

Scottish Rail Holdings

Strategy

2025 -2030



Foreword

By Iain Docherty, Chair of the Board

I am pleased to present Scottish Rail Holdings' Strategy 2025-30, which builds on and refreshes our Strategy 2024-29, and demonstrates our ambition for the development and delivery of excellent rail services in Scotland.

While the Strategy clearly sets out our ambitions for growth of the railway in Scotland, seeking out new opportunities and markets, it also clearly establishes our role in overseeing, challenging and supporting the Operating Companies to deliver every day across the rail network.

I am confident that in setting out this Strategy the place of Scottish Rail Holdings in the wider context of rail delivery can be established, and I look forward to building that role with the team at Scottish Rail Holdings and our partners over the next five years.

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.

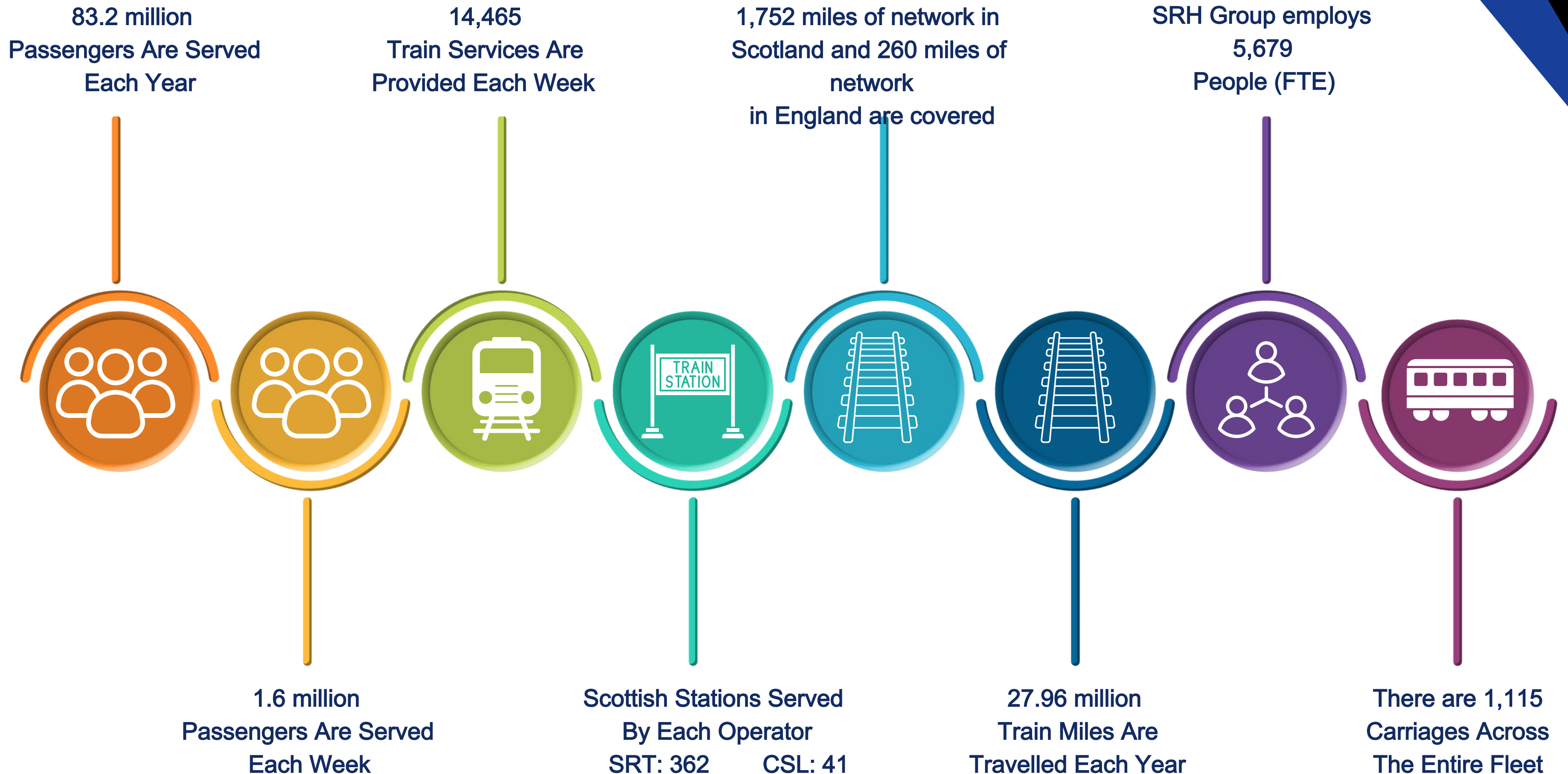
We own and oversee ScotRail Trains Ltd (SRT) and Caledonian Sleeper Ltd (CSL).

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.

