

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 2013 to 31 March 2014.

1. Public Relations and Marketing – (£828,851)

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

2. Overseas Travel – (£56,320)

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 (£8,599)

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 (£1,147,592)

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

One Director of David MacBrayne Limited received remuneration in excess of £150,000 in the 2013/14 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. This is achieved through the exercise of its functions to:-

- provide c. 134,000 timetabled ferry services per annum under the public service contracts with Scottish Government
- achieve annual patronage of 4.8m passengers, 1.0m cars and 0.9m commercial vehicles contributing £64.3m farebox and other income which was achieved in 2013/14.

Across the network, David MacBrayne's operating companies, which serve the Clyde and Hebrides, play a vital role in transporting almost everything island communities require to thrive. 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 an active part 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 Company recognises it also has a role to play in sustaining the environmental wellbeing of the areas it serves and is fully committed to finding ways to reduce carbon emissions and has already taken some major steps to achieve this through:

- fitting new propeller designs
- coating hulls with silicon paint
- actively considering heat recovery systems and low energy lighting.

The latest additions to our vessel operating fleet, MVs Hallaig and Lochinvar which came into service at the end of 2013 and Spring 2014, are the world's first seagoing diesel-battery ferries. Each ship takes electricity from a shore supply overnight and then stores it in batteries which provide electric power when full power is not required. This reduces the need to burn fuel and therefore has fewer emissions. It is also quieter when operating on battery power.

8. Efficiency, effectiveness and economy

David MacBrayne has improved efficiency, effectiveness and economy in the exercise of its functions, which resulted in £2.0m contractual "clawback" payments being made to Scottish Government under the terms of the Public Service Contracts for Ferry Services the Group companies provided in 2013/14. 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.

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 £632.896 in 2013/14. Savings achieved in this year through collaborative contracts was £57,347 (9%).

Suppliers Paid >£25k 01 April 2013 - 31 March 2014

Row Labels	Name	No Invoices	Total Payment Value (£)
		Data	
Description of Service	Name	Count of Payment_Value2	Sum of Payment_Value
Accommodation	EXPOTEL HOTEL RESERVATIONS	2	71,571.56
	PREMIER INN	5	58,093.42
Accommodation Total		7	129,664.98
Berthing & Traffic Costs	ARDROSSAN HARBOUR CO LTD	14	794,908.76
	ARGYLL & BUTE COUNCIL	39	2,867,436.91
	CALEDONIAN MARITIME ASSETS LTD	2	186,878.31
	COMHAIRLE NAN EILEAN SIAR	8	434,873.81
	HIGHLAND COUNCIL	20	1,009,744.96
	MALLAIG HARBOUR AUTHORITY	9	270,932.39
	STORNOWAY PIER & HARBOUR COMMISSION	26	1,131,963.04
	TARBERT (LOCHFYNE) HARBOUR AUTHORITY	3	242,500.00
	ULLAPOOL HARBOUR TRUSTEES	24	1,024,723.47
Berthing & Traffic Costs Total		145	7,963,961.65
Business Development	THE CREATIVE CELL	1	30,000.00
	MIRAMAR EXECUTIVE SEARCH LIMITED	3	93,918.00
	IAIN WEBSTER & ASSOCIATES	2	102,643.78
Business Development Total		6	226,561.78
Cadet Training	CLYDE MARINE TRAINING LIMITED	26	442,896.40
Cadet Training Total		26	442,896.40
Coastguard Services	MARITIME & COASTGUARD AGENCY	3	90,000.00
Coastguard Services Total		3	90,000.00
Electricity Charge	EDF ENERGY LIMITED	7	164,458.30
Electricity Charge Total		7	164,458.30
Fuel	CERTAS ENERGY UK LIMITED	68	1,324,954.35
	HENTY OIL LTD	23	241,707.26
	HIGHLAND FUELS LTD	13	297,361.04
Fuel Total		104	1,864,022.65
ICT Costs	ADVANCED BUSINESS SOLUTIONS	6	77,685.93
	BRITISH TELECOMMUNICATIONS PLC	3	62,858.11
	FRUITION PARTNERS UK LIMITED	1	41,299.20
	MAXIMA INFORMATION GROUP	4	373,683.41
	METEOGROUP IRELAND LTD T/A METEOGROUP OF	1	25,750.00
	NETWORKS FIRST	1	27,976.80
	PHOENIX IT MANAGED SERVICES LTD	5	137,116.21
	R C E ASSOCIATES	2	57,307.10
	SITEKIT SOLUTIONS LTD	3	77,441.40
	SOFTCAT LTD	1	70,229.24
	SPECIALIST COMPUTER CENTRES PLC	3	163,155.00
	VERSKO LTD	2	53,067.60
	VOYAGER NETWORKS	6	674,813.83
	ORBITAL INTEGRATED SOLUTIONS LTD	1	39,604.09
ICT Costs Total		39	1,881,987.92
Insurance Costs	INSURENESS LTD	1	36,040.00
	JLT SPECIALTY LIMITED NST CLIENT	6	461,571.10
	NORTH OF ENGLAND P & I ASSOCIATION	7	504,033.90
Insurance Costs Total		14	1,001,645.00
Legal Costs	ADVOKATFIRMAN DELPHI KB	1	44,140.26
	PINSENT MASONS	3	92,424.95
Legal Costs Total		4	136,565.21

