# Less than a third of SNP-funded electric buses built in Scotland amid local job threats



Less than a third of the electric buses funded by the Scottish National Party (SNP) Government's Zero Emission Bus Challenge Fund (ScotZEB) have been manufactured in Scotland, sparking concerns over the impact on local jobs and industry. Of the 523 buses ordered under the scheme, only 162—or 31 per cent—were built in Scotland, with the majority produced overseas. Notably, 287 buses, constituting 55 per cent of the total, were made in China, exceeding the number manufactured across the entire UK.

The figure has raised particular concern amid the backdrop of job losses and manufacturing contractions in the Falkirk area. Alexander Dennis Limited (ADL), once a cornerstone of Scottish bus manufacturing with plants in Falkirk and Larbert, recently entered a consultation process proposing factory closures and consolidation of production in Scarborough, England. This restructuring threatens around 400 jobs and ends a century of bus-making heritage in the region, compounding economic blows including the recent closure of an oil refinery nearby.

Labour politicians have sharply criticised the SNP Government’s approach, framing it as a failure to support Scottish industry despite significant public investment. Euan Stainbank, Labour MP for Falkirk, stressed that the government’s green industrial ambitions starkly contrast with their funding allocations, which have seen public money facilitate foreign manufacturing rather than preserve skilled local employment. He condemned the fact that nearly three-quarters of the buses funded were built outside Scotland, calling it “an insult to the workers” fighting to keep heavy industry alive in their communities.

Supporting these concerns, Glasgow Labour MSP Paul Sweeney highlighted that the Scottish Government does not currently gather data on the manufacturing locations of these buses, suggesting that the social value measures in public procurement are inadequate. He called for a bolstering of policies to prioritise Scottish manufacturers and protect skilled jobs from foreign competition subsidised by Scottish taxpayers.

The Scottish Government, while acknowledging the consultation process at ADL, insists it is actively exploring options to retain manufacturing jobs and facilities at Falkirk and Larbert. It emphasises that since 2020, ADL has secured more zero-emission bus orders through ScotZEB and its predecessor programme than any other manufacturer, receiving £58 million in subsidies and securing over 360 orders through these government schemes. This includes a recent deal for 137 battery-electric buses to be built in Falkirk, reinforcing some local manufacturing and green job retention.

ScotZEB itself is part of a broader government strategy to decarbonise Scotland’s public transport fleet. With over £62 million invested in the first phase, the fund aims to replace 276 old diesel buses with zero-emission models and establish the necessary charging infrastructure, contributing to ambitious climate change targets. Between 2020 and 2025, the number of zero-emission buses in Scotland has risen from fewer than 20 to over 800, reflecting a significant shift towards sustainable transport although challenges remain in sourcing production locally.

However, the dynamics of the global bus market and competition from Chinese manufacturers have placed pressure on UK producers like ADL. Industry observers note that consolidation efforts by ADL reflect the changing market landscape and the difficulty of maintaining multiple production sites amid increasing foreign competition.

The current situation highlights a tension between ambitious environmental goals and the realities of industrial policy and economic geography. While the transition to zero-emission transport is critical for Scotland’s climate commitments, the localisation of the manufacturing supply chain remains a key issue. The closure of plants and job losses in Falkirk underline the need for procurement policies that better align green targets with industrial preservation, ensuring public investment both advances decarbonisation and sustains local economies.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailyrecord.co.uk/news/scottish-news/less-third-electric-buses-funded-35514439), [[4]](https://www.gov.scot/publications/climate-change-monitoring-report-2023/pages/5/)
* Paragraph 2 – [[1]](https://www.dailyrecord.co.uk/news/scottish-news/less-third-electric-buses-funded-35514439), [[3]](https://www.sustainable-bus.com/news/alexander-dennis-restructuring-falkirk-larbert-halt/)
* Paragraph 3 – [[1]](https://www.dailyrecord.co.uk/news/scottish-news/less-third-electric-buses-funded-35514439)
* Paragraph 4 – [[1]](https://www.dailyrecord.co.uk/news/scottish-news/less-third-electric-buses-funded-35514439)
* Paragraph 5 – [[1]](https://www.dailyrecord.co.uk/news/scottish-news/less-third-electric-buses-funded-35514439)
* Paragraph 6 – [[1]](https://www.dailyrecord.co.uk/news/scottish-news/less-third-electric-buses-funded-35514439), [[6]](https://www.sustainable-bus.com/news/adl-scotzeb-funding-zero-emission-buses/)
* Paragraph 7 – [[2]](https://www.transport.gov.scot/news/over-62-million-for-zero-emission-buses), [[5]](https://www.gov.scot/publications/climate-change-plan-monitoring-report-2025/pages/4/), [[7]](https://www.transport.gov.scot/public-transport/buses/scottish-zero-emission-bus-challenge-fund/)
* Paragraph 8 – [[3]](https://www.sustainable-bus.com/news/alexander-dennis-restructuring-falkirk-larbert-halt/)
* Paragraph 9 – [[1]](https://www.dailyrecord.co.uk/news/scottish-news/less-third-electric-buses-funded-35514439), [[4]](https://www.gov.scot/publications/climate-change-monitoring-report-2023/pages/5/), [[7]](https://www.transport.gov.scot/public-transport/buses/scottish-zero-emission-bus-challenge-fund/)

