

**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 at the end of each financial year.

This information provided covers the following areas;

1. Public Relations & Marketing
2. Overseas Travel
3. Hospitality & Entertainment
4. External Consultancy
5. Payments to Third Parties with value of excess of £25,000
6. Members or employees who received remuneration in excess of £150,000
7. Supporting sustainable economic growth
8. Efficiency, effectiveness and economy

The following information is provided to meet this requirement and all figures provided covers the period from 1 April 2016 to 31 March 2017.

## 1. **Public Relations and Marketing**

Total expenditure in the period was £877,198 which includes cost of marketing, sponsorship, online marketing, production of publications and public relations.

## 2. **Overseas Travel**

Expenditure of £6,938 which 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**

Expenditure of £10,482 which relates primarily to work associated with building supervision and crewing of New Vessels. Other overseas travel relates to Business Development and travel for conferences.

## 4. **External Consultancy**

Expenditure of £296,202 is total spend across the David MacBrayne Limited group for the period including professional services on Technical & IT Consultancy matters and Specialist advice on legislative impacts on our business.

## 5. **Payments to Third Parties with a value in excess of £25,000**

See enclosed supplementary provided statement with summary of payments by category of service and supplier.

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

Two Directors of David MacBrayne Limited received remuneration in excess of £150,000 in the 2016/17 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](http://www.david-macbrayne.co.uk).

## 7. **Sustainable economic growth**

The ferry services provided by David MacBrayne Limited play a key role in sustaining and enabling economic development in Scotland's island communities. They employ over 1,650 staff and annually carry over 5 million passengers, 1.3 million Cars and 0.1 million commercial vehicles across 51 Ports & Harbours.

The ferry and harbour services contracts, serving the Clyde and Hebrides, delivered by David MacBrayne Limited operating companies provide a lifeline and critical service, virtually 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. Examples of how we are doing this are:

- Air Quality - Two LNG dual fuel vessels will help reduce emissions of harmful air pollutants including particulate matter which is of concern to both the environment and human health.
- Carbon - Our 3 hybrid vessels continue to achieve impressive reductions in fuel consumption compared to standard equivalent vessels. Our fuel monitoring system and externally verified carbon monitoring plans are improving operational efficiency and reducing fuel consumption.
- Biodiversity - Our award winning Citizen Science project with Scottish Natural Heritage and Marine Scotland is already delivering important data on the marine mammals found across our network; 2018 will see a full programme of volunteer surveys for both marine mammals and marine birds implemented on selected routes across the network.

## **8. Efficiency, effectiveness and economy**

Our procurement policies and procedures are reviewed and updated to promote the Scottish Government Procurement Journey.

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.

Our approach within the organisation to meet these aims are:-

- 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 above £50k and 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 European Single Procurement Document 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 and prioritisation methodology has been completed to determine our current position and an action plan is in place to develop our corporate policy. We are committed to embed sustainability in procurements in a relevant and proportionate manner and ensure that Procurement and other staff understand sustainable procurement principles and practice. This has included attendance at Marrakech Sustainable Procurement Training by procurement team members and we plan to roll out Zero Waste Scotland's Introduction to Sustainable Public Procurement e-learning to priority staff.

Other Key Points:-

- 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. In 2016/17 we had four contracts in place with Supported Businesses for a range of goods and services with a total spend of £31,271.
- 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.
- 80% of our suppliers are small, medium enterprises with a total spend of £33.7m. This represents 54% with Scottish suppliers and a total spend of £20m. In food and drink with a spend of over £3m, 44 out of 48 suppliers are Scottish and 24 are from the Islands.
- Significant community benefits have been achieved from a tender exercise for STCW Manila Training where the supplier has donated free training for a number of courses. This is a binding commitment and will be monitored throughout the contract.
- We will continue to strengthen collaborative relationships that will enable us to gain advantage through aggregation and technical innovation. Whenever possible National Frameworks are utilised with spend of £1,924,474 in 2016/17. Savings achieved in this year through collaborative contracts was £159,102 (8.3%).