



SRH

Scottish Rail Holdings

Strategic Plan
2026–2031



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Foreword



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Foreword

By Iain Docherty

Chair of Scottish Rail Holdings



This strategic plan 2026-31 supports the purpose of Scottish Rail Holdings – to oversee ScotRail Trains and Caledonian Sleeper to deliver excellent rail services for Scotland; to advocate for the Railway; and to challenge those delivering rail services to be innovative and ambitious for the Railway in Scotland.

It sets out our vision for the Railway and a framework for how that will be achieved. Our vision is to have a Safe, Sustainable, Reliable and Inclusive Rail System, helping to deliver a fairer, greener and more prosperous Scotland for our Communities, Businesses and Visitors.

Scottish Ministers have demonstrated their faith in the importance of the railway, announcing investment in InterCity and Suburban Fleets alongside the infrastructure that supports us. Their ambition for the railway and the role it plays in supporting our communities is clear. Working with ScotRail and Caledonian Sleeper, and supported by Network Rail, we must translate this ambition into meaningful strategies for delivery.

Throughout this plan we have set out our Strategic Priorities for the five years 2026-31, which build on our Vision, and the key deliverables which will measure our success. To deliver these priorities over the next five years we recognise that we need to continue to develop and grow our own capability and capacity, working with colleagues across the public sector to continue to evolve the right future fit for our organisation. We recognise the importance of strong leadership and of a culture of openness and trust and we will work closely with all of our partners to deliver on that ethos. Our corporate values, developed by our workforce over the last year and now embedded in our way of working, will continue to drive how we achieve our goals.

We also recognise that the rail industry is undergoing a period of great change. The Railways Bill 2025 currently making its way through the Westminster Parliament presents the first opportunity for twenty years to change the fabric of the railway, with a renewed focus on cross industry partnerships. We have a key role to play in ensuring that the opportunities of the Railways Bill are realised while leading through the change that the Bill represents.

Iain Docherty

Chair, Scottish Rail Holdings

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Background and context



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Background and context

Whether to access work, leisure, education or in providing lifeline services, the railway is a key part of the public life of Scotland. In a changing landscape we need to maintain and improve services, growing patronage to support the ambitions of government.

However, we have challenges to overcome. Now in its fourth year, the capacity and capability of Scottish Rail Holdings is still evolving. With a refreshed leadership team established in late 2024 significant progress has been made in a short period of time, and we need to continue to review our organisational design to ensure that we are resourced to support the challenges we face.

The Railways Bill and our commitment to deepening Scotland's Railway Alliance give further opportunity to develop service improvement and delivery by supporting closer working between ScotRail and Network Rail. In supporting the delivery of these reforms Scottish Rail Holdings needs to provide leadership through change, working with our partners and providing diligence and challenge to proposals to ensure that they are the right fit in a Scottish context. Maintaining high standards of operational delivery through a period of change will be a key challenge over the coming years.

Public service reform also mandates us to collaborate with other government agencies to learn from each other, find opportunities for efficiencies and collaborate on delivery of common goals. Our organisational design already lends itself to this type of working and we look forward to working with public sector partners to develop this further.

A key government priority is that the railway is affordable. Providing affordable high quality services in the context of rising costs and pressure on public budgets is a significant challenge for the railway. Our advocacy for continued support while delivering best value for the public purse will take renewed focus over the coming years, building on our existing Best Value commitments but also developing longer term planning across the Group to find efficiencies in the longer term.

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Our people are at the heart of what we do. With the evolution of Scottish Rail Holdings, they have already tackled significant change, and we will continue to support them by being transparent about future change, provide clear direction and support their development. More widely, we recognise the skilled and motivated workforce that we are privileged to work with in Caledonian Sleeper and ScotRail Trains and we will continue to work with both companies to secure their needs for future delivery and development. Throughout the Group we value the relationships we have with our recognised unions, and we will continue to support and prioritise this engagement. We will also consider whether and how to insource contract delivery at each procurement opportunity to grow and develop the wider workforce.

As with other public services, the railway is operated in a changing environment, with greater impact and uncertainty arising from our changing climate, and a wider responsibility to play our part in carbon emissions reduction. We recognise the significant focus from our operational subsidiaries alongside Network Rail in meeting this challenge and we will continue to support them in that.

