ScotRail – Policy Outcomes Report April 2022 – August 2024

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Introduction

1. In June 2023 a government Gateway Review was undertaken on behalf of Transport Scotland (TS) in response their obligation to review the Framework Agreement within 12 months of its commencement. At the time of its completion the review found that the Framework Agreement and the Policy Compendium for ScotRail Trains Ltd (SRT) was produced in some haste in order to establish a contractual relationship between TS and Scottish Rail Holdings Ltd (SRH).

2. Furthermore, while the Gateway Review recognised that the Policy Compendium was well written, significant issues were found that if not addressed could lead to the Framework Agreement not remaining current and possibly constraining the intended alignment of rail policy to SG's Purpose and National Outcomes.

3. In response, TS have undertaken a review of SRH's performance against the SRT Policy Compendium and the findings from this review are being used to inform and shape the first periodic review of the SRT Policy Compendium.

Purpose of the Assessment

4. The Policy Compendium sets out a number of policy outcomes and this review looks at how SRH have been delivering against these. It also looks to identify how the policy outcomes align with the National Transport Strategy (NTS) priorities and the National Performance Framework (NPF).

5. The findings from this review are being used to inform the first periodic review of the SRT Policy Compendium and the development of Key Performance Indicators for each policy outcome.

Assessment Scope

6. At present there are two Train Operating Companies covered under the Public Ownership arrangements – SRT and the Caledonian Sleeper Ltd (CSL). When this review commenced the mobility arrangements for brining CSL into public ownership had just recently concluded, meaning that there had been little time afforded for SRH to start fully implementing the CSL Policy Compendium.

7. As a result this situation report will solely focus on the SRT Policy Compendium.

8. While this review was being conducted, TS and SRH have been focussing on strengthening the governance arrangements and reporting, and as a result it is anticipated that the review of CSL policy delivery will be completed by the end of this autumn.

Approach to the Assessment and Evidence Used

9. This Situation Report is evidence based and reflects the views of TS, based on the information obtained and evaluated.

10. SRH have been able to provide TS with a short report on SRT delivery against the Policy Compendium and SRT have provided SRH with the required, Annual Business Plans and reports on their policy performance.

11. In addition, TS have published the Policy Compendium, and the annual National Transport Strategy Delivery Plan as well as the Second Strategic Transport Projects Review. The Scottish Government have also published their annual Programmes for Government and are currently in the process of updating the NPF.

12. Each Policy Statement contained within the SRT Policy Compendium has been individually assessed. The findings set out in this report are at a strategic level, however, they are based on individual assessments of each policy set out in the SRT Policy Compendium.

Review Findings

13. This review shows that there are a number of areas where good progress has been made in delivering against the NTS Priorities:

- Takes Climate Action: since public ownership came into effect, SRT have had a strong start in delivering policy actions which: support modal shift to more sustainable transport modes; set out their plans for reducing emissions; and ensuring our rail passenger services will adapt to the effects of climate change.
  - o Active Travel – In September 2023, the Ambassador for Active Travel published their final report for 2022-2023, which recognised that since SRT has come under public ownership, and since COVID-19, the reasons why and how passengers are using rail services has changed considerably. The report also recognises that this shift in part has been encouraged by the new initiatives to make the integration of rail with walking and cycling easier and fairer for more people.
  - o Sustainability – through SRT's Alliance with Network Rail, they have developed a Sustainability Strategy and Delivery Plan which sets out SRT's long term objectives for reducing emissions generated by rail passenger services. This review found that the delivery plan closely aligns to the NTS priority 'Takes Climate Action' and it has an important role in meeting the net-zero targets.
  - o Climate Resilience – This review found that SRT have been taking strides in their work to ensure that the impact of climate change on our rail passenger services is mitigated effectively. In 2021 SRT launched their Climate Change Adaptation Strategy setting out how they will build resilience to climate change and develop plans for when there are instances of disruption to services.

- Reduces Inequalities: SRT have delivered a number of policy actions which support those with the protected characteristics of age (young
  - o Accessible Travel – SRT reviewed and updated their Accessible Travel Policy in March 2023 and another update was underway at the time this review was taking place. General stakeholder engagement undertaken by SRT has been positively recognised in the Mobility and Access Committee for Scotland (MACS) Annual Report 2022/23.
  - o People & Culture – Since public ownership came into effect SRT have been given a handful of awards for the positive impact they have had in relation to supporting their employees. For example,

52% of new starts in SRT year to date are under the age of 35 supporting younger people into employment within the rail sector. Furthermore, in 2023 SRT gained Top Employer accreditation and is being recertified for 2024.

- Improves our Health and Wellbeing: SRT are beginning work to develop their understanding of safety issues with a view to informing future policy actions.
  - Stations – during 2023/24 SRT have upgraded and expanded personal body cameras across the business, providing enhanced levels of safety and security on trains and in stations for customers and staff. SRT have also rolled out a new digital safety software platform 'Assure' which will enable them to obtain a greater understanding of incidents which can then be used for future safety awareness and education campaigns.

- Helps deliver inclusive economic growth: SRT have delivered a promising start in terms of supporting Scotland's productivity.
  - Business Development – SRT have seen year-on-year revenue growth of more than £60 million between 2022/23 and 2023/247, and a further £70 million is forecast in 2024/25.
  - Tourism – In January 2023, SRT updated their Rail Tourism Strategy and Visitor Plan (2022-25) which shows that SRT have been focussing on defining rail tourism and understanding passenger expectations for our tourists, which will be used to inform policy actions.
  - Train Service Specification & Rolling Stock – SRT have carried out research into customer demand and the competitiveness of rail compared to other transport modes which they have used to inform policy development on the Ayrshire, Inverclyde and Glasgow South Electric routes.

14. The review also highlighted that there are some policy statements contained within the Policy Compendium which are outdated and further consideration needs to be given as to their value and outcomes as part of the First Periodic Review.

15. For example, the policy statement on Business Continuity strongly focuses on outcomes that were developed in response to COVID-19. As we are recovering from the pandemic it would be good business practice to revise this statement to make it more strategic, accounting for future challenges to the business.

16. In addition, the assessment found that some of the policy statements were not strategic and it was difficult to align them with the NTS priorities and the NPF. This was most notable under the policy statement of Pensions where it sets out

the need to provide certain requirements in relation to pensions legally, which could be argued falls under operational and legal matters better covered in the wider Framework Agreement.

17. In terms of aligning activity with the NTS there are certain priorities where performance is stronger than others. For instance, there is a significant amount of work being undertaken on 'Takes Climate Action' and 'Helps Deliver Inclusive Economic Growth' but more needs to be done on 'Reducing Inequalities' and 'Helps Improve our Health and Wellbeing'.

18. The First Minister has made it clear that reducing child poverty is a key priority for the Scottish Government and further consideration needs to be given to how rail passenger services will address the key transport poverty challenges of affordability and availability of services.

19. Finally, Scottish Ministers believe that all passengers and staff should both be safe, and feel safe. This review shows that more needs to be done to ensure the safety of passengers, particularly for those in certain groups of society such as women.

Next Steps

20. TS and SRH are currently working together to discuss the findings for each policy, with the objective of scoping out the relevant Impact Assessments that will need to be taken forward for the first periodic review, and it is anticipated they will be completed this autumn/winter.

21. TS officials will also engage across TS and the wider Scottish Government, to identify and consider any new policy statements that need to be developed as part of the Periodic Review. Any new policy statements identified will undergo the relevant Impact Assessments.

22. Bringing together the outcomes of this review along with the findings from the Impact Assessments the First Periodic Review of the SRT Policy Compendium will be completed this winter.

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