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Report to Partnership Meeting 6 November 2026

Research and Strategy Delivery

Highlands and Islands Air Connectivity Update

Purpose of Report

The purpose of this report is to update Members on the Transport Scotland round table held on 29 September 2026 to consider the future of intra-Scotland air connectivity, and on the contribution made by HITRANS to that discussion.

The report explains how the HITRANS presentation developed the strategic approach endorsed by the Partnership in September and how it fitted within the wider round-table agenda on the role of aviation, the sustainability of the network and the affordability of intra-Scotland air travel.

Background

At its meeting on 11 September 2026, the Partnership considered the impact of recent reductions to scheduled services between Inverness and Stornoway, Kirkwall and Sumburgh, together with the Scottish Government intervention to support their restoration from 26 October 2026. Members agreed that the immediate service issue should be used as an opportunity to develop a longer-term, evidence-based and collaborative approach to Highlands and Islands air connectivity.

The earlier report noted Transport Scotland's intention to convene a stakeholder round table as the first stage of this work. Transport Scotland subsequently arranged an in-person event at Victoria Quay, Edinburgh, on 29 September 2026, jointly promoted with HITRANS and ZetTrans. The event brought together public bodies, transport interests and other stakeholders with an interest in the future of intra-Scotland aviation.

Purpose and Structure of the Round Table

Transport Scotland framed the event around two broad questions:

- What role should aviation play in supporting connectivity in the Highlands and Islands in a way that best meets the needs of communities, businesses and service providers?
- How could the cost of intra-Scotland air travel realistically be lowered?

The intention was to encourage a strategic and practical discussion rather than focus only on individual routes. Transport Scotland also made clear that the event should be viewed as the possible start of a wider process, complementing rather than duplicating work elsewhere, including the UK Regional Connectivity Group.

The wider agenda began with Transport Scotland setting out the policy, legal and funding context, including the powers available to public bodies, Public Service Obligations, subsidy control and the Air Discount Scheme. This was followed by consideration of current intra-

Scotland connectivity and the challenges affecting the sustainability and pricing of commercial services.

HITRANS was invited to open the first substantive discussion with a ten-minute presentation on a vision for Scottish regional aviation. This was followed by questions and facilitated group work on the future role of aviation. A second substantive session focused on the cost of travel, possible reform of the Air Discount Scheme and other means by which fares might be reduced.

HITRANS Contribution

The HITRANS presentation was titled ‘Role of aviation in supporting connectivity in the Highlands and Islands – a realistic vision for communities, businesses and service providers’. It reflected the position agreed by Members in September: that the discussion should not begin with a predetermined delivery model, but should establish the outcomes that communities, the economy and public services need the network to deliver.

A Regional Network Rather than Individual Routes

The presentation argued that recent service reductions are a symptom of a system that has largely evolved route by route. The strategic challenge is to move from reactive decisions on individual services to a long-term, evidence-based approach for the regional network as a whole.

It highlighted that aviation already operates within a substantial public funding ecosystem. This includes support for HIAL and local-authority airports, the Air Discount Scheme, taxation arrangements, Public Service Obligations and significant NHS and wider public-sector travel expenditure. The central question is therefore how Scotland can obtain the best possible regional air network from the totality of resources already supporting it.

Connectivity Outcomes

HITRANS identified three overlapping purposes for regional aviation:

- Communities – lifeline access to healthcare, education, employment and family life, together with resilience where ferry, road or rail alternatives are unavailable or disrupted.
- Public services – patient and accompanying-carer travel, the movement of clinicians and other staff, and the efficient delivery of health, education and other public services.
- The economy – movement of workers, project teams, investors and supply chains required to support growth in energy, ports, space, marine industries and tourism.

The presentation stressed that demand is no longer only about people travelling out of the region to access services and opportunities. Increasingly, Scotland's economic ambitions also require people to travel into and around the Highlands and Islands to deliver nationally significant investment.

These outcomes require usable same-day access, affordable fares, reliable frequencies and resilience. If some services continue to diminish, adaptation cannot be passive. Public bodies would need to determine which links must be protected, where planned alternatives are credible, and how the consequences for communities and service providers would be managed.

International Practice and Strategic Models

The HITRANS presentation noted that comparable geographies treat regional aviation as cohesion infrastructure. International Public Service Obligation models can specify frequencies, fares, capacity, reliability and environmental requirements, with transparent public compensation. Examples from Norway and Greece illustrate different forms of integrated network planning and route bundling.

Three broad models were offered for discussion rather than as a predetermined recommendation: an enhanced version of the current market-led system; an integrated Highlands and Islands PSO network which bundles stronger and weaker routes; and a Scottish national airline operating all or part of the network. The presentation emphasised that the key distinction is not simply the level of public support, but the degree to which the network is planned and whether revenue from stronger routes can support the wider system. We also emphasised that there is no legal barrier to applying a PSO on a network of routes that includes commercially operated services if these services are deemed not to offer fares that are not affordable to the community served. This challenged the restrictive interpretation we face in the UK from the DfT guidelines on when a PSO could be applied. The PSO test considers whether commercial provision is adequate, including its fares and conditions. We need to explore the difference between the UK DfT guidelines and what is legally happening under the same PSO instrument across the EU. Within Scotland we took the opportunity to make the case to UK Government (Department for Transport were represented at the Roundtable) that an operating flight with unaffordable fares fails a lifeline connectivity test. This would follow existing practice and the example given in our presentation was the island of Corsica whose four airports each have PSO protected links to Paris Orly, Marseille and Nice, with maximum fares for island residents.

