

SIGNAL FAILURES



CONSULTANTS, rejoice! The Department for Transport's gravy train is ready to roll again as the rail-franchising process resumes.

In 2010, the public accounts committee wondered aloud why the Department for Transport (DafT) spent £70 on consultants for every £100 it spent on its own staff; HM Revenue & Customs, for example, spent £2 on consultants for every £100 on staff. DafT reduced its workforce by 8 percent in 2011-12, compared with March 2010, and cut its non-payroll staff (consultants, contractors, etc) by more than 70 percent.

Alas, DafT didn't trim its workload to match its reduced capacity but continued to experiment with rail franchising's mind-boggling complexities. The west-coast franchise was aborted last autumn because DafT was underequipped for the task it had invented for itself. The costs of that debacle wiped out whatever DafT saved by cutting staff.

DafT still won't admit that franchising is incompatible with austerity. It has beefed up its staffing to handle franchising, but civil service pay grades can't match what firms will pay their own experts to outmanoeuvre DafT in franchise negotiations (see last *Eye*). DafT has been warned to address this "sharp asymmetry" in resources and capability, so it will have to fork out more taxpayers' cash on consultants.

DafT permanent secretary Philip Rutnam told *Civil Service World* magazine: "The use of external financial advisers on the west-coast transaction would have been helpful. We'll be using them on franchising in future." Apparently the Cabinet Office, which must approve spending on consultants, is no obstacle: "I haven't found any difficulty in getting our clear business needs met, and this seems to me a clear business need," said Rutnam.

Really? Rail franchising is an expensive indulgence for DafT, not a "clear business need". There are much simpler ways to run railways. No other country has copied Britain's franchising system, so DafT has plenty of examples to copy which wouldn't depend on costly external advice.

'Dr B Ching'