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Alignment with Government Policy



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Alignment with Government Policy

The Scottish Government's National Transport Strategy provides the overarching strategic direction for Transport Scotland and its Non-Departmental Public Bodies. Their vision and priorities have been recognised in the development of this Strategy, as we work to support delivery of wider goals and objectives.

Wider government policy also plays a role in guiding us as we seek opportunities to collaborate with other government agencies to deliver shared goals and ambitions. In the coming years, this will include the policy aim of Transport Scotland to develop integrated routing and ticketing, support to the Visitor Economy and wider work to support delivery of public service reform.

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Our key enablers



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Our key enablers

As Scottish Rail Holdings continues to develop and evolve we need to continue to support our staff and develop our capability and capacity to deliver our Vision and Priorities.

Our key enablers are:

Our People

Our People Purpose

To empower and inspire our people to support the delivery of a world-class, sustainable rail network that aligns with Scottish Ministers' vision for a greener, more connected Scotland. By fostering a culture of collaboration, innovation, and inclusivity, we ensure our workforce is equipped to lead the transition to decarbonised transport, enhance connectivity for all communities, and deliver exceptional public value.

Our People Vision

Together, we will build a rail network that Scotland can be proud of—one that is safe, reliable, and sustainable, and that directly supports Scottish Ministers' goals of reducing emissions, improving accessibility, and strengthening economic and social connectivity.

Our people are at the heart of this transformation, empowered to take ownership, innovate boldly, and work collaboratively to create a greener, more inclusive future.

By investing in their growth, well-being, and diversity, we will cultivate a workforce that is resilient, forward-thinking, and deeply committed to supporting the delivery of Scottish Ministers' vision of a rail network that serves everyone, now and for generations to come. A positive culture and continued focus on and investment in our people is central to the development of Scottish Rail Holdings and delivery of this Strategy. Our staff developed our values in 2025, and we will continue to live by these values for the duration of this Strategy. Continued focus on learning and development, working and sharing skills across the railway and working with colleagues across the public sector to deliver this strategy, in line with our organisational design and public service reform will remain key to how we deliver our Strategic Priorities.

Our Values



GROW TOGETHER

We will collaborate, learn and develop together.



CHAMPION AMBITION

We will drive and celebrate a culture of creativity and innovation. We will encourage challenge.



INTEGRITY

We will be reliable and trustworthy. We will take responsibility and accountability for actions.



RESPECT FOR ALL

We will respect and value all of our people, our communities and visitors.



CELEBRATE DIVERSITY

We will embrace our differences and celebrate them to foster a positive and supportive environment.

Our stakeholders

Our stakeholders: In order to deliver our outcomes efficiently and effectively we need to work across the railway and wider public sector. We need to support Caledonian Sleeper and ScotRail Trains by advocating for them and ensuring they have the resources to deliver their operational requirements and business plan priorities. We also must oversee and challenge the operational delivery of the Train Operating Companies to ensure that they deliver a high quality service, and work within the wider regulatory environment to ensure that performance is considered across the railway. Given the importance of Rail Reform and the Alliance we recognise the importance of building strong and enduring relationships across the railway, and in particular with Network Rail to grow a robust and collaborative relationship to grow a deepened Alliance – optimising our operating model and delivering value for the taxpayer and passengers.

Governance and leadership

To ensure that our processes and procedures are straightforward and effective we need to agree a governance process with our Sponsor that serves the needs of delivery and effective oversight. We will continue to work with the Sponsor to develop this as part of our overarching governance review.

Our vision

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.