SRH Oversees Delivery of Services by ScotRail and Caledonian Sleeper



SRH & the National Transport Strategy

The work of the SRH Group, including SRT and CSL, is aligned to the First Minister's four priorities of eradicating child poverty, growing the economy, tackling the climate emergency, and ensuring high quality and sustainable public services, through alignment with the National Transport Strategy. SRH fully embraces all aspects of being a publicly owned service that takes a whole industry approach to rail. We have considered the National Transport Strategy priorities as a key part of our strategic development and have considered how rail contributes to delivery of each priority.

Reduces Inequalities

How this applies to our railway:

- A railway that encourages sustainable, public and active travel to employment, education and other essential services.
- A railway that is accessible for all and supports the implementation of Scotland's Accessible Travel Framework.

SRH & the National Transport Strategy

Take Climate Action

How our railway supports this:

Across Scotland's Railway a structured plan has been developed to achieve net zero, adaptation and resilience in response to climate change, greater resilience and preparedness for severe weather events and responsible environmental stewardship.

We will support the strategic aims by:

- Growing the use of the railway as part of an integrated public transport system reducing reliance on less sustainable modes of transport as part of the journey to net zero

SRH & the National Transport Strategy

Helps Deliver Inclusive Economic Growth

How our railway delivers this:

- A railway that maximises our capacity and capability through the utilization of the rail network and on-train capacity coupled with high levels of performance and modernization, giving opportunities to all to access economic opportunities, whilst aligning timetabling to anticipate and respond to the evolving travel patterns of passengers.
- A railway that delivers inclusive and sustainable economic growth through targeted investment, using local products and labour, where possible, through more efficient use of low carbon or net zero energy and adherence to circular economy principles.

Improves our Health and Wellbeing & Safety

How our railway does this:

- A railway that is safe and secure for all to travel and work on, integrating active travel with the railway to facilitate walking, wheeling, and cycling to and from stations reducing travel inequalities and enabling healthy travel choices.

Our Vision



Our Vision

Our vision for the railway :

Our vision is to have a Safe, Sustainable, Reliable and Inclusive Rail System, helping deliver a fairer, greener and more prosperous Scotland for our Communities, Businesses and Visitors

Our vision for ourselves :

Our vision is to be a strategic advocate for the railway in Scotland, providing oversight and challenge to our operational companies whilst also partnering with them to set strategic direction and to identify and develop new opportunities to grow our market.

Our Strategic Priorities 2025 - 2030



Our Strategic Priorities 2025 –2030

Working with our Sponsor, Board, Staff and our Operating Companies, we have developed key objectives that underpin our Vision, Purpose and Objectives for 2025-2030.

These will be used to develop annual Business Plans for each year across each of the four themes. We cannot deliver these on our own, and will work with others across the railway, including in the Alliance, to find opportunities to collaborate and drive delivery.

Our Strategic Priorities for the Railway are based on the priorities of the National Transport Strategy(NTS).

We have also developed Strategic Priorities to aid the continued evolution of ourselves, set out as our Future Fit priorities.

Reduce inequalities

Accessibility

- Review end to end mobility of services through an accessibility lens
- Working with partners and through the capital investment programme, install level boarding where practicable during fleet renewals
- Through the capital investment programme enhance accessibility at all stations

Equality of economic opportunity

- Seek opportunities to connect communities to employment, leisure, healthcare and education
- Working with partners, develop an overarching fares and ticketing strategy that supports equality of access
- Working with our partners, find opportunities to streamline interchange with other sustainable transport modes, connecting more communities to the benefits that the railway can bring
- Consider how to use the railway estate to provide new economic opportunities and hubs

Take Climate Action

Decarbonisation :

- Working with partners and taking advantage of proposed investment in the railway electrify trains and routes, developing the capabilities required for successful delivery of the fleet renewal and electrification programme
- Working with our partners to support investment in removing and reducing diesel fumes at stations
- Encourage and support Active Travel to and from rail journeys and stations by supporting initiatives to and at stations.

Climate Resilience:

- Support investment needed to reduce climate change risks to the railway
- Develop further resilience to climate change risks by learning from other railways and sectors.

Take Climate Action

Modal Shift

- Develop modal shift plans with partners and streamline modal interchange
- Connect homes, businesses, leisure, and public services to the railway through an end-to-end journey planning approach
- Develop and advocate opportunities for modal shift from car to rail travel
- Support initiatives on ticketing and fares to make rail travel more convenient and affordable for all

Marketing

- Find opportunities and support initiatives to engage early with passengers of the future
- Find opportunities and support education on the benefits of rail for all
- Work with partners to promote end to end active travel journeys that include rail

Helps Deliver Inclusive Economic Growth

Fare Pricing

- Maximise rail revenues and rail efficiency
- Develop a range of price and product choices that make fares more attractive
- Understand innovations in ticketing and promote them across the sector

Market growth

- Contribute proactively to growing tourism and support the tourist economy with a compelling, attractive, and sustainable travel experience
- Explore options for an extended sleeper services meeting the needs of modern travelers
- Undertake demographic research to identify high population and job growth areas to align to capacity growth

Help Deliver Inclusive Economic Growth

People

- Fully embed Fair Work First principles across the Group
- Transform operating models across the group creating an efficient and effective group model right people, right roles, right skills
- Support development of a talent pipeline to ensure workforce is available with the right capabilities at the right time

