

Willie Rennie MSP
Convener, Transport Committee
The Scottish Parliament
Edinburgh
EH99 1SP

30 June 2026

Dear Convener,

Loganair: Proposed Schedule Changes – Response to Committee Letter of 26 June 2026

Thank you for your letter of 26 June, setting out the Committee's views following the recent evidence session. I very much welcome the Committee's engagement on this important matter and am grateful for the opportunity afforded to Ronnie Matheson and Simon McNamara to set out Loganair's position in person. I regret that I was unable to attend personally, as I was overseas last week; however, I would be pleased to make myself available should the Committee wish to meet with me directly at any point in the future.

I hope this response assists the Committee by addressing the points raised in your letter. I would also welcome the opportunity to set out where, in our view, the Committee's influence could make a meaningful and practical difference.

In relation to passenger mitigations, and particularly the position of those travelling to access healthcare on the mainland, I am pleased to confirm that the steps the Committee has urged us to explore are already underway. As Ronnie set out in evidence, every customer holding a booking on an affected service has been contacted individually and offered either a full refund or the option to rebook onto an alternative service. NHS patients travelling for confirmed medical appointments are being prioritised, and we are working directly with NHS boards on reaccommodation arrangements. As we explained to the Committee, we have been in active dialogue with the relevant NHS boards since the decision was taken, and I hope this provides the reassurance sought. We also undertook to review the timetabling of the Stornoway service. That review is underway, although not yet concluded. I would not wish to create an unrealistic expectation that changes to the currently published schedule will be straightforward to achieve; nevertheless, we are examining the position carefully to determine whether any further adjustment is possible at this stage.

I hope the Committee will also recognise that there is a further dimension to this situation which extends beyond the steps Loganair can take unilaterally. These matters were discussed during the evidence session and, in our view, merit further consideration and potential action by the Committee.

The schedule reductions are the direct consequence of an unresolved funding gap. The most meaningful action available to restore these services in full from October is for Government to find a route to address that gap. I must also make clear that, should the necessary funding not materialise, there remains a risk that the remaining frequencies between Inverness and the connected airports in

question may be reduced further or, in the worst case, withdrawn on a permanent basis. This is not an outcome Loganair wishes to see, and we would urge immediate action from HIAL and its relevant stakeholders to prevent it.

As we explained, the funding required to sustain these routes at their current frequency is approximately £1.3 million. Loganair has worked hard to identify a solution through ongoing discussions with HIAL and Transport Scotland, but the position remains unresolved. No passenger mitigation, however carefully designed, can substitute for closing that funding gap.

I also wish to address an important point which, in my view, was not fully explored during last week's session. Loganair was asked why fair warning had not been given to stakeholders before a final decision was made on the route reductions. I must stress that we had raised these risks frequently with senior representatives of HIAL over several months before taking the decision to implement the changes. Our reasonable expectation was that HIAL would, in turn, communicate openly with its stakeholders, including senior representatives of the Scottish Government, both to seek the necessary funding to enable fee reductions and to explain the potential consequences should that funding not be secured. It is now clear that this escalation route did not operate as we had expected. Going forward, we will ensure that other key stakeholders are engaged directly so that this issue cannot arise in the same way again. We are disappointed that the communication channel did not function as we reasonably understood it would.

Having considered the position carefully, and having listened closely to the feedback provided, we would respectfully ask the Committee to write to the Cabinet Secretary for Transport encouraging the Scottish Government to make available funding, most likely through HIAL in the form of route-specific fee reductions, of approximately £1.3 million to allow full services to be restored from October 2026. I want to be clear about the mechanism we envisage, as it matters both practically and in terms of public accountability. We are not proposing a direct subsidy to Loganair. Rather, we envisage the Scottish Government providing additional funding to HIAL, its own publicly owned airport operator, enabling HIAL to reduce charges on these routes by an equivalent amount. That support would flow through a public body, remain within government control, and be applied through the airport charging framework in a transparent and accountable manner. We believe this would be a proportionate and temporary intervention which, at relatively modest cost, would deliver the outcome the Committee is rightly seeking: restored air connectivity for island communities and continued access to healthcare on the mainland.

As was made clear during last week's Committee hearing, Loganair is not seeking to profit from this critical route. We understand the privilege and responsibility associated with being Scotland's airline. While other areas of our business must generate profit to support the long-term sustainability and resilience of the airline in challenging operating conditions, in this instance we are seeking only a level of discount or support sufficient to cover the costs of providing this specific operation. We believe that is a clear demonstration of our commitment to the communities we serve.

Looking beyond the immediate situation, we would also encourage the Committee to use its scrutiny role to ask the Scottish Government to undertake a formal review of Scotland's approach to regional air connectivity on lifeline routes. We raise this not to deflect responsibility, but because the present situation reflects a genuine gap in policy. The Inverness to Stornoway, Inverness to Kirkwall and Inverness to Sumburgh routes are not supported, ring-fenced or otherwise protected in a strategic sense. When commercial conditions deteriorate, as they have done through significant increases in fuel and maintenance costs, alongside structurally higher charges at HIAL airports than at comparable UK airports, there is currently no clear policy framework to support these services. Without such a framework, similar situations are likely to arise again, whether on these routes or others. We believe the Committee is well placed to make that case to Government.

We would further invite the Committee to consider undertaking its own study of how comparable countries have addressed this challenge. Scotland's island communities have connectivity needs that are every bit as acute as those in other parts of Europe. A Committee study of relevant international models, with a view to informing Scottish Government policy, would be valuable and would provide Government with a stronger evidence base from which to develop a long-term framework.

Loganair is genuinely committed to being part of the solution. We have operated these routes because we believe in the communities they connect, and we remain committed to restoring full services from October 2026. We are hopeful that the right conditions can be put in place in time to make that possible, and we would welcome the Committee's support in helping to achieve that outcome.

Yours sincerely,

Luke Farajallah
Chief Executive Officer