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Our priorities



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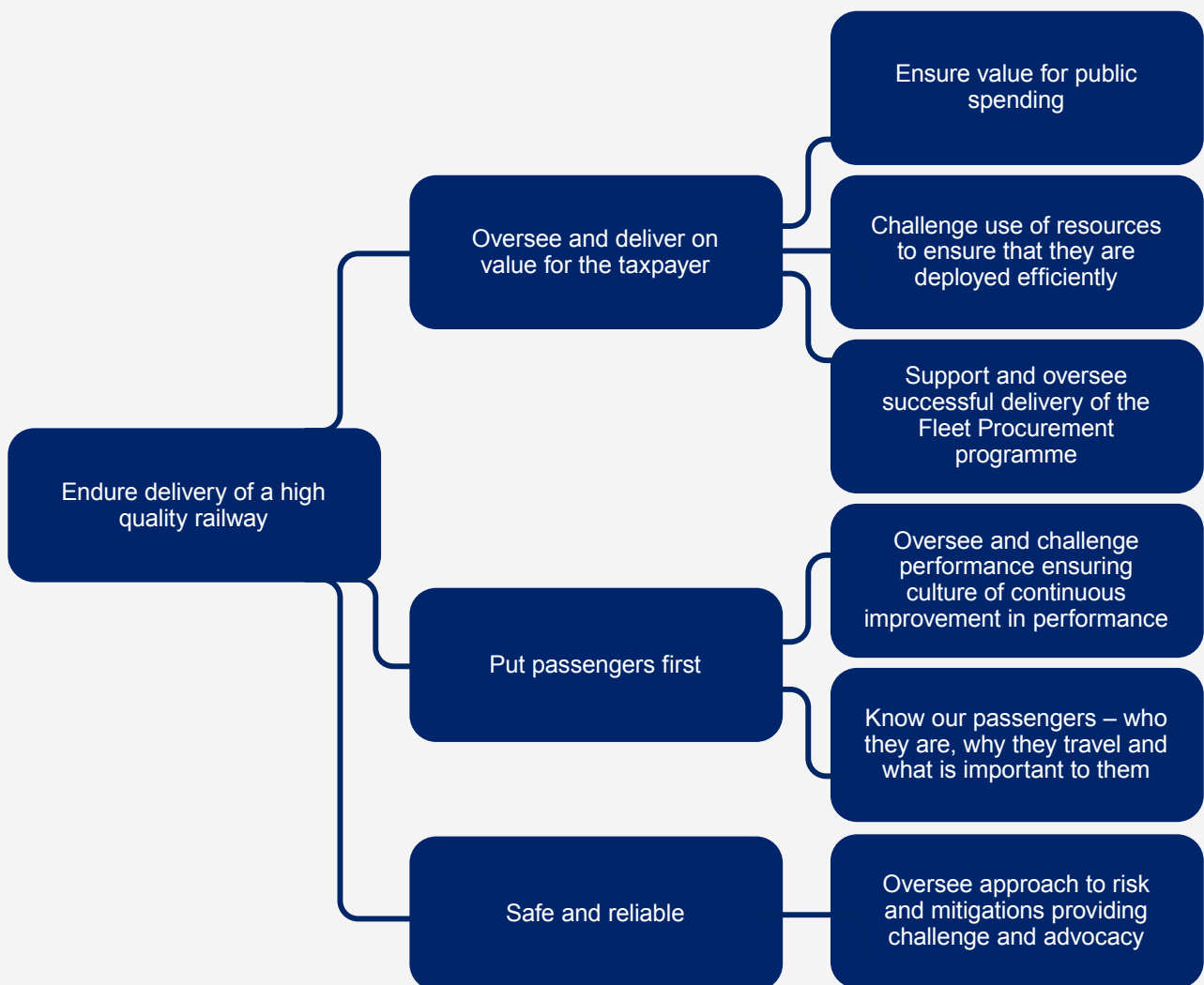
Priority 1

Ensure delivery of a high quality railway

Delivering a railway that is high quality means services that are safe and reliable, putting the needs of passengers first and deliver value for the taxpayer by delivering services efficiently, making best use of existing resources. This includes not only oversight of existing operations but also the work that we need to complete to consider the needs of future rail services. To deliver this priority we have three key objectives:

- Oversee and deliver value for the taxpayer;
- Put the needs of existing and future passengers first; and
- Be safe and reliable.

Delivering on these objectives encompasses Scottish Rail Holdings' role in overseeing and scrutinising the performance of the subsidiaries and in reporting on that performance to the Sponsor.



Objective 1

Oversee and deliver value for the taxpayer

Goals

Ensure value for public spending;

- Challenge use of resources to ensure that they are deployed efficiently;
- Support and oversee delivery of the Fleet Procurement programme.

Actions

We'll achieve this by:

- Ensure that our resources are deployed efficiently and effectively in line with industry best practice, with the right skills and experience, and with a clear philosophy which balances performance risk and efficiency;
- Creating a high performing team drawing on expertise across the railway to deliver the Fleet Procurement Programme, with clarity on roles and expectations and delivering in line with anticipated programme and stage gates
- Stay updated on Transport Scotland and Scottish Government policy ambitions to allow us to identify opportunities to align with and deliver Scottish Government policy and advocate for them.

