

Report to Partnership Meeting 24 April 2026

Research and Strategy Delivery

Regional £2 Bus Fare Cap Pilot – Highlands and Islands

This report updates Board Members on implementation of the Regional £2 Bus Fare Cap Pilot across the Highlands and Islands.

It builds on the report presented to the Partnership Meeting on 6 February, which outlined Transport Scotland's invitation for Expressions of Interest (EOI) and pilot objectives, and the successful selection of HITRANS and ZetTrans to deliver the pilot.

BACKGROUND

As previously reported, Transport Scotland committed to delivering a £2 bus fare cap pilot, funded through the Scottish Budget 2025–26 with:

- £10 million for full-year operation; and
- £3 million for establishment and initial implementation.

Following the EOI process described to Chairs in December, the Scottish Government confirmed that HITRANS and ZetTrans, would jointly deliver the pilot across the Highlands and Islands in partnership with Transport Scotland covering the following local authority areas:

- Highland
- Moray
- Argyll and Bute
- Western Isles
- Orkney
- Shetland

The pilot caps the adult single bus fare at £2 for a 12-month period and is designed to generate robust evidence on affordability, patronage, value for money and service sustainability.

IMPLEMENTATION UPDATE – PHASED REGIONAL ROLLOUT

In line with the anticipated commencement window outlined in February, the pilot has now moved into live delivery across the entire regional area.

Given the geographical scale and diversity of operating models across the region a phased implementation approach was adopted to ensure operational stability and effective coordination.

Phase 1 – Shetland

- Live from 30 January 2026
- First operational deployment of the £2 cap.
- Provided initial testing of reimbursement systems, ticketing configuration and communications processes.

Phase 2 – Western Isles

- Live from 23 February 2026
- Extended coverage to Comhairle nan Eilean Siar services.

Phase 3 – Orkney

- Live from 9 March 2026
- Ensured all standalone island authorities within the pilot geography are now live.

Phase 4 – Remaining Council Area Rollout

- Live from 23 March 2026
- Later go live date allowed the complexities of cross boundary travel and larger commercial operations to be worked through.
- These areas include a mix of mainland, island and remote peninsular networks and a range of commercial and supported service models.

Participation by bus operators is voluntary but we are pleased to note that the vast majority of operators have opted into the scheme. Details of participating operators can be found on Transport Scotland’s website at this [link](#).

ALIGNMENT WITH ORIGINAL OBJECTIVES

The phased launch supports the success measures set out in the December report, including:

- Increased bus usage and modal share, particularly among working-age adults not eligible for concessionary travel;
- Improved value for money from existing public transport investment;
- Enhanced support for lower-income passengers in rural, island and remote communities;
- Strengthened local bus service provision, including marginal and supported routes;
- Positive stakeholder experience, reflecting strong collaboration between RTPs, local authorities and operators.

Monitoring and evaluation arrangements are now active, with baseline and early operational data being collected in partnership with Transport Scotland.

STRATEGIC CONTEXT

The progression from EOI (November/December 2025) to live phased regional delivery demonstrates:

- The ability of RTPs to work closely with Transport Scotland to coordinate complex, multi-authority delivery at scale;
- Effective partnership between HITRANS and ZetTrans;

- Strong voluntary participation from operators;
- The value of a geographically diverse pilot area capable of generating nationally transferable evidence.

With the pilot now live across the Highlands and Islands we are now in the midst of delivery of a nationally significant affordability intervention at scale.

Successful delivery of the pilot is important if we are to support the case for wider roll out. While any such wider roll out or continuation beyond the 12 month pilot will depend on political agreement any such consideration will be strengthened by a pilot that delivers real impact that can be evidenced.

NEXT STEPS

The next steps for the pilot will be to:

- Continue coordinated communications to maximise public awareness;
- Monitor patronage, revenue and behavioural impacts;

RISK REGISTER

Category	Impact	Comment
RTS Delivery	Positive	Supports affordability, inclusion and modal shift objectives.
Policy	Positive	Strengthens the role of RTPs in shaping national transport policy.
Financial	Positive	National funding supports improved value for money from existing public investment.
Equality	Positive	Directly benefits low-income and transport-disadvantaged communities.

RECOMMENDATION

Members are invited to:

1. Note the background and objectives of the pilot as previously reported in February 2025;
2. Note the phased roll out of the pilot; and
3. Support continued collaborative delivery and evaluation of this nationally significant pilot.

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