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## Bibliography

1. <https://www.dailyrecord.co.uk/news/scottish-news/less-third-electric-buses-funded-35514439> - Please view link - unable to able to access data
2. <https://www.transport.gov.scot/news/over-62-million-for-zero-emission-buses> - The Scottish Government has awarded over £62 million through the first phase of the Zero Emission Bus Challenge Fund (ScotZEB). This investment supports the replacement of 276 old diesel buses with new battery-electric models and the necessary charging infrastructure, aiming to accelerate the transition to a decarbonised bus fleet. Notably, 137 of these buses are to be built in Falkirk, bolstering skilled, green manufacturing jobs in Scotland and contributing to the country's climate change targets.
3. <https://www.sustainable-bus.com/news/alexander-dennis-restructuring-falkirk-larbert-halt/> - Alexander Dennis has announced a consultation process to reshape its UK manufacturing footprint, proposing the consolidation of bus body manufacturing operations into a single site in Scarborough, England. This move would discontinue operations at the Falkirk facility and suspend production lines at Larbert upon completion of current contracts. The company employs around 1,850 people in the UK, with its largest plant in Larbert. The decision is influenced by changing market dynamics and increased competition from Chinese electric bus manufacturers.
4. <https://www.gov.scot/publications/climate-change-monitoring-report-2023/pages/5/> - The Climate Change Plan Monitoring Report 2023 highlights the Scottish Government's efforts to decarbonise the bus fleet through initiatives like the Scottish Ultra Low Emission Bus Scheme (SULEBS) and the Scottish Zero Emission Bus Challenge Fund (ScotZEB). Over 2020/21, £50.7 million was awarded through SULEBS, leading to the acquisition of 272 new zero-emission buses and associated infrastructure. Notably, 207 of these buses were manufactured in Scotland, supporting green jobs and reducing transport emissions.
5. <https://www.gov.scot/publications/climate-change-plan-monitoring-report-2025/pages/4/> - The Climate Change Plan Monitoring Report 2025 outlines Scotland's progress in transitioning to a zero-emission bus fleet. Through interventions like SULEBS and ScotZEB, the number of zero-emission buses has increased from fewer than 20 to over 800. The report also details plans for electrified bus depots and charging infrastructure to support this transition, with depots open to third-party charging to encourage broader adoption of electric vehicles.
6. <https://www.sustainable-bus.com/news/adl-scotzeb-funding-zero-emission-buses/> - Alexander Dennis Limited (ADL) has been awarded funding through the Scottish Zero Emission Bus Challenge Fund (ScotZEB) to supply 137 zero-emission buses. These buses will be built in Falkirk, supporting local manufacturing and green jobs. The ScotZEB fund aims to encourage significant change in the bus market towards zero-emission technologies, contributing to Scotland's climate change targets and promoting sustainable growth in the supply chain of zero-carbon vehicle solutions.
7. <https://www.transport.gov.scot/public-transport/buses/scottish-zero-emission-bus-challenge-fund/> - The Scottish Zero Emission Bus Challenge Fund (ScotZEB) is designed to support the swift transition to zero-emission buses and associated infrastructure. The fund aims to reduce greenhouse gas emissions, contribute to the delivery of Low Emission Zones, and encourage investment in the supply chain of zero-carbon vehicle solutions in Scotland. It supports innovative business models and partnerships to minimize subsidy levels and maximize the benefits of zero-emission technologies in the bus market.