

DAVID MACBRAYNE LIMITED
PUBLIC SERVICES REFORM (SCOTLAND) ACT 2010:
DUTIES TO PUBLISH INFORMATION

Introduction

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 requires listed public bodies, which includes David MacBrayne Limited, to publish information on expenditure and certain other matters after the end of each financial year. The information provided covers the period 1 April 2014 to 31 March 2015.

1. Public Relations and Marketing – £1,022,970

Includes cost of marketing, sponsorship, online marketing, production of publications and public relations.

2. Overseas Travel – £64,527

Expenditure relates primarily to work associated with building supervision and crewing of New Vessels. Other overseas travel relates to Business Development and travel for conferences.

3. Hospitality and Entertainment £10,212

Provided to employees and third parties mainly relating to dinners such as Press Awards, Institute of Marine Engineering, James Watt, Royal National Mod and other conferences.

4. External Consultancy £1,643,917

Relates to tender consultancy, strategy development, business development and general consultancy in relation to transformation programme.

5. Payments with a value in excess of £25,000

See attached statement.

6. Members or employees who received remuneration in excess of £150,000

There was no Directors of David MacBrayne Limited received remuneration in excess of £150,000 in the 2014/15 financial year.

The Company publishes a Report on Directors' remuneration (including benefits in kind) within the Annual Report and financial statements which can be found on the Company's website at www.david-macbrayne.co.uk.

7. Sustainable economic growth

The ferry services provided by David MacBrayne Group play a key role in sustaining and enabling economic development in Scotland's island communities.

- Employs 1400 staff
- Carries 4.65 million passengers annually to 50 ports and harbours across the West Coast.
- Carried one million cars and 93,000 commercial vehicles

Serving the Clyde and Hebrides David MacBrayne's operating companies, provide lifeline services to 24 island destinations transporting everything island communities need to live their daily lives. These include many things that mainland residents take for granted:-

- food and clothing
- ambulance and fire engines
- medical supplies (e.g. blood and samples for testing)
- fuel
- newspapers/mail

Ferry services also enable island and remote peninsular communities to play a sustainable role in the Scottish economy through the movement of bulk goods:-

- grain for whisky production and then whisky for export
- fresh produce, including live shellfish to continental markets
- cattle to market,
- hay and animal feed
- live fish for fish farms
- timber

Major infrastructure projects account for a large part of commercial traffic carried on ferries with materials:-

- tar, aggregates and prefabricated concrete structures for road improvements
- building materials
- giant wind turbines required for electricity generation

Local residents also rely on ferries for routine day to day activities:-

- children going to and from school
- outpatients attending hospital appointments
- going on holiday
- business trips
- shopping and leisure

The area the Company serves is world renowned for its natural beauty and wildlife. It recognises that it has a role to play in protecting this environment. To help reduce the company's carbon footprint we are taking measures to cut fuel and emissions.

- Installation across the fleet fuel monitoring system to reduce fuel and emissions.

The Company's hybrid electric diesel vessels MVs Hallaig and Lochinvar continue to be standard bearers for more eco-friendly ferries and a third, MV Catriona, is currently under construction at Ferguson's shipyard in Port Glasgow.

8. Efficiency, effectiveness and economy

David MacBrayne has improved efficiency, effectiveness and economy in the exercise of its functions, which resulted in £1.9m contractual "clawback" payments being made to Scottish Government under the terms of the Public Service Contracts for Ferry Services the Group companies provided in 2014/15. These initiatives included:

- Procurement

Our procurement policies and procedures are reviewed and updated to promote the Scottish Government Procurement Journey. We participate in the Scottish Government Procurement Capability Assessment and have been assessed as Improved Performance.

As an organisation we have signed-up to the Scottish Government Suppliers' Charter which is a joint statement between public sector buying organisations and businesses to agree to work together to improve public sector procurement processes and dialogue.

We recognise the need, where practical, to simplify and standardise processes and to ensure consistency in order to provide a fair and open approach to tendering.

With these aims in mind in our organisation will:-

- Consult with the business community to identify and reduce barriers to business.
- To increase efficiency and effectiveness in our tender process tenders are issued through public sector websites.
- Ensure that the approach to individual contracts, including large contracts and framework agreements, is supported by a sound business case.
- Keep the tender process as simple as possible, but consistent with achieving best value/value for money, to help minimise costs to suppliers;
- Unless there are compelling business reasons to the contrary ensure that adequate and appropriate publicity is given to contract opportunities that fall below the OJEU threshold limits or are otherwise exempt from the public procurement directives;
- Standardised processes and templates;
- Removing duplication of effort by storing key information in a dedicated user workspace;
- Work with our customers to deliver value for money throughout the life of the contract
- Embedding a contract and supplier management module to better manage contracts once they are awarded

In addition, we issue the standard public sector pre-qualification questionnaire to suppliers tendering for our business to enable businesses to familiarise themselves with public sector procurement processes and concentrate resources on quality aspects of their responses.

At a corporate organisational level, the executive team is keen to optimise the performance of our approach to Responsible and Sustainable Procurement. The Scottish Government's sustainable procurement flexible framework self assessment tool has been completed to determine our current position and an action plan is in place to develop our corporate policy.

We recognise the importance of procuring services from Supported Businesses and Social Firms and the difference it makes to people's lives. There is a positive impact on the economic sustainability of these businesses to help build a wealthier and fairer country.

The aim of the corporate policy is to support economic growth by delivering social and environmental benefits, supporting innovation and promoting public procurement process and systems which are transparent, streamlined, standardised, proportionate, fair and business friendly.

Whenever possible National Frameworks are utilised with spend of £1,687,394 in 2014/15 to strengthen collaborative relationships that enable us to gain advantage through aggregation and technical innovation. Savings achieved in this year through collaborative contracts was £176,496 (10.5%).