



The Scottish Parliament
Pàrlamaid na h-Alba

Economy and Fair Work Committee

Adrian Gillespie
Chief Executive
Scottish Enterprise

8 July 2025

Dear Adrian,

Alexander Dennis Ltd

You may be aware that the Economy and Fair Work Committee recently held two evidence sessions with employee representatives and management of the bus manufacturer Alexander Dennis Ltd. The Committee discussed the ongoing consultation on consolidating manufacturing at a single site in Scarborough. This would mean the closure of Falkirk and suspension of business at Larbert. These sessions were held in recognition of the strategic importance of the company to Scotland's manufacturing base and the potential devastating impact of the proposed changes on a large number of skilled jobs. The loss of hundreds of high-quality manufacturing roles would be a serious blow to the local workforce and to Scotland's wider industrial future.

One of the issues that came up in discussions was the R&D funding received by Alexander Dennis Ltd from Scottish Enterprise, the conditions attached to it, and the processes in place for monitoring delivery against those conditions. The Committee understands that £13 million was made available for the period 2022 to the end of 2025, of which £11 million has been drawn down. Notwithstanding that economic development is a devolved responsibility, the Committee notes that funding has not been secured from other agencies, including UK Government agencies. The Committee is concerned that, should manufacturing cease this year in Scotland, significant Scottish public funds may have supported manufacturing activity which ultimately does not take place in Scotland.

The Committee would be grateful for more information on the nature of the grant funding, the conditions attached, and the level of monitoring undertaken by Scottish Enterprise during the lifetime of the grant, including whether any risks or red flags were identified as part of that process.

In light of the scale of the potential job losses and the strategic role of bus manufacturing in Scotland's economy, the Committee believes Scottish Enterprise must do everything within its power to help retain these jobs.

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

The Committee would welcome a clear outline of the actions Scottish Enterprise is taking now, in coordination with the Scottish Government and other partners, to support continued manufacturing and investment at the Scottish sites.

I would be grateful to hear from you on these points, including regard given to return on investment, details of drawdown, and options now under consideration in view of Alexander Dennis Ltd.'s consultation on the future of its two Scottish sites.

Yours sincerely,

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

Colin Smyth MSP
Convener