Measuring success

We'll know we've been successful when:

- We agree a stated philosophy for deployment of resources and analysis of how that impacts delivery allowing us to consider initiatives relating to workforce in an agreed context.
- We have an embedded Fleet Programme Director and team managing a conjoined programme for delivery of all activities associated with the Fleet Programme and risk management, meeting programme and stage gate dates and expectations with successful delivery of agreed benefits.

Objective 2

Put current and future passengers first

Goals

Oversee and challenge performance ensuring a system of best practice improvement to ensure that performance is optimised

Know our market – who are and are not our passengers – who they are, why they travel and what is important to them

Our actions

We'll achieve this by:

- Having a clear performance oversight plan, clearly stating the activities we will undertake to assure and challenge performance for the train operating companies and working with Network Rail, the ORR and Rail Delivery Group to understand best practice and ensure coherent performance oversight
- Understanding who our current and future passengers are;
- Working across the railway ensuring engagement with passengers to understand views of the railway and what is important to them;
- Focus on people who are not currently our passengers – understand why people choose not to travel with us, including what barriers exist to using our services.

Measuring success

We'll know we've been successful when:

- Our performance oversight plan is delivered and embedded with clear analysis to embed performance improvement across the railway;
- Our oversight of train operating companies is conjoined with the ORR so that the integrated railway has clear direction from both SRH and the ORR;
- We use relevant research to tell us about the travelling market - the train operating companies are able to use that in decision making, and we use that in challenge and oversight;
- We can use new feedback processes from passengers taking account of an integrated railway to further refine and improve our passenger offering;
- We have clear specifications in place across our capital workstreams that deliver improvements in accessibility at the point investments are made.

Objective 3

Be safe and reliable

Goals

We are assured that best practice safety management systems support operational delivery of our subsidiaries

Our actions

We'll achieve this by:

- Continuing to ensure that a competent safety team is in place in each of the Train Operating Companies, they have sufficient resources and they are dealing with safety in a systematic and competent way
- Understanding, challenging and assuring ourselves of safety management arrangements and appropriate validation of the Scotland's Railway Alliance

Measuring success

We'll know we've been successful when:

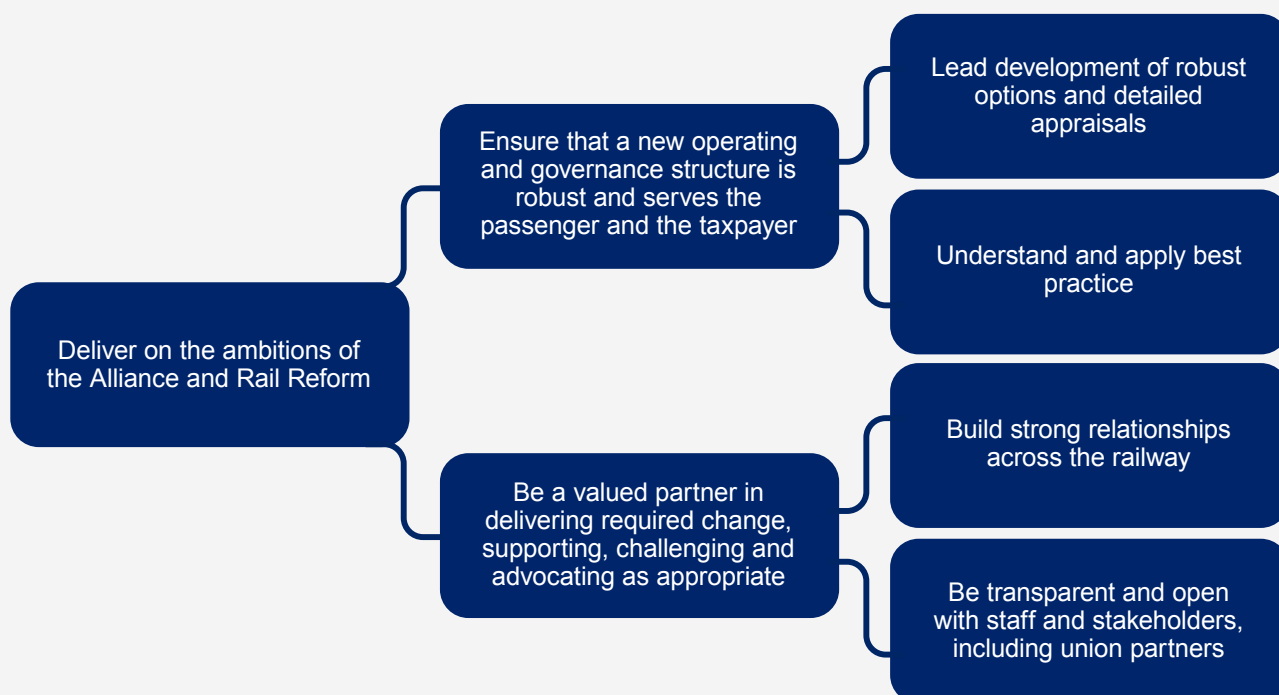
- We have clear relationship between the Train Operating Companies' safety management and the Group level board;
- We know and understand our role in oversight safety, taking account of the responsibilities of ROGS;
- We educate ourselves on the safety management arrangements in place during transition arrangements for Alliances elsewhere, ensuring that we learn and apply best practice.

