

# Northampton Borough Overview & Scrutiny Committee



**NORTHAMPTON**  
**BOROUGH COUNCIL**

Please find enclosed the agenda and supporting papers for **Overview & Scrutiny Committee**

Date: **Monday, 24 September 2012**

Time: **6:00 pm**

Place: **The Jeffrey Room, St. Giles Square, Northampton, NN1 1DE.**

If you need any advice or information regarding this agenda please phone Tracy Tiff, Scrutiny Officer, 01604 837408 or email [ttiff@northampton.gov.uk](mailto:ttiff@northampton.gov.uk) who will be able to assist with your enquiry. For further information regarding **Overview & Scrutiny Committee** please visit the website [www.northampton.gov.uk/scrutiny](http://www.northampton.gov.uk/scrutiny)

## Members of the Committee

Chair	Councillor Les Marriott
Deputy-Chair	Councillor Matthew Lynch
Committee Members	Councillor Tony Ansell Councillor Michael Ford Councillor Brendan Glynane Councillor Elizabeth Gowen Councillor Jamie Lane Councillor Phil Larratt Councillor Lee Mason Councillor Beverley-Anne Mennell Councillor Nilesh Ramesh Parekh Councillor Suresh Patel Councillor Brian W Sargeant Councillor Danielle Stone

# Northampton Borough Overview & Scrutiny Committee

## Agenda

Item No	Title	Pages	Action required
1	<b>Apologies</b>		Members to note any apologies and substitution
2	<b>Deputations/Public Addresses</b>		<p>The Chair to note public address requests.</p> <p>The public can speak on any agenda item for a maximum of three minutes per speaker per item. You are not required to register your intention to speak in advance but should arrive at the meeting a few minutes early, complete a Public Address Protocol and notify the Scrutiny Officer of your intention to speak.</p>
3	<b>Declarations of Interest (Including Whipping)</b>		Members to state any interests.
4	<b>Call In of Cabinet Decision of 12 September 2012 Item 6- Disposal of Museum Artefact</b>	<b>1 - 5</b>	<p>Called-in by Councillors Terry Wire and David Palethorpe (copy attached).</p> <p>Item 6, decision taken on Wednesday, 12<sup>th</sup> September 2012:</p> <p><b>Decision:</b></p> <p>“Cabinet agreed to sell the council’s Egyptian statue, Sekhemka, on condition that:</p> <ul style="list-style-type: none"> <li>a) The disposal achieves a price in line with the independent sale valuation that has been obtained.</li> <li>b) The disposal is undertaken in accordance with relevant legal provisions and the council’s financial regulations.</li> <li>c) Industry good practice is observed in achieving disposal.</li> </ul> <p>Cabinet delegated to the Director of Customers and Communities, in consultation with the Cabinet Member for Community Engagement, the Director of Resources and the Borough Secretary, authority to take all necessary steps to achieve the sale of Sekhemka. Those steps to include authority to:</p> <ul style="list-style-type: none"> <li>i) Seek interest and negotiate a disposal to a national or local public sector or not for profit museum or similar body.</li> </ul>

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- ii) Appoint an auction house to negotiate a sale on behalf of the council either by auction or private sale at an agreed fee and/or rate of commission.
- iii) Negotiate a private sale.
- iv) Incur reasonable expenditure necessary to pursuing and or achieving disposal.

Cabinet agreed that all proceeds of the disposal of Sekhemka be used for the restoration of Delapre Abbey, improvements to the museum service and/or other cultural or heritage projects.”

## **Reasons for call-in:-**

- “1. The sale of the Sekhemka statue has been hurried through without careful consideration to other possible alternatives and financial implications.
2. The Cabinet report says the proceeds of sale of the statue would be ‘entirely reinvested in the town’s cultural and heritage priorities, including the restoration of Delapre Abbey’. Much more clarification needs to be given, as this statement is very vague.
3. There needs to be more consideration whether this sale is in breach of NBC’s own museums policy (Acquisitions and Disposal Policy, 2010). When Cabinet made this decision on Wednesday 12<sup>th</sup> September the relevant sections of the Acquisition and Disposal Policy was not presented to members to help inform their decision.

Therefore Cabinet may have made this decision with lack of sufficient evidence.

4. In addition, does Northampton Borough Council have legal documentation as to whether it actually owns this statue? The statue has been historically gifted and the report does not say whether any conditions of ownership were put in place. This should be investigated.

