



Colin Smyth MSP  
Convener  
Economy and Fair Work Committee  
The Scottish Parliament

By email

05 August 2025

Dear Colin,

Thank you for your letter dated 8 July 2025, regarding the challenges faced by Alexander Dennis Limited (ADL). The UK Government remains committed to supporting the Scottish Government in identifying a way forward amidst this situation.

I fully agree that the potential end of bus manufacturing in Scotland—with the direct loss of 400 jobs and further impacts across the domestic supply chain—would be devastating for the area and for Scotland as a whole. I recognise the vital importance of this industry to the local economy and national aspirations around green transport and industrial capability.

With regard to your broader points concerning subsidy control and procurement rules, I want to assure you that the UK Government remains committed to supporting Scottish manufacturers within the framework of existing policies. I wish to emphasise that the Subsidy Control Act does not prevent manufacturers like Alexander Dennis from receiving direct subsidies, which remains an open and viable option for the Scottish Government.


Moreover, Scottish contracting authorities, including the Scottish Government, can utilise existing frameworks managed by the Crown Commercial Service (CCS)—on which Alexander Dennis is a supplier—to facilitate procurement processes. These include applying social value criteria that support domestic suppliers and undertaking direct awards where appropriate. As you will be aware, the cap on CCS has been removed at the Scottish Government's request to enhance flexibility, and the Procurement Act 2023 further empowers authorities to disregard bids from non-treaty state suppliers, thereby enabling greater support for local industry. Scottish regulations also provide scope for prioritising bids from UK-based suppliers, reinforcing our shared commitment to supporting domestic manufacturing.

The UK Government recently announced plans to overhaul procurement rules to maximise benefits for working people and support firms that generate British jobs and skills. We are keen to engage with the Scottish Government on these proposals, should they wish to consider adopting similar approaches, which would further open opportunities for Scottish businesses bidding for UK contracts under our Plan for Change.

On the future demand for electric buses, I would like to highlight the creation of a ten-year pipeline of bus orders, developed by the UK Bus Manufacturing Expert Panel. This initiative aims to provide sector-wide certainty by gathering data on fleet and procurement plans, as well as addressing barriers faced by local transport authorities and operators. Supporting this effort is a dedicated Working Group involving the Department for Transport, the Urban Transport Group, and the Confederation of Passenger Transport, focused on fostering industry growth and planning.

In terms of tangible steps, we are working across Government and with local authorities to ensure procurement processes do not disadvantage ADL. I recently met with Mayor Rotherham of Liverpool, who reassured me of expected significant orders over the next two years, which offers encouraging prospects for the company. I have also met with or am in contact with a number of other English metro mayors, many of whom are already ADL customers. As you rightly point out, though, the key priority has to be to ensure that the company's Scottish sites stay operational and then benefit from any orders that do arise in the medium-term. The Scotland Office will continue working closely with colleagues across Government and the Scottish Government to explore every viable avenue to secure a sustainable future for Alexander Dennis manufacturing sites in Scotland.

Thank you again for your engagement on this critical issue.

*Yours sincerely,*  


**THE RT HON. IAN MURRAY MP  
SECRETARY OF STATE FOR SCOTLAND**