Priority 2

Deliver on the ambitions of the Alliance and Rail Reform

The Alliance Agreement between ScotRail Trains and Network Rail has been restated, and the restructure of the rail industry is a policy aim of the UK Government with the Railways Bill now published. The SRH Group must respond to this change and play its part in developing the new structures that will run the railway in Scotland. In doing so, we have the following key objectives:

- Ensure that the new governance structure is robust and transparent, and aligns with best practice;
- Be a valued partner in delivering required change, supporting, challenging and advocating as appropriate.
- Working with partners, delivering on these objectives will ensure that the transformation of the rail industry in Scotland is conducted with the operational railway and bring additional scrutiny and challenge to proposals and options appraisals.



Objective 1

Ensure that the new operating and governance structure is robust and serves the needs of our current and future passengers, and the taxpayer

Goals

Lead development of robust options and detailed appraisals

Understand and apply best practice from the railway and the public sector

Actions

We'll achieve this by:

- Dedicating resource to necessary workstreams, being able to deliver with rigour and pace;
- We will consider lessons from elsewhere on the railway and apply them where they will help us to deliver the benefits we seek to achieve;
- We will consider and apply government guidance and policy on governance and oversight;
- Working closely with Network Rail we'll develop options for governance and present recommendations to the Sponsor;
- We'll agree across the railway the key opportunities and ambitions anticipated from a deepened Alliance and Rail Reform.

Measuring success

We'll know we've been successful when:

- We have an agreed proposal;
- The risks and opportunities of the agreed proposal are understood, tracked and managed;
- There is a robust understanding of the options recommended across senior stakeholders and in the Sponsor.

Objective 2

Be a valued partner in delivering required change, supporting, challenging and advocating as appropriate

Goals

Build strong relationships across the railway

Be transparent and open with staff and stakeholders, including union partners

Actions

We'll achieve this by:

- Building and maintaining effective relationships with Network Rail, collaborating with them to develop transitional and final operating and governance structures;
- Maintaining strong and robust relationships with Transport Scotland, making recommendations and advocating for them;
- Work with Transport Scotland to understand decisions for Rail Reform and ensure that transitional arrangements respect those decisions;
- Taking an active role in the Alliance Board, working with Network Rail attendees to commission and consider papers in delivery of the Alliance and Rail Reform process.

Measuring success

We'll know we've been successful when:

- Working with Network Rail we make governance recommendations to the Sponsor for a shared vision of the railway in Scotland;
- We develop a robust relationship with Transport Scotland so that we are advised of and aware of options development and decision making that impacts the work we are doing
- The Alliance Board has matured and developed into a robust forum for discussion between Network Rail and the SRH Group on the delivery of Alliance activities
- The vision for and benefits of a deepened Alliance are understood and agreed by all parties