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5. The Cabinet report says consultation is underway. The sale of the statue should only be considered once consultation has been completed. More consultation needs to be carried out with various stakeholders such as Friends of Northampton Museums and Art Gallery, tourist/heritage groups and local users of the Museums.”

## **Procedure for Call In Hearing**

Public speakers will be asked to address the Committee; a maximum of three minutes is given to each to make comment.

The Call-In Authors, Councillors Terry Wire and David Palethorpe, will be invited to expand upon their reasons for concern, following which the Overview and Scrutiny Committee will question the Call-In Authors.

Councillor Brandon Eldred, Cabinet Member for Community Engagement, will be invited to make a presentation outlining his main reasons for the decision. The Committee will then put questions to the Cabinet Member and Officers.

Officers will be invited to give evidence and respond to the Overview and Scrutiny Committee’s questions. The Officers will be asked to give their reasons for any recommendations or advice to Members. A question and answer session will follow.

The Call-In Authors will then be given the opportunity to add any points of clarification before any resolution or recommendation is moved.

The Chair will then sum up the findings regarding the Cabinet decision. If there are still concerns, the Chair will lead in the determination of the recommendation with reasons for consideration by Cabinet. At the conclusion of the debate and following response to all matters raised, the Chair will ask the Committee to vote to determine whether or not it upholds the decision of the Cabinet.

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5	The Chair to Move:-		That the public be excluded from the remainder of the meeting on the grounds that there is likely to be disclosure to them of such categories of exempt information as defined by Section 100 [1] of the Local Government Act 1972 as are listed against such items or items of business by reference to the appropriate paragraph of Schedule 12a to such Act
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# Agenda Item 4

The Decision by Cabinet on 12<sup>th</sup> September, Item 6: *“Disposal of Museum Artefact”*.

## *Reasons For Call-In*

1. The sale of the Sekhemka statue has been hurried through without careful consideration to other possible alternatives and financial implications.
2. The Cabinet report says the proceeds of sale of the statue would be ‘entirely reinvested in the town’s cultural and heritage priorities, including the restoration of Delapre Abbey’. Much more clarification needs to be given, as this statement is very vague.
3. There needs to be more consideration whether this sale is in breach of NBC’s own museums policy (Acquisitions and Disposal Policy, 2010). When Cabinet made this decision on Wednesday 12<sup>th</sup> September the relevant sections of the Acquisition and Disposal Policy was not presented to members to help inform their decision. Therefore Cabinet may have made this decision with lack of sufficient evidence.
4. In addition, does Northampton Borough Council have legal documentation as to whether it actually owns this statue? The statue has been historically gifted and the report does not say whether any conditions of ownership were put in place. This should be investigated.
5. The Cabinet report says consultation is underway. The sale of the statue should only be considered once consultation has been completed. More consultation needs to be carried out with various stakeholders such as Friends of Northampton Museums and Art Gallery, tourist/heritage groups and local users of the Museums.

## Call-in Authors

Cllr Terry Wire DL, Leader of the Labour Group

Cllr David Palethorpe, Shadow Cabinet Member for Finance



**CABINET REPORT**

<b>Report Title</b>	<b>Disposal of Museum Artefact</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	12 September 2012
<b>Key Decision:</b>	Yes
<b>Listed on Forward Plan:</b>	Yes
<b>Within Policy:</b>	Yes
<b>Policy Document:</b>	No
<b>Directorate:</b>	Customers and Communities
<b>Accountable Cabinet Member:</b>	Councillor Brandon Eldred
<b>Ward(s)</b>	Non-specific

## **1. Purpose**

- 1.1 To seek Cabinet's agreement to the sale of a valuable Egyptian limestone statue of Sekhemka, which is currently part of the Egyptian collection held by the council's museum service.

## **2. Recommendations**

That Cabinet:

- 2.1 Agrees to sell the council's Egyptian statue, Sekhemka, on condition that:
- a) The disposal achieves a price in line with the independent sale valuation that has been obtained.
  - b) The disposal is undertaken in accordance with relevant legal provisions and the council's financial regulations.
  - c) Industry good practice is observed in achieving disposal.

- 2.2 Delegates to the Director of Customers and Communities, in consultation with the Cabinet Member for Community Engagement, the Director of Resources and the Borough Secretary, authority to take all necessary steps to achieve the sale of Sekhemka. These steps to include authority to:
- 1) Seek interest and negotiate a disposal to a national or local public sector or not for profit museum or similar body.
  - 2) Appoint an auction house to negotiate a sale on behalf of the council either by auction or private sale at an agreed fee and/or rate of commission.
  - 3) Negotiate a private sale.
  - 4) Incur reasonable expenditure necessary to pursuing and or achieving disposal.
- 2.3 Agrees that all proceeds of the disposal of Sekhemka be used for the restoration of Delapre Abbey, improvements to the museum service and/or other cultural or heritage projects.

