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Our Ref:
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Dear Mr Rennie

Loganair: proposed schedule changes

Thank you for your letter of 26 June 2026 and for the opportunity to give evidence to the Transport Committee on 24 June. Given the significant impact of this issue to communities and businesses in Shetland, we are grateful for the Committee choosing to take evidence so early in the new parliamentary session, and in particular the Committee's recognition that the affected air services perform a lifeline role and support much more than individual passenger journeys.

As I hope I was able to convey during the evidence session, for Shetland, the Inverness–Kirkwall–Sumburgh service supports business, public services, education and training, family connections, tourism and the direct relationship between Shetland and Orkney.

I also note the recent cross-party letter to the Cabinet Secretary for Economy, Tourism and Transport from Highlands and Islands MSPs and the Chairs of HITRANS and ZetTrans. That letter asked for a wider regional air strategy and for the Scottish Government to work with the Regional Transport Partnerships on the long-term viability and deliverability of lifeline air services.

The Cabinet Secretary's response recognises the importance of island connectivity and the significant level of public expenditure already supporting air services in the Highlands and Islands, including the Scottish Government budget made available to HIAL and the Air Discount Scheme. This reinforces the Council's view that the issue is not simply whether additional funding can be found for one route, but whether the existing framework for policy, funding, airport infrastructure, airline provision and community outcomes is capable of securing the lifeline connectivity island communities require.

I have set out below the further information requested by the Committee. This response has been prepared in discussion with ZetTrans so that the Council's operational

perspective and the Regional Transport Partnership's strategic transport position are aligned.

1. Additional costs anticipated by Shetland Islands Council

As the changes had not taken effect when the Committee met, and many of the costs will arise across different Council services rather than through a single budget, the Council does not yet hold a complete quantified estimate of the additional costs arising directly from the July timetable reduction.

Some consequences will also depend on the duration of the reduction, the availability of alternative travel and whether services are restored from October; as such, the Council would be happy to remain in touch with the Committee as the full impact becomes known in due course.

Notwithstanding that, the Council anticipates additional costs in the following areas:

- more expensive indirect air travel through Aberdeen where journeys cannot be deferred or undertaken remotely;
- increased use of ferry travel between Shetland and Orkney, including cabin, subsistence and staff-time costs;
- additional overnight accommodation and subsistence where journeys can no longer be completed within the period previously available;
- increased staff time associated with longer and more complex journeys;
- rearrangement or cancellation of meetings, training and other planned activity;
- additional costs associated with bringing specialist, technical or professional personnel to Shetland;
- disruption to Council and joint public-service arrangements involving Orkney, including bodies such as the Orkney and Shetland Valuation Joint Board;
- additional administrative work associated with rearranging travel and responding to the consequences of service disruption; and
- potential indirect costs where delays in specialist attendance affect the delivery of Council functions or projects.

The impact is not confined to the Council's own expenditure. Local businesses may face higher travel, accommodation and staff costs. Tourism businesses have already reported cancellations, although the Council does not yet hold sufficient evidence to quantify the overall effect.

The loss of weekday flights is also likely to transfer demand to the NorthLink ferry service. That service is already operating under significant pressure, particularly in relation to vehicle and cabin availability. Increased demand on the ferry network is therefore not a cost-free or unlimited alternative.

The Council will continue to gather evidence on the financial and operational impacts. However, the absence of a complete quantified figure at this stage should not be interpreted as an absence of material cost. Many of the most significant consequences concern lost staff time, reduced productivity, delayed activity and constrained access rather than expenditure that will appear immediately within a single budget heading.

