

Scottish Rail Holdings

Annual Business Plan

2025-2026



Foreword

By Iain Docherty, Chair of the Board

I am pleased to present Scottish Rail Holdings' Business Plan 2025-26 which outlines our objectives for the year, based on our Strategy 2025-30.

The Business Plan clearly outlines our goals for the year, based on our ambitions for growth of the railway while taking account of our responsibility to oversee and challenge operational delivery.

This Annual Plan also highlights the work that has been undertaken to develop our Strategy on which the Business Plan is based, giving confidence to the process of development.



Who We Are

Set up and owned by the Scottish Government as an arm's length company, Scottish Rail Holdings (SRH) provides strategic leadership, oversight and advocacy for the development and delivery of Scottish Rail Services.

We own and oversee ScotRail Trains Ltd (SRT) and Caledonian Sleeper Ltd (CSL).

We believe in the powerful impact that rail can have in contributing to the success of government policy and in the lives and wellbeing of the communities, businesses and visitors that we serve.

With the appointment of a new CEO in 2024 and a refresh of our Senior Leadership Team we have taken the opportunity, in partnership with the SRH Board, to update our 5-year strategy to 2025-30.

This Strategy highlights the role that we will play in the delivery of government policy and our priorities set the basis for our business planning.

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Guided by the Strategy 2025-30 we have created actions for delivery 2025-26 across a range of themes.

These are:

People and Culture

- Develop and embed a learning & development programme
 - Move to a single HR platform or agree a group approach to this
 - Develop a People Strategy including People Principles
 - Embed our Values
 - Establish an organisational design aligned to delivery
 - Ensure best use of resources across the Group and partners
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Best value

- Identify opportunities to utilise technology to improve ways of working and automate processes
- Consider the operating budget implications of any business decisions proposed within the Group, seeking a cost neutral outcome or reduction in costs as an outcome of any proposal.
- Continue to work with subsidiaries to deliver efficiencies and develop initiatives which increase or protect revenue, or reduce costs, therefore reducing the subsidy required.
- Formalise a Best Value assurance framework and outline improvement goals.
- Measure progress against the Strategic and Business Plans throughout each delivery year using success metrics, mapping the delivery and realisation of SRH's Strategic Plan year by year.
- Utilise opportunities to review performance and learn lessons. Apply the lessons learned to other areas and share with the Group.

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Performance

- Develop a train performance monitoring strategy.
- Develop planning with ScotRail and Network Rail Scotland to achieve 92.5% PPM in line with trajectory.
- Continue to measure Caledonian Sleeper against their performance targets.
- Support capital investment in ageing fleets to reduce component failures and increase fleet availability.
- Work with ScotRail to improve performance in Fife.
- Develop timetabling capability within SRH.
- Work with ScotRail and Caledonian Sleeper to continue to understand the views of passengers and to amplify that at Board level.



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Finance and Investment

- Introduce departmental budget responsibilities across Scottish Rail Holdings, increasing accountability
- Educate and empower teams to understand the financial implications of decisions, ensuring the position of the taxpayer is considered in decision making;
- Transition to a strategic planning cycle which aligns with the budget setting process and enables alignment of plans with the funding envelope request each summer.
- Compliance with phases 1,2, and 3 of the Task Force on Climate-related Financial Disclosures (TCFD).
- Support delivery of a strategy to reduce the overall cost of the railway, collaborating with industry partners and seeking efficiencies to reduce the overall net cost of rail services.



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Risk



- Develop a Group risk management strategy, using a conjoined approach to risk management across the Group with aligned scoring mechanisms
- Outline improvement goals across the Group.
- Establish operational risk registers within each Directorate area, thereby embedding operational and strategic risk management across the Group and embedding a culture of accountability.