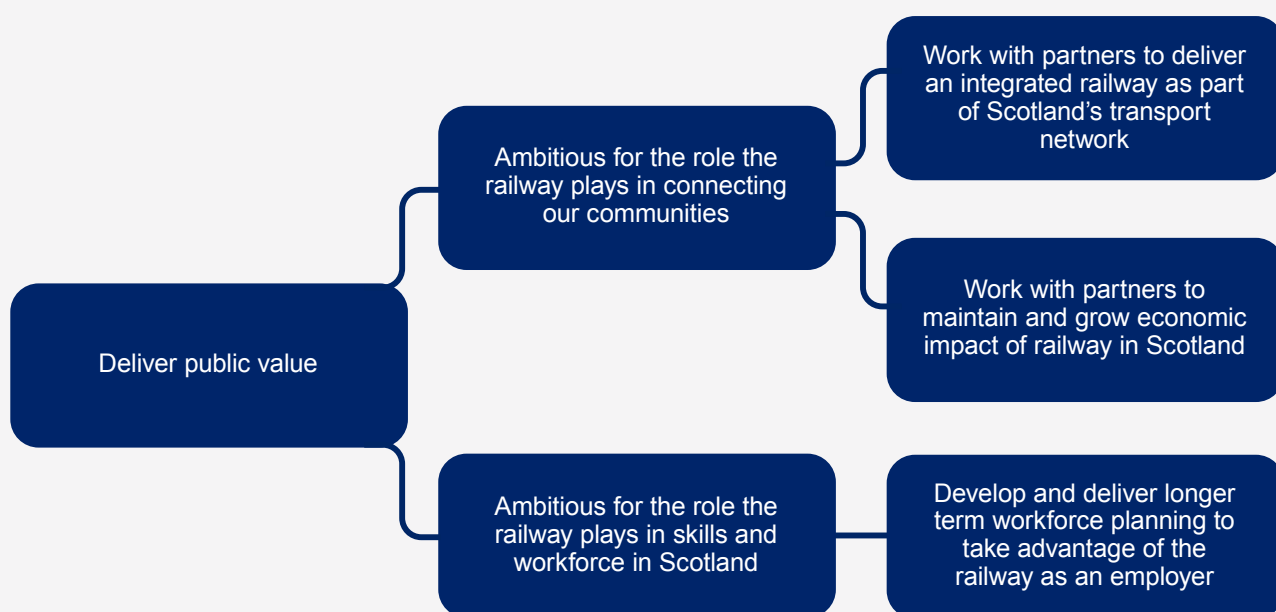
Priority 3

Delivering public value

As a publicly owned service in receipt of public subsidy, the Scottish Rail Holdings Group must play its part in delivery of wider public value, beyond the rail services that represent the core business. While the economic value to Scotland in the delivery of rail services has been demonstrated, delivery of public value requires us to take a more holistic approach to use of our resources and delivery of our operations. In delivering this priority we have the following objectives:

- Ambitious for the role the railway plays in connecting our communities
- Ambitious for the role the railway plays in skills and workforce in Scotland

These objectives ensure that we consider the wider needs of communities and businesses in our delivery planning.



Objective 1

Ambitious for the role the railway plays in connecting our communities

Goals

Work with partners to deliver an integrated railway as part of Scotland's transport network

Work with partners to maintain and grow economic impact of railway in Scotland

Actions

We'll achieve this by:

- Working with Transport Scotland to understand the programme for integration and engage in opportunities to drive wider integration;
- Embedding consideration of integration of the railway into the wider network in developing capital investment proposals;
- Consider future ticketing integration in our fares and ticketing proposals;
- Bringing consideration of future integration requirements into future servicing contracts to exploit opportunities and remove barriers;
- Working across the railway, to develop research to understand and amplify areas of future population and economic growth and how the railway can best serve them as part of an integrated network.
- Working through the Alliance, challenge the use of resources owned by the railway to ensure that they are deployed effectively to serve wider policy requirements.

Measuring success

We'll know we've been successful when:

- The Railway is seen as a key partner in delivery of integration;
- The policy requirement of Transport Scotland in integration is understood, and we can demonstrate that integration is articulated in decision making, both capital and resource;
- We have a clear understanding of areas of future economic and population growth and are including that in our long term planning.
- We have a clear understanding of the land holding of the railway and can develop planning to ensure that is effectively deployed to ensure that it is exploited to drive wider public value.

Objective 2

Ambitious for the role the railway plays in skills and workforce in Scotland

Goals

Develop and deliver longer term workforce planning to take advantage of the railway as an employer

Actions

We'll achieve this by working with colleagues to:

- Better understand and map the existing workforce;
- taking account of the opportunities of Rail Reform, Fleet Procurement and other innovations develop options for future workforce plans;
- Consider future skills requirements and develop relationships with skills and education agencies to develop opportunities to deliver training.

