



Scottish Rail Holdings

Friends of the Far North Line

4 July 2025



SRH

Overview

- Introduction to Scottish Rail Holdings Limited
- Future of Rail operating model & governance – Rail Reform & Public sector reform
- Investment across the Railway
- Future challenges & opportunities
- Role of the Far North Line

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.

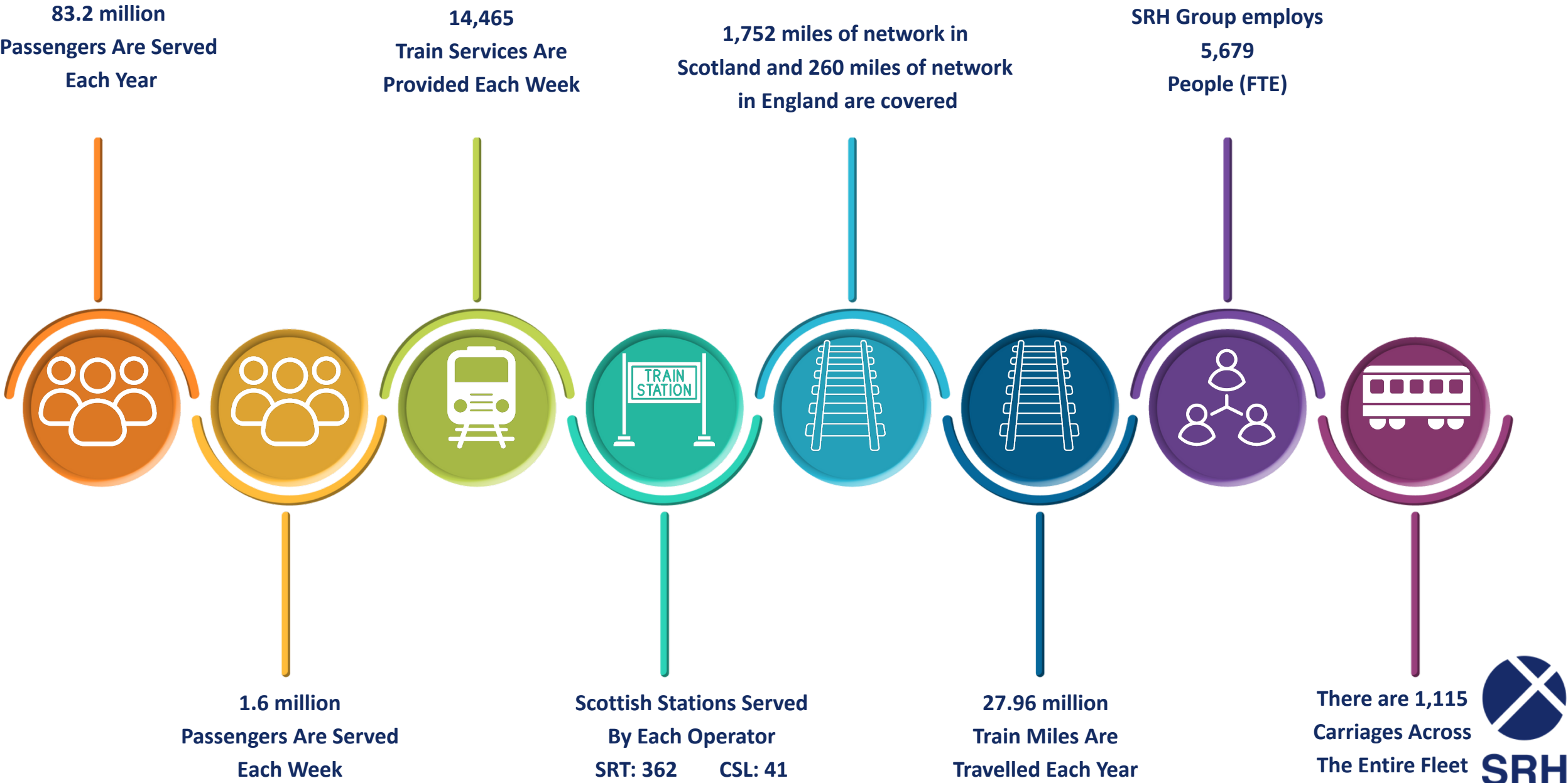
We own and oversee ScotRail Trains Ltd (SRT) and Caledonian Sleeper Ltd (CSL) on behalf of the Scottish Government. SRH Limited is currently maturing and transforming to fully play its part in the delivery of rail in Scotland and to realise the powerful impact that rail can have in contributing to the success of government policy and in the lives and wellbeing of the communities, businesses and visitors that we serve.