Accessibility and Inclusion

- Develop an Accessible & Inclusive Travel strategy. This will also consider financial inclusivity and digital exclusion. Working with capital planning, it will include identification of areas where end to end mobility improvements, station accessibility and level boarding could be implemented in future capital programmes.
- Develop the capability to complete Statutory Impact Assessments(EQIAs), assessing the impact of proposed strategies and policies, including digital exclusion.
- Prepare a fares development and ticketing strategy, exploring options to support access to our services for members of our communities who are economically excluded.
- Support our people through the learning and development programme to further their knowledge and understanding of disability, equity, and inclusivity to improve how we plan for the future, foster a culture of inclusivity, and improve the experience for our people, customers, and communities

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Business Development

- Encourage identification and development of additional combined ticketing opportunities with transport partners. Seek to improve travel 'package' ticketing options such as the ability to buy a Sleeper ticket and a ScotRail ticket in a single transaction.
- Build a fares development and ticketing strategy which outlines a targeted approach to fares development and supports ticketing innovations.
- Utilise individual line of route economics data to support fares proposals.
- Develop a choreography for delivery of fares proposals in advance of yearly fares discussions, using economic data to support the proposals.
- Support ticketing innovation to provide passengers with additional options for tickets - both digital and multi-modal.
- Explore options with both TOCs for commercialisation of rail souvenirs specific to their individual businesses.
- Engage with research on future areas of population and economic growth and make available to TOCs for decisions on future markets and growth areas in order to maximise the contribution of the railway to economic growth
- Develop a customer engagement strategy, including education on the benefits of rail to capture the young adult market.
- Develop a tourism strategy.
- Develop relationships with regional transport partnerships to seek opportunities to support end to end mobility initiatives.



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Governance

- Ensure the correct policies and procedures are in place and up to date to support the ongoing development of SRH.
- Refresh the company handbook and intranet.
- Identify training requirements and build a suite of mandatory training topics to support SRH employees in their roles.
- Secure support in the form of Service Level Agreements for relevant business support functions.
- Develop a compliance strategy to formalise processes within the business.
- Conclude governance review and reforming governance structures to create a clear path to decision making and efficient operation, including review of NXD skills and resources.
- Develop internal governance and organisational structure that are commensurate with delivering the strategic plan.



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Business continuity

- Develop a compliance strategy to formalise processes within the business.
- Develop a disaster recovery strategy which structures SRH's approach to continuing operations in the event of external threats.
- Develop an IT / cyber security strategy outlining measures taken to protect SRH and partners from cyber threats.

Climate action

- Develop an integrated transport strategy which considers transport alignment and modal shift including active travel.
- Contribute to the delivery of the Scotland's Railway climate resilience plan.
- Data collection and baselining prior to developing KPIs which support delivery of Net-Zero.
- Update sustainability policies based on environmental scorecard results and benchmarking of best practice.



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Strategic Investment

As the railway prepares for procurement of new rolling stock we need to implement and embed new processes to ensure that this workstream can be delivered effectively and at pace.

We will:

- Design and implement a suitable project stage gate process and capital investment procedure to provide assurance on investment of public funds and outline key controls for delivery of major projects.
- Develop plans and requirements of rolling stock and locomotives as necessary, working with our operating companies and Scottish Government to specify requirements and compliant routes to market, develop required programme management for delivery of Scottish Rail Holdings Group requirements. Lead on development of conjoined planning across Scotland's Railway bringing together fleet strategy, fleet procurement, infrastructure and other conditions necessary for success of the programme.



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Working across the railway

- Work with ScotRail Trains Limited and Network Rail to develop an Alliancing strategy encouraging further integration between ScotRail Trains and Network Rail Scotland. Work with the leaders of each organisation to embed the Alliancing strategy and behaviours in support of delivering Scotland's Railway.
- Develop a whole industry approach strategy. Foster and participate in a 'one railway' culture; collaborating with industry partners, sharing knowledge and expertise.
- Understand and engage with the opportunities and risks of the Rail Reform Bill, adapting to the various scenario outcomes.

Safety

- Develop knowledge and learning of Safety across Scottish Rail Holdings, embedding a safety culture which is currently largely held and SHEC committee at non- executive and executive level. Whilst recognising that the subsidiaries are the duty holders, encourage constant improvement in safety and adherence to best practice.
- Provide training across Scottish Rail Holdings including with Non-Executive Directors of the safety mechanisms and culture of the railway.