Indicative whole-system estimates included in the presentation suggested that the three models could have broadly comparable annual costs, at approximately £81 million for an enhanced current model, £78 million for an integrated PSO network and £70–76 million for a national airline, excluding establishment costs. These figures were presented as options to test and refine, not as a business case or preferred option.

Costs and Operational Efficiency

HITRANS also highlighted opportunities to reduce costs irrespective of the longer-term delivery model. The cost of the network is shaped by the interaction of airports, aircraft, regulation, funding and timetables. Safe and resilient airport operating arrangements should therefore also be proportionate to the scale and nature of the service, including aircraft size, security and fire-category thresholds, air traffic service models, opening hours, staffing and engineering support.

Minimum Connectivity Standard

A key element of the HITRANS contribution was the proposal that the public outcomes should be defined before selecting the mechanism used to deliver them. This would involve considering minimum connectivity, affordability, network design, the evidence used to adapt services and the transition to lower-emission aviation.

As a starting point for discussion, HITRANS proposed a minimum connectivity standard under which:

- each island and remote regional airport should have a usable day return to Glasgow or Edinburgh;
- Lewis and Orkney should also have day-return access to Inverness and Aberdeen;
- timetables should provide a meaningful working day for healthcare appointments and essential business in either direction;
- where an alternative mainland airport would leave the key destination more than three hours away by public transport, a direct connection should be considered for PSO protection; and
- Barra should be treated as an exception where the tidal availability of the beach runway makes the standard impracticable.

The three-hour safeguard was illustrated by access to Raigmore Hospital and the National Treatment Centre in Inverness. Where a flight to an alternative mainland airport cannot offer reasonable onward access to these facilities, HITRANS considers that the case for a direct PSO connection to Inverness should be examined.

Relationship to the Wider Agenda

The HITRANS presentation was designed to bridge the policy and market context established at the start of the event and the facilitated discussion that followed. It provided an outcomes-led framework within which participants could consider the extent to which public bodies should influence service provision, whether there are material gaps or areas of over-provision, what alternatives might be viable where scheduled services cannot be sustained, and whether Scotland requires a regional aviation strategy informed by international practice.

It also connected directly with the later affordability session. Minimum connectivity is meaningful only if fares are affordable, while reform of the Air Discount Scheme needs to be considered alongside route economics, public-sector travel purchasing, PSO fare controls and the costs of operating the airport and aircraft network. This whole-system perspective is important if interventions are to improve access rather than shift cost between different parts of the public sector.

The event approach anticipated that Transport Scotland would prepare a summary of the discussion for the Cabinet Secretary for Economy, Tourism and Transport, having first invited participants to comment on a draft. The Cabinet Secretary had also undertaken to keep the Scottish Parliament's Transport Committee informed. At the time of finalising this report, any further update arising from that process will be reported verbally to the meeting or circulated to Members where available.

The session was independently chaired by Naomi Bremner. The Cabinet Secretary joined the meeting for the final item on summing up and next steps. This afforded the opportunity for the Cabinet Secretary to hear a summary from Naomi as facilitator, Transport Scotland, HITRANS, ZetTrans and the UK Government Department for Transport.

Next Steps

The round table represents a useful first step in the wider process endorsed by the Partnership in September. HITRANS will continue to work with Transport Scotland, ZetTrans, constituent Councils, NHS Boards, HIAL, Highlands and Islands Enterprise, operators and other stakeholders to develop the evidence and test the options discussed.

In particular, officers will continue to develop evidence on patient, accompanying-relative and staff travel through the Highlands and Islands Health and Transport Action Plan; define

and test minimum connectivity requirements; examine the relationship between fares, demand and public-sector expenditure; explore international PSO and network models; and consider how airport and aircraft operating arrangements can improve value for money and support the transition to lower and zero-emission aviation.

A further report will be brought to Members once Transport Scotland has confirmed the outcome of the round table and the proposed next stage of work which we anticipate being a full review of Highlands and Islands air service connectivity delivered jointly by Transport Scotland, HITRANS and ZetTrans.

Risk Register

RTS Delivery
Impact – Positive
Supports delivery of the Regional Transport Strategy by contributing to improved regional connectivity, sustainable economic growth, access to healthcare and reduced inequalities.

Policy
Impact – Positive
Supports the development of an evidence base and a strategic framework to inform future Scottish Government policy on intra-Scotland and Highlands and Islands air connectivity.

Financial
Impact – Neutral
This report has no direct financial implications. Any future appraisal of delivery models will require a robust assessment of whole-system costs, existing public expenditure, subsidy control and value for money.

Equality
Impact – Positive
A minimum standard of affordable and usable connectivity has the potential to reduce inequalities experienced by remote and island communities in accessing healthcare, employment, education and public services.

Climate Change
Impact – Neutral
The developing strategic approach will consider how network planning, PSO requirements, aircraft choice and airport operating models can support the transition to lower and zero-emission aviation, alongside the availability of alternatives for individual journeys.

Recommendation

Members are invited to:

1. Note the Transport Scotland round table held on 29 September 2026 and its focus on the future role and affordability of intra-Scotland air connectivity.
2. Note the HITRANS contribution, including the case for a network-based approach, the proposed minimum connectivity standard, the need to align public support with public value and the strategic models identified for further testing.
3. Endorse continued engagement with Transport Scotland, ZetTrans and other partners to develop the evidence base and explore a long-term strategic approach to Highlands and Islands air connectivity.

4. Agree that a further report be presented once Transport Scotland has confirmed the outcome of the round table and the proposed next steps.

Report by: Ranald Robertson
Designation: Partnership Director
Date: 30 September 2026