Our role is:

- To set strategic direction;
- To oversee ScotRail and Caledonian Sleeper in delivery of their obligations under their Grant Agreements
- To advocate for the railway in Scotland.



SRH Oversees Delivery of Services by ScotRail and Caledonian Sleeper



Far North Line

- ScotRail is delivering a good service for passengers in the Far North but there is always more to do to improve the customer experience.
- In the latest four-week period before the closure of the Far North Line, more than eight out of 10 ScotRail trains on the Far North Line and Kyle Lines met their punctuality measure, with all services running with the correct number of carriages.
- Ahead of a busy summer period, ScotRail is working hard to make improvements to the hospitality offer on its trains, particularly on routes which serve the north of Scotland by increasing reliability
- A trial of new satellite Wi-Fi technology is underway in the north of Scotland addressing long-standing on-train connectivity problems in the region. We hope this will provide a significant improvement in customer service and experience.
- Two year pay deal gives greater confidence in service provision
- Tourism Strategy being developed with Visit Scotland and industry to create single vision for rail visitors.



Strategic Direction – 2025 to 2030

- Updated Strategic Plan 2025-30 earlier this year alongside Business Plan 2025-26
- SRH Group takes a whole industry approach to rail by supporting The National Transport Strategy (NTS) which outlines four priorities for Scotland's transport system.
 - Reduce inequalities
 - Take Climate Action
 - Delivers Inclusive Economic Growth
 - Improves Health, Wellbeing and Safety
- Business Plan 2025-26
 - People and Culture
 - Best Value
 - Performance
 - Finance and Investment
 - Risk
 - Accessibility and Inclusion
 - Business Development
 - Governance
 - Business Continuity
 - Climate Action
 - Strategic Investment
 - Alliance
 - Safety



Future Operating Model and Governance

- Rail Reform
 - Manifesto commitment of UK Government
 - Establish GBR
 - Create new passenger watchdog
 - Boost rail freight
 - Empower devolved leaders
 - Streamline fares and ticketing
 - Encourage innovation
 - Many unanswered questions
 - Ownership of Infrastructure vs other assets in Scotland
 - Timing
 - What corporate model will be used
- Public sector reform
 - Commitment of Scottish Government
 - Caledonian Sleeper and ScotRail already seen as a success in public sector reform
 - Seeks to build efficiency across the public sector and closer working

Investment across the Railway

- Rail is a clear priority for Transport Scotland support;
 - Economic analysis undertaken by ScotRail demonstrates a £4billion contribution to the economy;
 - Similarly, Caledonian Sleeper is assessing it's contribution to the Scottish economy.
 - Work is being commissioned to consider the economic impact of the totality of rail investment.
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- Further investments include:
 - InterCity procurement for an interim fleet now announced and procurement in early stages
 - Recent investments for Caledonian Sleeper to serve their product development – Glasgow Sleeper lounge in delivery
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- Economic benefit is important but not enough
 - Need to consider other benefits that can be delivered through investments
 - Also – find efficiencies by working more closely across the railway
 - Consider net cost reduction through our investments
 - Improved journey experience – end to end mobility

Future challenges and opportunities

- Improving performance
 - Maintaining performance
 - Climate Change
 - Fleet
 - Investment
 - Net cost challenge
 - Best Value
 - Competition for funding
 - Growing patronage in under-served communities and sectors e.g. tourism
 - Building strategic capability across the railway
- Asset is well recognised and strong base for development
 - Sentiment for rail travel is positive and growing
 - Support from Government
 - Clear ambition for growth
 - Good opportunities for learning and growth
 - Wider rail industry is in alignment
 - Wider public sector is in alignment
 - New governance gives opportunity for new thinking for delivery