Ways of working

- Identify scope for economies of scale across the Group
- Explore Digital transformation across the Group
- Utilise Group buying power in procurements

Help Deliver Inclusive Economic Growth

Macro Economic

- Explore revenue generating opportunities that introduce product initiatives that support local and national transport planning including freight and logistics
- Engage with business communities to understand how to maximise employment opportunities across supply chain

Business development

- Working with partners, support development of new income generating business ideas beyond the core business
- Align business development to Scottish Government growth and development strategies
- Enable and advocate for product innovation

Improve Health, Wellbeing and Safety

Safety

- Challenge and ensure delivery of safety and security priorities as set out in the Safety Management Systems under which the railway operates
- Enable a safe and reliable service providing appropriate oversight and challenge to activities
- Work with partners to manage and reduce antisocial behavior.

Health and wellbeing

- Sponsor, stimulate, and encourage multi modal transport across public transport
- Encourage active travel / community hubs in stations
- Connect communities with leisure, outdoor spaces, and healthcare
- Maximize the market opportunity for customers to access outdoor assets/ spaces
- Promote and foster active travel opportunities

Overseeing the railway

SRH has a key responsibility to oversee rail operations in Scotland, in support of the requirements of Transport Scotland and to ensure the interests of the taxpayer are represented in rail operations. SRH will:

Net cost challenge

- Work with and challenge the train operating companies to drive down the net cost of railway;
- Working with our partners, prepare and agree plans for expenditure in the medium to long term, working across Scotland's Railway to embed conjoined decision making across investment and benefit realisation;
- Grow SRH's expertise by working closely with colleagues across Scotland's Railway to share knowledge and expertise, and in turn developing opportunities to work more effectively across organisations to drive delivery.

Overseeing the railway

- Alliance agreement
- Seek opportunities to embed the Alliance Agreement between ScotRail Trains Limited and Network Rail, driving further integration ;
- Engage with the proposals for Great British Rail Reform as it relates to Scotland ;
- **Fleet procurement**
- The proposed procurement of new rolling stock and the opportunity to invest in rail infrastructure presents an opportunity to improve outcomes for customers and the taxpayer. SRH will ensure a robust system of oversight and challenge in order to establish the Fleet procurement programme , including working across Scotland's Railway to ensure that the wider delivery programme is conjoined .
- Working with others, SRH will ensure that the opportunity presented by the Fleet Procurement Strategy to deliver on wider social and economic outcomes is realised in line with the requirements of the National Transport Strategy.

Overseeing the railway

- Performance
- SRH is mandated to oversee the terms of the Grant Agreement to ScotRail Trains Limited and Caledonian Sleeper Limited. SRH Limited will agree Key Performance Indicators with the Train Operating Companies as part of their Business Planning process each year, and continue to work to oversee and challenge improvements in performance and journey time in line with the Grant Agreements and other requirements of strategic delivery.
- Annual plans for SRH will contain performance appraisal planning for the Train Operating Companies
- SRH will report monthly to board and to Transport Scotland on Business Plan commitments.

SRH Future Fit

Future Fit Operating Model

- Define an optimal organisational structure underpinned by a capability and capacity model that supports delivery of the vision and the strategic priorities of the business
- Design a Learning and Development Strategy that delivers the capabilities needed at all levels including leadership effectiveness
- Design a Talent, Succession & Resourcing Strategy that defines an effective and flexible resourcing model using build, borrow or buy approach to maximise the use of the people budget whilst creating internal career opportunities
- Develop an audit and assurance model in line with policy that is practiced consistently across the business
- Understand future market and supply chain opportunities
- Design and develop a Job and skills framework that gives clarity on roles, responsibilities and career opportunities
- Ensure the business is ready to embrace the opportunities that arise from UK Government Rail Reform

SRH Future Fit

Inspiring Workplace

- Create an End- to-End Employee experience that attracts and retains talent
- Develop a strategic focus for industrial relations
- Create a fully inclusive workplace across the group seeking opportunities for promotion of all rail jobs and reducing inequalities
- Support the closing of pay gaps in the sector
- Develop modern leadership skills aligned to our culture, ambition and values
- Ensuring that we have the right competencies and skillsets at executive and non executive level to deliver strategic and business plans across the Group

SRH Future Fit

Ways of Working

- Explore effectiveness and efficiency opportunities with partners, including IT, finance, procurement, communications, and people
- Develop new income generating business ideas beyond core business
- Changes in market, customers, technology, environmental and political landscapes across the next 5-10 years will be considered alongside market scanning and analysis during strategic updates and planning for the future

Reform governance structures to facilitate decision making and create a clear path by

- Adopting a Continuous improvement and learning culture across the group
- Adopting best practice governance methodology ensuring successful delivery of projects across the Group
- Embracing technology to automate functions where it makes sense
- Being recognized as a Great Place to Work
- Ensuring effective systems are in place to identify, manage and mitigate Risk across the railway



Scottish Rail Holdings