

**MEMBERS' QUESTIONS**

**AGENDA ITEM 7**

**QUESTION 1**

**MR NIGEL HARTIN** will ask the following question:

Is Shropshire Council affected by the artificial depression of Libor, are monies owing from banks named to have been involved in irregular fixing of the Libor rate?

The question arises following reports in the press where the question was asked: "If Libor was pushed downwards, does that mean rates for savers were also artificially depressed"?

The answer given was as follows: "Most savings rates set by the building societies and banks have little connection with Libor, so small savers are unaffected. But if you are a big institution – such as the treasurer of a local authority or large charity – you tend to deposit your balances into short-term accounts where the interest paid is linked in some way or another to Libor. These deposits would have received a lower rate of interest than they would otherwise have earned. So they are out of pocket – and may now want the banks to repay them".

**MR KEITH BARROW**, the Leader of the Council will reply:

The Council does not have any exposure to LIBOR linked instruments, neither on the investment side nor on the borrowing side. Therefore it has not been affected by the artificial depression of the LIBOR rate.

**QUESTION 2**

**MR ALAN MOSLEY** will ask the following question:

What is the projected total costs of the proposed employment of directors at I P & E, including basic salary and OTE payments, on-costs and recruitment. This to include projections for directors to be employed over the next two years?

What will be the total cost of support staff for the directors, their accommodation, other resources and what other set-up costs incurred by the Company?

How will any profit attributed to the Company be calculated and what profits are projected for each of the first two years of operation?

**MR KEITH BARROW**, the Leader of the Council will reply:

The salary for the Managing Director of ip&e ltd has been advertised at £80,000. This does not include OTE (on target earnings) as you state; payments of this nature are generally applied in sales related roles and are relevant to sales targets – which this is not. On-costs will be applied in exactly the same way as any other employee.

The only cost of recruitment has been the advert in the Sunday Times as no recruitment consultants have been used. Salary levels for any future appointments will be decided upon once the Managing Director has been engaged, but they will be lower than that of the Managing Director's.

However, for clarity, a maximum of eight Directors can be appointed – assuming that you have read the reports that were brought to Cabinet on 6th June 2012 - you will be very aware of this. This does not mean that the company is required to appoint all eight directors; it will be for the company to decide what is appropriate. There is considerably more detail within this comprehensive report, that you have a copy of, might I suggest you read it in more detail.

The Chairman will receive no allowance.

The questions seem to indicate some confusion on your behalf about where we are in the process of developing the new organisation. To-date, all that has been done is create a holding company called ip&e group and seek to appoint the Managing Director. Prior to any services being moved into the new company, a business plan will be produced and will have to be agreed by Cabinet. The business cases will cover such areas as financial projections, service delivery expectations and potential outcome targets. At this stage Scrutiny will have the option of examining the detail of the proposed transfer.

I know that you have said that you feel that £80,000 is too low a salary for the Managing Director role and that you are attempting to discredit ip&e group. You would clearly prefer to see an expensive 'council mark 2' model, but let me be very clear with you - this will absolutely not be the case. The new Company seeks to be 'local but not government'. The public profit that we seek to make is profit with a purpose, profit for the public good and profit to help us deliver quality services across Shropshire, despite the £86 million cut in our income.

This is clever, creative and Conservative and it is unfortunate that your ideology stops you from appreciating the value the changes will bring to the people of Shropshire.

It's time to look to the future to make sure that we are fully prepared for the challenges ahead of us. We have had one to one meetings together Alan, where you have sat and supported the proposal of the new company, agreeing that it was the right direction to take. But as soon as you have walked out of the door have publicly slated the proposal – which I find absolutely astonishing. Its time Cllr Mosley, that you started to do what is right by the people of Shropshire and started to have an honest dialog with the people who voted for you and the county you represent. The people of Shropshire deserve better from you than playing silly political games.

I have made commitments to the people of Shropshire - I am passionate in my belief about ensuring that people are able to continue to access quality services that are important to them, when they need them, now and in future years to come - I will not fail them.