2. Contingencies if the services are permanently discontinued from October 2026

The Council is considering the practical steps that can be taken to mitigate the consequences of a permanent loss of the service. These include:

- using online or hybrid arrangements for meetings where that is appropriate;
- combining, rescheduling or reducing journeys where possible;
- using indirect air travel through Aberdeen for essential journeys;
- using the NorthLink ferry service where capacity and journey purpose allow;
- planning essential travel further in advance;
- prioritising journeys associated with statutory, operational or resilience requirements;
- working with Orkney Islands Council and other partners to review the delivery of shared services and joint governance arrangements;
- engaging with emergency-service and resilience partners through the Shetland Emergency Planning Forum;
- monitoring impacts on businesses, tourism and public services; and
- continuing engagement with Loganair, HIAL, Transport Scotland, ZetTrans and other affected bodies.

These are practical measures which may reduce some immediate effects, but they do not provide an adequate replacement for the direct air service.

For example, online participation cannot replace every business, professional, technical, training or public-service journey. Travel through Aberdeen adds considerable time, cost and complexity and does not replace the direct connection between Shetland and Orkney. Ferry travel involves a substantially longer journey and is constrained by existing capacity pressures.

There is therefore no local contingency that can replicate the connectivity provided by a useful direct weekday air service.

If the services are not to be restored from October, then it is the position of Shetland Islands Council that the Scottish Government should urgently lead and convene the affected councils, Regional Transport Partnerships, HIAL, Loganair, health boards and other relevant bodies to establish the policy and funding framework required to secure lifeline outcomes, including a nationally supported contingency arrangement.

That should include examination of:

- an interim supported weekday service;
- an alternative timetable or operating pattern;
- a Public Service Obligation or equivalent mechanism;
- the effect on ferry capacity and the wider transport network;
- the requirements of public services and resilience partners; and
- the funding and governance arrangements required to secure continuity.

As highlighted during the evidence session on 24 June, Shetland Islands Council cannot fund or procure an external replacement air service from its existing resources. The Council is already making difficult choices in the delivery of its statutory responsibilities, and it is therefore the case that any additional national transport obligation would require additional Scottish Government funding.

3. Further work required through the Islands Connectivity Plan

The evidence heard by the Committee demonstrates that the current approach to island aviation is fragmented.

Responsibility is divided between commercial operators, airport infrastructure providers, the Scottish Government, local authorities, health boards and Regional Transport Partnerships. No single body appears responsible for defining and securing the minimum air connectivity required by island communities.

The Islands Connectivity Plan provides an opportunity to address that gap. However, aviation needs to be developed as a substantive and funded part of the Plan rather than referred to only at a general policy level.

The Islands Connectivity Plan should therefore be supported by a specific regional aviation workstream, developed with HITRANS, ZetTrans, affected councils, health boards, HIAL, operators, businesses and island communities.

That workstream should review not only individual routes, but the structure of the Highlands and Islands air network as a whole, including existing public expenditure, airport charges, fare support, route economics, service specifications, connectivity outcomes and the potential role of Public Service Obligations or equivalent mechanisms.

The Council considers that further work should include the following measures and would welcome the Committee's consideration of these suggestions as it makes recommendations to the Scottish Government on improved connectivity for Scotland's islands.

A clear definition of lifeline air connectivity

The Plan should define the outcomes that lifeline air services are expected to provide. These should include:

- access to healthcare and other essential services;
- business and economic connectivity;
- education and training;
- public-service delivery;
- family and community connections;
- tourism;
- resilience; and
- links between island groups as well as links between islands and the mainland.

The continued existence of a route should not, by itself, be treated as evidence that connectivity has been maintained. Frequency, operating days, timetable, affordability, reliability and the ability to complete a useful journey all need to be considered.

Minimum service standards

The Plan should establish a process for determining the minimum service required on lifeline routes, including:

- frequency;
- days and times of operation;
- capacity;
- reliability;
- affordable fares;
- connections with other air and surface services; and
- arrangements for disruption and service withdrawal.

A whole-network approach

Routes should not be considered solely on an isolated, route-by-route basis. The Scottish Government should commission a transparent assessment of the island aviation network as a whole, including:

- costs and revenues across the network;
- the distribution of existing public support, including airport infrastructure support and fare support; including airport infrastructure support and fare support;
- the relationship between stronger and thinner routes;
- airport charges;
- passenger demand and suppressed demand;
- social and economic benefits; and
- opportunities for network design and coordinated support.

