



The Scottish Parliament  
Pàrlamaid na h-Alba

## Economy and Fair Work Committee

Ian Murray MP  
Secretary of State for Scotland  
UK Parliament

**8 July 2025**

Dear Ian,

### Alexander Dennis Ltd

You will know that the Economy and Fair Work Committee recently held two evidence sessions with employee representatives and management of Alexander Dennis Ltd. The Committee discussed the ongoing consultation on consolidating manufacturing at a single site, which would result in the closure of the Falkirk facility and the suspension of business at Larbert. These sessions were convened in recognition of the company's strategic importance to Scotland's manufacturing base and the serious impact that the loss of hundreds of skilled jobs would have on both the local workforce and Scotland's wider industrial future.

The Committee welcomes your engagement with the company and the involvement of the UK Government in efforts to address this deeply concerning situation. Cross-government cooperation will be essential if a viable and sustainable future is to be secured for bus manufacturing in Scotland. I know you agree that the potential end of bus manufacturing in Scotland—with the direct loss of 400 jobs and further losses across the domestic supply chain—would be devastating for the area and for Scotland. This is all the more concerning given the growing UK and European demand for buses to support climate, transport, and industrial goals.

The Committee acknowledges that a cross-governmental working group has been established and has met several times. However, given the limited time before the consultation closes on 15 August, the Committee is clear that urgent decisions are required.

Alexander Dennis Ltd is calling for immediate action to secure a pipeline of orders—around 70 to 100 buses this year, and 300 to 400 next year—to avoid closure and suspension of manufacturing in Scotland. In addition, to bridge the gap before new orders are confirmed, the company is seeking a form of furlough to protect jobs in the interim.

During our evidence sessions, the Committee heard concerns that, in practice, local content is not being adequately recognised or prioritised in the tendering process. It was also noted that a request for buses to be designated as part of the UK's critical

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infrastructure, ahead of the UK Spending Review, had not yet been agreed to. The Committee understands that the UK Subsidy Control Act does allow social value to be considered when evaluating bids, enables direct awards, and permits some differential treatment in awarding subsidies. What action is the UK Government taking to ensure that these provisions are fully utilised to support domestic manufacturing? What steps are being taken to stimulate immediate demand for buses from public or publicly funded operators to support UK-based manufacturers?

Given the scale of potential job losses in Scotland, the importance of maintaining a strong manufacturing base in the UK, and the proven capability of the workforce at Alexander Dennis Ltd, the Committee believes that urgent and coordinated action is essential. We therefore urge the UK Government to use every lever at its disposal—particularly through procurement, investment, and industrial strategy—to help secure a future for bus manufacturing in Scotland and protect these skilled jobs.

The Committee would be grateful for an early response to the points raised and an indication of what further role the UK Government intends to play in the collective efforts to support the workforce and secure long-term manufacturing at Alexander Dennis Ltd.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Colin Smyth', with a stylized flourish at the end.

**Colin Smyth MSP**  
**Convener**