



The Scottish Parliament  
Pàrlamaid na h-Alba

## Economy and Fair Work Committee

Shona Robison MSP  
Cabinet Secretary for Finance and Local Government  
Scottish Government

**8 July 2025**

Dear Shona,

### Alexander Dennis Ltd

Thank you for your letter of 2 July. As you may be aware, following the Committee's two meetings in the final week of term with workers' representatives and then Alexander Dennis Ltd. (ADL) management, the Committee agreed to write to you, the UK Government and Scottish Enterprise. The Committee held these evidence sessions because members recognised the strategic importance of Alexander Dennis to Scotland's economy and the devastating impact the loss of hundreds of skilled manufacturing jobs would have on both the local workforce and the country's industrial future. The Committee is clear that the situation is so serious that every possible effort must be made to retain these jobs in Scotland.

Since those meetings, I note the company's decision to extend the consultation by a further two weeks, to 15 August. During the Committee's session with ADL, I called on the company to agree to the union request for more time, recognising that a 45-day consultation held during the summer holiday period was unlikely to allow for proper engagement or for meaningful alternatives to be explored. The Committee therefore welcomes the decision to extend the process and expects the Scottish Government to continue working with trade unions and the workforce to ensure that all options can be properly considered during this time.

In her statement to Parliament on 19 June, the Deputy First Minister noted that the cross-governmental working group set up to consider how best to secure orders and protect jobs had met for the second time on 16 June. I understand the group has now met two more times. As this Parliament is now in recess, and with the UK Parliament due to rise for summer later this month, when is the group expected to come forward with proposals? It would be helpful if the Scottish Government would provide a summary of discussions and agreed actions to date.

In relation to orders, the Committee notes the company's view that a short-term pipeline is essential to sustain Scottish production, particularly for zero-emission double-deck buses. What specific actions is the Scottish Government taking to bring forward new orders or otherwise stimulate immediate demand, particularly from public or publicly funded operators?

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Contact: Economy and Fair Work Committee, The Scottish Parliament, Edinburgh, EH99 1SP. Email: [economyandfairwork.committee@parliament.scot](mailto:economyandfairwork.committee@parliament.scot). We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

The Scottish Government is asked to confirm whether targeted support is being considered within the bounds of existing procurement and subsidy control rules, and whether updated guidance or flexibilities will be issued to public bodies in Scotland to support domestic manufacturing and supply chains?

The Committee also notes from your update that discussions are taking place with ADL on a potential furlough-style scheme, to be administered by the company, with possible Scottish Government support, which the Committee welcomes. What progress has been made on this and when will a final decision be taken to give clarity to the workforce?

More generally, the Scottish Government's *Green Industrial Strategy*, published in September 2024, contains no reference to bus manufacturing in Scotland—despite its value to the economy, supply chain and net zero goals. What is the Scottish Government's view on maintaining domestic manufacturing capacity in this sector? What action is being taken to strengthen procurement to support local supply chains, national infrastructure and economic security?

The Committee understands that the UK Subsidy Control Act allows social value to be considered when evaluating bids, allows for direct awards, and permits some differential treatment in awarding subsidies. ADL told the Committee that challenges arise in how the principles and restrictions are currently being applied in practice. What is the Scottish Government's response to this, and what specific actions is it taking to ensure the system supports rather than hinders domestic manufacturing?

The Committee notes the public funding received by ADL over recent years via Scottish Enterprise—reportedly over £20 million since 2019 to support research and development of new zero-emission vehicles. Members expressed concern that products developed with significant public support will now, in effect, no longer be built in Scotland.

Given the strategic importance of Alexander Dennis, the high quality of its workforce and the role of manufacturing in Scotland's future economy, it is vital that every possible action is taken to retain manufacturing, and the jobs it provides. The Committee urges the Scottish Government to do all it can, working with partners at every level, to secure a positive outcome. Ministers must act with urgency and ambition to help keep these jobs and avoid a world-class manufacturer shutting its doors in Scotland.

I look forward to hearing back from you on these points.

Yours sincerely,



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