The question is not whether every individual flight can be justified on a narrow commercial basis. It is whether the overall network provides the connectivity needed to sustain island communities and their contribution to Scotland, and whether existing and future public expenditure is delivering the right outcomes.

Public Service Obligations and other support mechanisms

The Plan should actively assess the use of Public Service Obligations or equivalent structured arrangements where essential services cannot be sustained commercially. Such arrangements could specify:

- routes;
- minimum frequencies;
- timetable requirements;

- capacity;
- fare conditions;
- reliability and performance standards;
- continuity requirements; and
- public funding.

A PSO may not be the only option, but reliance on repeated short-term negotiations and emergency interventions is not a sustainable policy framework.

Clear national leadership and accountability

The Plan should set out:

- which body is responsible for assessing the need for intervention;
- who specifies the service required;
- who provides funding;
- the roles of Transport Scotland, HIAL, councils and Regional Transport Partnerships;
- how health, economic development, education, resilience and other portfolios will be involved; and
- how decisions will be monitored and scrutinised.

The Scottish Government should provide the national leadership required. Local authorities and Regional Transport Partnerships should be integral to service design, but they do not possess all the necessary powers, information or financial resources.

Meaningful island engagement

Island communities and organisations should be involved before significant changes are made, not only after a withdrawal or reduction has been announced.

The Plan should establish requirements for early engagement with:

- local authorities;
- Regional Transport Partnerships;
- health boards;
- resilience partnerships;
- businesses;
- community organisations; and
- passengers.

Transport operators are category 2 responders under the Civil Contingencies Act 2004.

Changes that may affect the resilience and emergency preparedness of island communities should be considered through the relevant resilience structures.

Integration with ferries and other transport

Air and ferry services should not be planned independently.

The Plan should assess:

- the capacity of alternative modes;
- the cumulative effects of disruption across air and ferry networks;
- connections with buses and other surface transport;
- through-ticketing and passenger information;
- the needs of people who cannot easily use long ferry journeys; and
- the resilience of the transport system as a whole.

Evidence, monitoring and intervention triggers

The Plan should provide for consistent data on:

- directional passenger flows;
- journey purpose;
- fares;
- reliability;
- connecting journeys;
- displaced travel;
- suppressed or unmet demand; and
- social and economic outcomes.

It should also establish clear triggers for intervention where frequency, affordability, reliability or timetable utility fall below an acceptable level.

Long-term environmental transition

The Plan should connect the protection of lifeline air services with the transition to lower-emission aviation. Stable, long-term service arrangements could support the introduction of new aircraft technology and environmental requirements more effectively than repeated short-term commercial interventions.

Conclusion

It is the Council's position that the proposed reduction has exposed a structural weakness in the way island air connectivity is planned and supported.

Loganair has stated publicly that the affected services cannot be sustained under the current arrangement and that restoration from October depends upon an appropriate

funding solution. The Council's position is that these services perform a lifeline role and cannot be allowed to decline through a succession of isolated commercial decisions.

We strongly consider that both positions need to be reconciled through national policy. The immediate priority remains the restoration of useful weekday connectivity, with at least one midweek rotation serving Shetland as an interim minimum, and the longer-term

requirement is a clear, transparent and funded national framework for island aviation within the Islands Connectivity Plan , supported by a specific regional aviation workstream and a commitment to secure better lifeline outcomes from existing and future public expenditure. Shetland Islands Council would welcome the Committee's consideration of the

suggestions made in this letter in relation to the Plan, and would be content in providing further evidence in this regard.

Thank you again for the Committee's attention to this important matter. The Council is pleased to support the inquiry and anticipates its conclusions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Maggie Sandison'.

Maggie Sandison
Chief Executive