
Report To:	Policy and Resources Committee	Date:	27 March 2012
Report By:	Chief Executive	Report No:	PR053/12/GM
Contact Officer:	Gerard Malone	Contact No:	712710
Subject:	Use of Powers Delegated to the Chief Executive: Hydroelectric Schemes: Inverclyde Council		

1.0 PURPOSE

- 1.1 This report advises the Committee of the use of the powers delegated to the Chief Executive to advertise by Prior Information Notice the holding of a market awareness meeting for the micro Hydroelectric schemes approved in principle at the Committee's meeting in November 2011.

2.0 SUMMARY

- 2.1 In November 2011, the Committee noted the outcome of the Hydroelectric study and remitted it to the Chief Executive to investigate further the options for site development of the three locations indicated within the report with detailed consideration of options for competitive tendering and the involvement of any community interest companies. A report on any proposals for the development is to be submitted to the Committee for future consideration.
- 2.2 In view of the innovative nature of the project it is considered that dialogue with the market would be of particular benefit to this procurement exercise prior to any report back to the Committee for future consideration of options. This dialogue will inform the future options report to Committee and will inform the Council's procurement strategy should any future decision be taken to proceed with an identified option.
- 2.3 Whilst this exercise is a formal administrative step in procurement terms, it does not place any obligation on the Council to proceed with this project should such a decision be taken.
- 2.4 To assist timescales and progress of the project, authority was sought under delegated powers for the advertisement of a Prior Information Notice so that interested companies can register interest and be engaged in a dialogue process with all other interested parties and the Council. Authority was granted by Councillors McCabe, Clocherty and Brooks and the Chief Executive

3.0 RECOMMENDATION

- 3.1 It is recommended that the use of the powers delegated to the Chief Executive be noted.

Gerard Malone
Business Manager

4.0 BACKGROUND

- 4.1 In November 2011 the Council noted the outcome of the Hydroelectric study and remitted it to the Chief Executive to investigate further the options for site development. A detailed report on any proposals for development is to be submitted to Committee for future consideration.
- 4.2 In view of the innovative nature of this project, it is recommended that, prior to any formal procurement exercise being undertaken, an open market engagement exercise be undertaken. This would give the Council and all interested parties an opportunity to discuss in further detail the outline of the scheme and the structure of any delivery and financial return mechanisms. The information gleaned will inform the future options report to Committee and will also inform the Council's procurement strategy should any future decision be taken to proceed with an identified option. It would be intended to advertise the market engagement exercise by Prior Information Notice and to hold this open engagement day as quickly as possible to assist in determining the strategic direction for this project.
- 4.3 The purpose of the Prior Information Notice is to enable the Council to undertake a necessary market sounding exercise. It creates no commitment whatsoever and thereafter the Council can decide to proceed or not to proceed with the project. At this stage, the Council is not seeking or selecting a partner and it is a formal administrative step in procurement terms but is not a tender or contract award exercise.
- 4.4 All requisite documentation has been drafted and the Council is ready at the earliest opportunity to host the open market engagement day. Thereafter, it would be intended to report to the Council on the outcome of this exercise and on options for any future proposals. At that future time, authority would be sought for an invitation to tender if the Council wishes to pursue the scheme as then outlined.

5.0 FINANCIAL IMPLICATIONS

Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
Contingency reserves	Hydro Feasibility	2011/12	Nil	Nil	No financial implications at this stage

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
Hydro Scheme	NA	NA	NA	NA	Project implementation to be the subject of a future report

6.0 EQUALITIES

- 6.1 This report promotes consideration of renewable energy and progresses Scottish Government policy on Carbon Reduction.

7.0 CONSULTATIONS

- 7.1 The Head of Legal and Democratic Services has been consulted on this report.
- 7.2 The Chief Financial Officer has been consulted on this report.
- 7.3 The Corporate Procurement Manager has been consulted on this report.