### **3. Issues and Choices**

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#### **3.1 Report background**

- 3.1.1 Over the past few months work has been undertaken to identify and assess the potential for disposal of a valuable Egyptian limestone statue of Sekhemka which is in the possession of the council's museum service.
- 3.1.2 With the assistance of an independent legal expert, a clear opinion has been formed that a successful disposal can be achieved.
- 3.1.3 Information has been gathered and considered from the following sources:
- i) Arts Council England
  - ii) An Egyptian antiquities specialist
  - iii) Museums Association
  - iv) Staff and former staff
- 3.1.4 A robust Acquisitions and Disposals Policy, refreshed in 2010, in line with best practice, is in place in the museum service. A Relative Strategic Importance of Collections Review (extrapolated from the 2010 Acquisitions & Disposals Policy) has recently been undertaken. A business case for disposal of the artefact has also been produced. All three documents will assist a successful disposal of this artefact.



### **3.2 Choices (Options)**

- 3.2.1 Cabinet can choose to dispose of Sekhemka as per the recommendations of this report. This would bring about a significant capital receipt which would be entirely reinvested in the town's cultural and heritage priorities, including the restoration of Delapre Abbey.
- 3.2.2 Cabinet can choose to retain the statue and request that steps are taken to make adequate security provisions to allow it to be put back on display.
- 3.2.3 Cabinet could consider loaning the statue to another museum. A number of museums have expressed interest in such a loan.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

- 4.1.1 The recommendations of this report are in accordance with the Relative Strategic Importance of Collections Review and the 2010 Acquisitions & Disposals Policy.

### **4.2 Risk**

- 4.2.1 Risks arising from this report mainly relate to the complex legal implications that the sale of an Egyptian artefact historically gifted to the council will inevitably give rise to, which have been mitigated by the commissioning of expert legal advice.
- 4.2.2 There are also risks to the council's standing and reputation with national bodies and external funders which have been mitigated by proactive consultation and engagement and adherence to good practice.
- 4.2.3 A risk assessment has taken place and will be monitored up to and beyond the achievement of a sale.

### **4.3 Financial implications**

- 4.3.1 A successful disposal would realise a substantial financial receipt which would be reinvested in the town's cultural and heritage priorities, including the restoration of Delapre Abbey.
- 4.3.2 The council currently benefits from a variety of external funding streams. If we continue to proceed in accordance with good practice, such funding streams should not be negatively affected by this proposed disposal.
- 4.3.3 Significant commission fees will be charged to a successful bidder if we use an auction house or similar agent to dispose of the statue. As there are regulatory limits on the extent to which costs of disposal can be offset against a capital receipt care will need to be taken to fully understand the implications (if any) to the council of this restriction before proceeding with a sale by auction or other type of sale that may involve the payment of significant commission by a buyer.
- 4.3.4 Some expenditure will be incurred in pursuit of a successful disposal even if the statue is not ultimately sold. Such costs mainly relate to legal and other

professional advice and minor ancillary expenses. Provision for these costs has been made in the Museum Service budget.

#### **4.4 Legal implications (including property)**

4.4.1 There are complex legal issues arising from this proposed disposal. Expert legal advice has already been sought which has indicated that a successful disposal can be achieved.

4.4.2 There are however significant legal risks and issues in relation to a range of matters that need to be carefully considered and managed up to and beyond disposal if a successful sale is to be achieved.

#### **4.5 Equality**

4.5.1 An equalities impact assessment will be undertaken and appropriate steps taken to address any issues identified.

#### **4.6 Consultees (internal and external)**

4.6.1 Consultation is already underway. Key consultees have been identified and engaged with. These include senior politicians, staff, Arts Council England, Museums Association and industry experts.

4.6.2 The recently undertaken Relative Strategic Importance of Collections Review (extrapolated from the 2010 Acquisitions & Disposals Policy) will be used as the basis of a public consultation exercise.

#### **4.7 How the proposals deliver priority outcomes**

4.7.1 The proposal contained in this report will contribute to the town's cultural and heritage offer helping to make Northampton a better place to live, work, visit and invest.

#### **4.8 Other implications**

4.8.1 None.

**Julie Seddon, Director of Customers and Communities**