurate as possible.

"I am concerned about data integrity, how will SM handle data?"

We have confidence in the data currently produced by Street Manager, having quality assured data during our evaluation process. It closely matches similar data from other sources. Some issues are present, but these are down to individual users and the accuracy of the data they input.

"I am a Statutory Undertaker concerned about the potential for revenue raising, what safeguards are DfT introducing?"

Street Manager updates will ensure that it will not be possible to record chargeable inspections beyond the limits determined by the failure rate of a statutory undertaker.

Defect inspections will be able to go through the cycle twice, before moving to escalation.

Any additional inspections carried out over the sample rate should be recorded in Street Manager as 'routine' inspections.

"Why are the sample inspection categories failure rates being subsumed, won't this dilute the amount of inspections per category?"

Part of the new regulations allow highway authorities for flexibility to target their inspections on problem areas and focus on particular categories of inspections. If a statutory undertaker is under-performing in a certain category, as long as 5% of works are inspected at the category A, B and C stages, there is greater flexibility to target inspections at categories where the underperforming is occurring.

"Could you clarify 'percentage point' referenced in the legislation, why is this not a percentage change?"

Quarterly performance on inspections determines the percentage point change in the sampling rate. A percentage point change is different from a percentage change in that it is an arithmetic difference between two percentages. An example best illustrates this;

If a sampling rate were to fall from 30% to 25% this would be a 5-percentage point decrease. A 5 percent decrease would be a reduction from 30% to 28.5% which is not the sort of change we are suggesting.

"Isn't there a danger that highways authorities won't be able to complete all sample inspections, especially if there is a substantial increase in inspections?"

It is expected that the introduction of performance-based sampling will have a positive behavioural impact on undertakers as there are increased costs for poor performance. However, if poor performance persists, it is possible that there could be an increase in the number of inspections sampled.

If an undertaker has adverse performance and starts at the 50% base rate, it will take 10 consecutive quarters (two and a half years) of the lowest level of performance for the poorest performers to hit the 100% sampling rate. In this time, costs would be incrementally increasing, and we would expect an undertaker to take action to improve before this level is reached.

The regulations were laid before Parliament on 18 July 2022. This should have allowed undertakers sufficient time to act on their own poor performance and should also reduce the total number of inspections sampled.

Finally, we expect the total number of Inspections in England to decrease through the consistent application of what constitutes an Inspection Unit. Previously, there has been some confusion, particularly around remedial works. Going forward, the definition of an Inspection Unit has been changed and is clarified in the new code of practice.

"Traffic light heads (optional permits) make up a substantial number of permits, will we ensure that these works are not included in our inspection unit calculations?"

In the current world, only a small number of permits are down with an 'activity type' that suggests it is an optional permit. Less than 1% of permits in our sample was an optional permit. There are also permits that are mis-labelled and are, in fact, optional permits. However, these are also expected to only amount to a small number of permits.

We are working with IWG to establish the correct definition of what makes an Inspection Unit and this will improve the accuracy of the reports and clean out any of these types of permits.

"Do improvement notices still exist, what will happen to those currently on an improvement plan?"

Improvement notices as per the old regime have been updated to reflect new improvement plans. These are set out in the new code of practice under escalation processes.

There are no transition arrangements, so we expect parties currently involved with an improvement plan to come together to either continue the plan and adapt processes to fit with the amended legislation, or to start a new agreement as per the new code of practice.

"Why are third party inspections no longer chargeable within the new code of practice?"

Routine inspections are non-chargeable inspections, as per legislation. There is no power enacted in legislation to allow for charging on this basis.

"I am concerned about "oversampling", whereby a highway authority records samples above the chargeable sample allocation, how will Street Manager handle this?"

Highway authorities can carry out additional inspections, over and above the PBI sample rate for chargeable inspections. These must be recorded as routine inspections within Street Manager.

Oversampling has not been shown to either increase or decrease defect rates as both can be true.

"Could you explain what will happen with defect charges before and after 1 April 2023?"

