

Transport chief Peter Strachan quits after rail bid blunder

The West Coast rail bid fiasco has claimed its biggest civil service casualty with the departure from the Department for Transport of Peter Strachan, its head of major projects.

Ms Mingay was one of the three officials temporarily suspended on October 3 after Transport Secretary Patrick McLoughlin pulled the auction for the London-to-Scotland line after finding "unacceptable mistakes" in the DfT's handling of the bid. Photo: Getty Images

By Alistair Osborne, and Nathalie Thomas

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Mr Strachan, who was one of the senior officers responsible for the bid, left as part of a restructuring that also saw Kate Mingay moved to a different job and a new division created to oversee future rail franchise competitions.

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Questions had been raised over Mr Strachan's position after the department's permanent secretary Philip Rutnam announced earlier this month that the DfT was seeking to appoint a new director general of rail, combining both "policy" and "delivery" of rail projects. That covered some of Mr Strachan's current job.

Clare Moriarty, currently director general, corporate at the DfT, will head up the new rail franchising division from the new year.

Mr Strachan's major projects wing employed 193 staff and had a budget for 2012/13 of £3.88bn, according to a DfT organisational chart published earlier this year.

Mr Strachan also played a pivotal role in liaising with the train operators, though he raised eyebrows in the industry when he pre-empted the report by Centrica boss Sam Laidlaw into the West Coast shambles by sending bidders detailed accounts of his own version of events.

Letters running to more than 10 pages sent to FirstGroup and Virgin Rail put the June 27 meeting of the Contract Awards Committee at the centre of events and complained of "stark inconsistencies" in the accounts of officials.

The meeting, chaired by Ms Mingay, determined the size of the subordinated loan facility (SLF) – the amount bidders pledged against the risk of them walking out on the contract – with "winning" bidder FirstGroup putting up £190m.

Mr Strachan wrote in his letter: "As a result of our investigations, it became apparent that the Department departed from its stated procedures ... in establishing the level of the SLF. The amount of SLF sought from at least some bidders was substantially too low as a result."

While many of his findings were backed by the Laidlaw investigation, his motivation for writing a letter that largely exonerated himself from any blame was questioned in the industry. A DfT spokesman said the letter had been written as a "matter of courtesy" to bidders.

Ms Mingay, who went to the High Court following her suspension in an attempt to be reinstated, was the DfT's director, commercial and technical services. She is understood to have been moved to the Crossrail project team.

A DfT spokesman said: "As a consequence of restructuring, Peter Strachan has decided to move on from the DfT. We wish Peter all the best in his next role."

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