☐ Marine Staff	MARINE MANNING (GUERNSEY) LTD	21	973,601.88
Marine Staff Total		21	973,601.88
☐ Marketing Costs	AN COMMUN GAIDHEALACH	1	30,000.00
	CARAT	3	99,140.68
	ISTHMUS COMMUNICATIONS Ltd	1	39,546.00
	VISIT SCOTLAND	2	49,880.00
Marketing Costs Total		7	218,566.68
☐ Media Costs	SOUK RESPONSE LTD	1	48,175.20
Media Costs Total		1	48,175.20
☐ Professional Services	ATKINS LTD	2	53,376.00
	OSD-IMT LIMITED	3	88,023.69
	PRICEWATERHOUSE COOPERS	3	269,596.80
Professional Services Total		8	410,996.49
☐ Rates	FALKIRK COUNCIL	5	28,449.00
Rates Total		5	28,449.00
☐ Ship Repair & Overhauls	ARDMALEISH BOATBUILDING CO LTD	10	496,142.00
	CAMMELL LAIRD SHIPREPAIRERS AND SHIPBUIL	5	1,087,750.00
	CARGOTEC	1	27,075.54
	CATERPILLAR PROPULSION SWEDEN AB	3	80,103.49
	CORPACH BOATBUILDING COMPANY LIMITED	1	38,901.55
	DALES MARINE SERVICES LTD	2	426,877.93
	DENHOLM BARWIL LIMITED	1	50,251.86
	FINNING (UK) LTD (EURO)	3	25,440.06
	GARVEL CLYDE LIMITED	29	2,376,355.17
	HOLLAND DIESEL MAASSLUIS BV	3	119,405.00
	MACGREGOR (GBR) LIMITED	1	35,500.00
	MAN DIESEL LTD	8	422,859.94
	NAPIER TURBOCHARGERS LTD	4	202,080.25
	QBE INSURANCE (EUROPE) LTD	4	409,764.15
	ROLLS-ROYCE MARINE	7	126,095.10
	ROLLS-ROYCE MARINE BENELUX BV	5	176,301.61
	SCHOTTEL GMBH & CO. KG	3	278,566.95
	SEATRUCK FERRIES LTD	12	1,535,489.99
	STONE MARINE SERVICES LTD	3	32,926.22
	SUBSEA INDUSTRIES NV	1	30,339.67
	THORN SECURITY LTD	1	35,231.83
	TREVOR MCDONALD MARINE ENG SERVICES LTD	1	25,000.00
	VIKING LIFE SAVING EQUIPMENT LTD	3	117,529.16
	VOITH TURBO LTD (SURREY)	6	188,924.09
Ship Repair & Overhauls Total		117	8,344,911.56
☐ Uniforms	IOMA CLOTHING CO LTD	3	256,311.55
Uniforms Total		3	256,311.55
☐ Vessel Charter	CALEDONIAN MARITIME ASSETS LTD	18	4,893,000.00
	HARRISONS (2002) LIMITED	6	1,052,514.92
Vessel Charter Total		24	5,945,514.92
☐ Vessel Lease & Harbour Costs	CALEDONIAN MARITIME ASSETS LTD	25	13,565,131.74
Vessel Lease & Harbour Costs Total		25	13,565,131.74
☐ Waste Disposal	BIFFA WASTE SERVICES LIMITED	1	27,491.72
Waste Disposal Total		1	27,491.72
Grand Total		567	43,720,914.63