The West Coast Main Line mess is symptomatic of much wider questions affecting the whole of Whitehall

The Department of Transport was subject to widespread criticism over the inadequacies which became apparent in the West Coast Main Line franchising process. However Peter Riddell argues that these were symptomatic of much broader issues afflicting Whitehall, raising important questions about the long-term sustainability of the coalition's changes within the public sector.

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Cuts have consequences. That is a central question raised both by the preliminary Laidlaw report into the West Coast Main Line franchise shambles and by a new report on 'Transforming Whitehall' from the Institute for Government, about lessons from trying to achieve far-reaching change in a number of government departments. The problems at the Department for Transport can be seen as a classic illustration of the tensions highlighted in the IfG report.

The scale of change and cutbacks are unprecedented and are ignored by the still too common, tired and inaccurate political and media attacks on privileged bureaucrats. The Civil Service lost more than a tenth of its posts in the 18 months following the start of the spending review, more than was achieved in four years during the Thatcher era. Departments have, on average, been ordered to making cuts of nearly a fifth in real terms over four years including reductions of at least a third in their administrative spending. The cuts are being made but can they be converted into long-term sustainable changes?

The IfG report underlines the difficulty of achieving transformation and the risk of rapid turnover amongst senior officials, as well as the challenge of maintaining staff motivation and commitment. One of the case studies is the Department for Transport, written before the problems over the West Coast Main Line franchise emerged. The cutbacks at the centre of the department were designed and implemented rapidly from late 2010 until late summer of 2012. The speed of change, the report notes, 'necessitated some difficult trade-offs, however. To some in the department the change seemed to be too deep, too fast.' Quite.

Move on to the preliminary report on West Coast Main Line by Sam Laidlaw of Centrica, the lead non-executive director at the department. This is an interim assessment, looking at what happened on the basis of an incomplete view of all the documents. The why and what can be learned will appear in a final report at the end of November.

Nonetheless, the interim report raises some disturbing questions. The flawed process of awarding the franchise was not just the result of mistakes by just a few civil servants. No blame has been apportioned or responsibility defined as this stage, Rather, the errors 'appear to have been caused by factors including inadequate planning and preparation, a complex organisational structure and a weak governance and quality assurance framework'.

But how far did the cuts discussed above affect performance? Mr Laidlaw observes that 'the organisation has undergone a significant reduction in size accompanied by frequent changes of leadership at a time when the DfT's agenda has been expanding'. There was a lack of continuity and clarity in senior leadership, with the senior responsible officer for the franchise programme changing three times during the course of the competition. 'In implementing

substantial cost savings, the DfT had significantly reduced both its headcount and its use of external consultants and specifically financial advisers to support the refranchising programme'. These cutbacks were ordered by ministers and senior civil servants, not junior officials.

There was also ambiguity about the precise functions, authorities and inter-relationships of various committees and boards within the DfT, notably over the treatment of risk. These concerns echo those raised in earlier reports by the IfG on Whitehall. These are being examined in the Institute's current major study of accountability—where one of the main questions is confusion over the balance between accountability and responsibility.

Above all, there is the question of how much ministers knew—or should have known—before they approved the award of the franchise. The West Coast Main Line mess is symptomatic of much wider questions affecting the whole of Whitehall: about the impact of cuts; the speed and success of transformation programmes; and the chains of accountability within departments and to Parliament.

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