Measuring success

We'll know we've been successful when:

- We have developed a longer term Target Operating Model; we have a transition plan to deliver that Target Operating Model in line with our public sector and union commitments and we have exploited the opportunity to develop skills and deliver high quality jobs.

Objective 3

Play our part in the drive to net zero

Goals

Use our investment pipeline to deliver trains and electrification to maximise net zero

Actions

We'll achieve this by instructing that specifications are developed for rolling stock that:

- Takes advantage of technology to optimise reduction of carbon emissions;
- Consider whole life carbon in investments
- Work with partners to ensure that the advantages of electrification of the infrastructure are maximised.

Measuring success

We'll know we've been successful when:

- We have developed and agreed a specification for rolling stock that optimises reduction of carbon emissions and we have a full risk and opportunities matrix, conjoined with rail electrification with a plan to realise opportunities from investment.

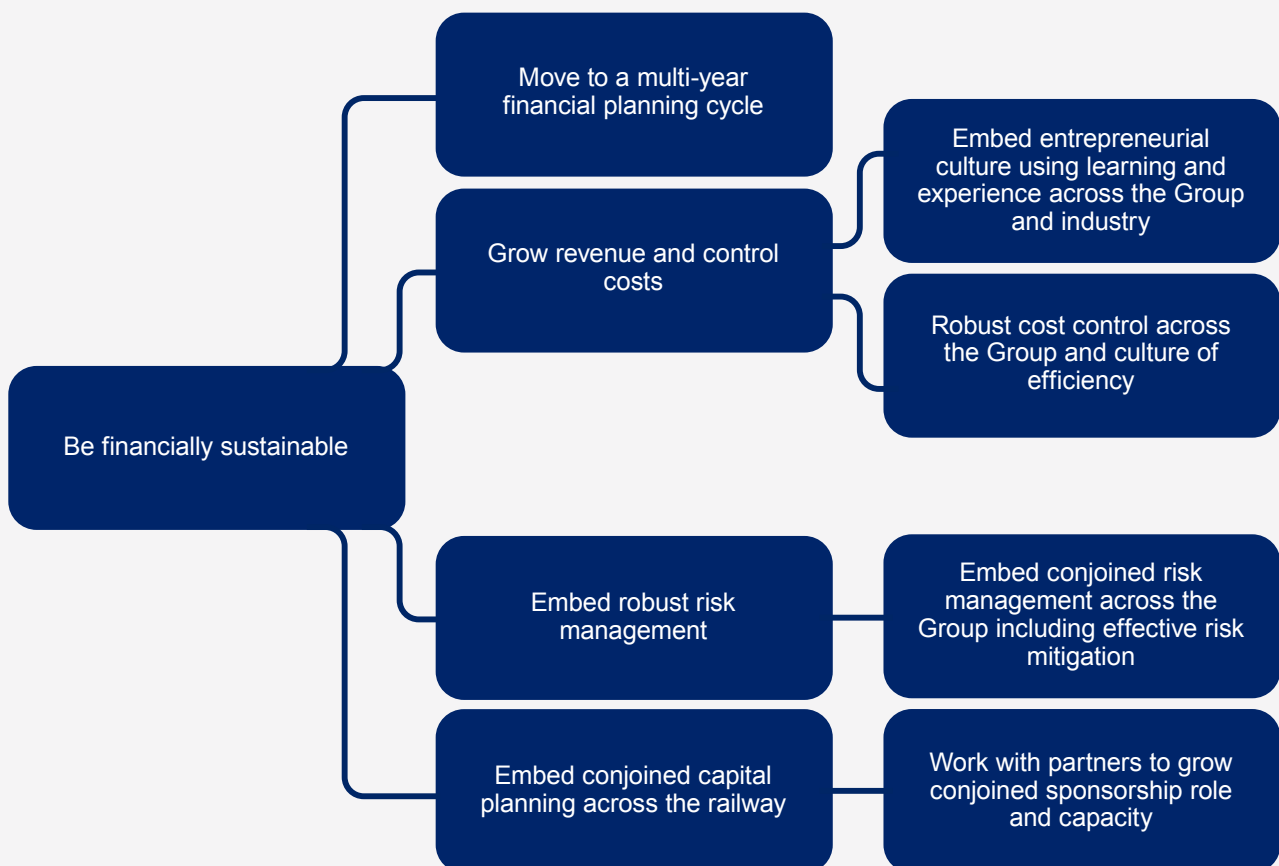
Priority 4

Be financially sustainable

While the public value of the railway is clear, the long term sustainability of subsidy is dependent on our ability to control costs and increase revenue. In order to deliver this, we need to move away from short term planning and towards a longer term strategic financial planning cycle. In delivering this we have the following objectives:

