

Item:

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Report to Partnership Meeting 24 April 2026

RESEARCH AND STRATEGY DELIVERY

Sustainable Aviation Projects Update

Purpose of Report

To update Board Members on Sustainable Aviation projects in which HITRANS is involved, and seek Members approval to publish HITRANS' Regional Sustainable Aviation Strategy.

Overview

The Future Flight Challenge is delivered by UK Research and Innovation (UKRI) to develop greener and more efficient ways of flying. It supports projects that bring together aviation, energy, regulatory, and digital expertise to deliver low-carbon, resilient air transport services.

On 29 September 2025, the UK Government announced more than £4 million of new funding to support the next generation of aviation technology projects. This funding is split between two competitions, Regional Demonstrator and Strategic Growth – both of which HITRANS was successful in. This latest round of awards builds on earlier phases of Future Flight, including the HITRANS-led Sustainable Aviation Test Environment (SATE) project, which established the UK's first operational low-carbon aviation test centre at Kirkwall Airport.

Funding was awarded in 2025 for 7-month projects which concluded March 2026. It is anticipated that a future funding round will be announced this month. HITRANS is working with consortium partners to determine future projects across the region.

Update

Project 1 - HITRANS-Led Project – SATE: Highlands & Islands Regional Pathway to Sustainable Aviation

This project concluded on the 31st March 2026. The attached Regional Sustainable Aviation Strategy forms a meaningful roadmap for new technologies to enter commercial service within the region, embedding within the region's multimodal transport system. This project also further developed components of a future SORA application to create the Orkney Airspace Test Zone, supporting commercial integration and CONOPS for the integration of unmanned aircraft with crewed aviation.

The Regional Sustainable Aviation Strategy sets out a 10-year- strategy for introducing cleaner, more reliable air services across the Highlands and Islands, building on the success of the SATE project. It shows how emerging aviation technologies - particularly drones and small electric or hybrid aircraft in the near term, with hydrogen aircraft, airships and seaglidors as medium- to long-term options - can improve connectivity for remote communities, support NHS logistics, strengthen key industries such as tourism, seafood and offshore energy, and contribute to Scotland's net-zero goals. The strategy demonstrates- that the region is well suited to act as a "living laboratory" for low -carbon aviation, with existing airports, low congestion airspace and strong renewable energy resources, but also highlights critical gaps in infrastructure, workforce skills and regulation that must be addressed. It proposes a phased roadmap combining public funding, private investment and regulatory collaboration to move from trials to routine commercial services, with clear benefits expected in resilience, economic growth, skilled job creation- and reduced emissions if delivery risks around infrastructure, skills and community acceptance are actively managed.

Project 2. HITRANS Partner Project – Advanced Logistics BVLOS UAV Mission (ALBUM)

This project concluded on 31st March 2026. During this project HITRANS facilitated positive relationships between technology partner ARC Aerosystems and both Wick John O'Groats Airport and Far North Aviation, and assisted with operational logistics. HITRANS presented recommendations to Innovate UK and the CAA for future funding rounds that included extending project durations to allow regulatory approvals for flying to be sought and the request to build in seasonal flexibility to mitigate weather related impacts on flight testing schedules.

Budget

HITRANS' leadership of the SATE: Highlands & Islands Regional Pathway to Sustainable Aviation project has secured 100% intervention funding, with the total project value confirmed through Innovate UK as being £199,912 of which HITRANS has claimed its full allocated grant of £35,143 on project close.

Participation in the ALBUM project is also fully funded in line with Innovate UK rules for local authority bodies. HITRANS' budget for this project is £77,780, but due to an underspend HITRANS has claimed circa £50,000 on project close.

This represents a continuation of the strong financial return already achieved through SATE Phase 1 and Phase 2, where HITRANS secured just over £1 million in direct funding.

RISK REGISTER

RTS Delivery

Impact – Positive

Comment – Supports delivery of RTS.

Policy

Policy Impact – Positive

Comment – Positions Highlands & Islands as a global leader in net zero aviation, supporting the Scottish Government's ambition for the world's first net zero aviation region.

Financial

Impact – Positive

Comment – High intervention rates mitigate financial risk for HITRANS while delivering significant leverage of UKRI funding.

Equality

Impact – Neutral

RECOMMENDATION

Members are asked to:

1. Endorse publication of the HITRANS Regional Sustainable Aviation Strategy.
2. Support continued engagement in the UKRI Future of Flight programme as a platform for advancing sustainable aviation solutions for the Highlands & Islands.

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Date: 8th April 2026