There are no transitional arrangements set out in the regulations. We are aware that there will be a period whereby two regimes will operate but, over time, the impacts will diminish. Defects found after 1 April should follow the updated consolidated non-compliant reinstatements procedures in the new code of practice. All new defect inspections performed after 1 April attract a £120 fee. Defects found prior to 1 April should continue

under the previous regime. Those that are in the middle of a defect cycle should also continue under the previous regime.

Defects that are under the previous regime will continue under those rules until satisfactory completion.

"What mitigations have you put in place to ensure multiple failures on a single inspection aren't recorded incorrectly within Street Manager?"

Duplicate inspections will not be recorded into Street Manager in the same way as they could before 1 April due to system changes within Street Manager and by third parties/API providers.

"Wasn't there an issue with an API provider sending duplicate sample data into Street Manager?"

Some highway authorities were recording one sample inspection per site rather than per works. The DfT worked with their API provider and many of these duplicates have been removed from the records. In addition to this, since running the initial data, the DfT has removed any withdrawn inspections that have been made which relate to inspections carried out from April 2022 onwards. These two actions have increased the quality of the data.

There are a small number of duplicates still included and inspections that have not been withdrawn by highway authorities that have been agreed not to be valid failures. But the DfT is now happy with the quality of the data and believe this to be immaterial with less than 5% impact on numbers. It must be noted that only a small number of organisations border the 15% failure rate. Most are either clearly above or clearly below.

Also, importantly, organisations with continued poor performance will see their inspection rate increasing each quarter. We would advise organisations to focus on their actual performance since this is what will determine their inspection rate. We would expect to see all organisations with failure rates of less than 10% as this has been the level HAUC has advocated for some time.

"What if an authority does not complete their full allocation of sample inspections as designated by Street Manager?"

Should a highway authority not complete their allocation of sample inspections as advised by Street Manager, the samples will not roll over to the next quarter.

Initially, Street Manager will advise on the allocation and set out the limits - based on past performance - of sample inspections. It will be up to the authority to determine the levels of sample inspections - within the prescribed limits based on past performance - and set this within Street Manager.

This process will be automated in the future.

"I'm a statutory undertaker, I've disputed an inspection and it's the end of a quarter, what happens to my calculation?"

In Street Manager, your disputed inspection sits outside of the pool of inspections which are used to calculate your quarterly performance.

In an example scenario, 20 inspections are carried out. 18 pass and 2 fail. That's a 10% failure rate. However, you accept one and dispute the other of those two failures.

Now performance for the quarter is based on 19 inspections. 18 passes and 1 fail. That's a 5.3% failure rate. That dispute sits waiting for a final resolution. If it is eventually agreed, it will be included in the inspection calculation for the quarter where it is agreed.

After the first quarter, this process will even itself out with some inspections from the previous quarter ending up in the next quarter's inspection calculation, and some from the current quarter being disputed late in the cycle and falling into the next quarter.

Statutory undertakers are still able to challenge an inspection report after the 10 working days, but it is strongly recommended that undertakers respond within 10 working days, as set out in the new code of practice, so that the next quarter's sample rate is as accurate as possible.

"What is happening to the calculation of total inspection units, are we agreeing it or is Street Manager calculating this?"

Total inspections units' agreement will need to be made through your usual processes this year based on the previous two years of data. This will revert to three years in financial year 2024-25 using data held on Street Manager.

In the future, Street Manager will fully automate this calculation based on the previous three years of data held on the system.

"Are there any transition rules or regulations, for example, what happens with the registration of works over the period when the new legislation comes into force?"

Works registered on 1 April 2023 will need to include the works duration (days) prior to this so that inspection units can be accurately calculated.

There are no transition rules set out in the regulations.

HAUC operational guidance will follow in due course and this FAQ document can be updated as and when required.

If you have any further queries, please revert to the legislation and code practice linked at the top of the document in the first instance.

If your query isn't answered, please email streetmanager@dft.gov.uk.

26 September 2023