- Move to a multi-year financial planning cycle;
- Grow revenue and control costs;
- Embed robust risk management and mitigations;
- Embed conjoined capital planning across the railway

In achieving these objectives we will be better able to develop long term costs and revenue planning, driving down the cost of the railway as well as ensuring that risks to financial and operational delivery are understood and mitigated. Conjoined capital planning will allow us to ensure that our capital spend is considered on across the railway.



Objective 1

Move to a multi-year financial planning cycle

Goals

Move to a multi-year financial planning cycle

Actions

We'll achieve this by:

- Working across the Group to develop longer term planning to reduce the fixed cost of the railway;
- Understanding the risk of longer term cost increases and planning to manage and mitigate those;
- Considering and exploiting the opportunity for longer term efficiencies arising from the Alliance and/or from Group functions;
- Preparing a multi-year contract procurement framework providing a basis for consideration of procurement strategies and packages

Measuring success

We'll know we've been successful when:

- We have considered and agreed proposals to reduce the fixed cost of the railway;
- We understand the impact of inflation and other cost pressures on our costs and have agreed with the Sponsor a way to articulate and manage that risk;
- We are including Alliance activities in our longer term planning;
- We have a multi-year contract framework and rolling procurement strategy taking that into account.

Objective 2

Grow revenue and control costs

Goals

Embed entrepreneurial culture using learning and experience across the Group and industry

Robust cost control across the Group and culture of efficiency

Actions

We'll achieve this by:

- Building entrepreneurial skills and revenue generation expertise in the train operating companies, learning across the Group to deliver new initiatives that will grow revenue;
- Working with the Train Operating Companies to maintain existing markets and drive new market growth.
- We have a clear strategy for revenue generation from the visitor economy;
- Continuing to embed efficiencies across the Group and ensure that proposals that will increase our costs take account of efficiency to drive a net neutral approach.

Measuring success

We'll know we've been successful when:

- We can see a range of new initiatives from the Train Operating Companies which deliver increased revenue generation;
- Train Operating Companies are able to use their knowledge of passengers to understand risk to future patronage and take steps to mitigate that risk.

Objective 3

Manage risk robustly, understanding risks and opportunities to mitigate and exploit them.

Goals

Embed conjoined risk management across the Group including effective risk mitigation and continuity planning.

Actions

We'll achieve this by:

- Continuing to develop a Group approach to risk;
- Amplifying business continuity planning and working across the Alliance and with the Sponsor to ensure that business continuity risks and planning is understood across the railway;
- Understand impact of long term risks and take opportunities to mitigate as part of investment decision making
- Continuing to develop and deliver our Internal Audit function taking account of key risks to drive assurance.

Measuring success

We'll know we've been successful when:

- We have built on work already undertaken to deliver a Group risk function to fully embed and resource that function;
- We have a clearly articulated Business Continuity plans and procedures, taking learning and understanding from across Transport Scotland NDPB's and the railway to ensure that there is a conjoined approach for the single Sponsor;
- We embed identification of opportunities for risk mitigation in our business case development process;
- We have identified opportunities and advised Scottish Government of how the railway can work to deliver their ambitions.
- We have built on work already undertaken to embed the Internal Audit function and there is a clear connection between our risk identification and Internal Audit planning.

Objective 4

Embed conjoined capital planning across the Railway.

Goals

Work with partners to grow conjoined sponsorship role and capacity.

Actions

We'll achieve this by:

- Building on work already commenced to embed an enhanced sponsorship function for capital projects, considering requirements of the whole railway in capital investment planning and opportunities to work together in delivery of procurement requirements.

Measuring success

We'll know we've been successful when:

- Capital project business cases are high quality and utilised as a tool to manage capital projects as well as to gain approval to spend;
- We have a clearly stated model for conjoined sponsorship of Capital Projects across the railway;
- Business Cases are submitted for approval in time to achieve anticipated spend profile and of sufficiently high quality that the approvals are gained timeously;
- We work across the railway to deliver capital projects effectively and efficiently with conjoined planning and programming where relevant.