

Finance and Delivery Committee
Monday 8th June 2026- 7 pm
Sevenoaks Town Council Chamber TN13 3QG

Sevenoaks District Council (SDC) Agenda Papers for its Finance & Investment Advisory Committee 9th June 2026 have now been published,
<https://cds.sevenoaks.gov.uk/ieListDocuments.aspx?Cld=359&Mld=3767&Ver=4&J>

A summary of the Options presented in relation to the transfer of the Stag to Sevenoaks Town Council (STC) are set out below:

	SDC Options	Cost* to STC (Local ratepayers)	STC Considerations
SDC Option1	• Transfer of Freehold to Sevenoaks Town Council • It is recommended for the Community Asset Transfer of the Stag Community Arts Centre to Sevenoaks Town Council for £650,000 based on the Existing Use Value as a community arts centre and theatre, subject to appropriate legal safeguards including asset locks, overage provisions where relevant, and compliance with statutory requirements, in line with the adopted Disposals Policy. • This option would transfer the freehold interest subject to extensive restrictive covenants and overage provisions. A personal easement, and shift provisions, would also be granted to The Stag to permit rear access to the theatre. • Indicative Heads of Terms: • Restriction to community arts, cultural and civic uses • Restriction on disposal requiring District Council consent	£650,000	STC does not have the funds in current funds. Potential options for financing • Some funds from Capital Receipts could be used. • Borrowing if that is possible • Crowd fundraising • Increase to Precept Stag Petition • It should be noted that over 7,000 members of public signed a petition requesting SDC to hand over the Stag at Nil cost. Benefits • STC and the local community would finally own the asset • Security for long-term investment – see plans at end of report. • Such ‘negotiations’ would not be needed again in the future. Re Indicative Heads of Terms

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	• Overage / clawback payable upon future redevelopment or release of restrictions • Rights of re-entry for breach of covenant • Requirement for continued community access and operation • Potential nomination or liaison rights regarding governance oversight. Advantages • Transfer of long term ownership and liabilities • Greater certainty for the Town Council to invest in the asset • Potential alignment with local governance and community stewardship objectives. Disadvantages • Permanent loss of District Council ownership • Greater long term strategic opportunity cost • Higher governance and valuation sensitivity requiring robust legal drafting		• Clawback/overage conditions should be reducing over the years • As per similar previous agreements on assets • Clawback/overage should not be payable on development relating to improving the building.
SDC Option 2	30 year Lease to Sevenoaks Town Council However, in the event that Sevenoaks Town Council does not wish to proceed on the basis of the above, it is recommended for a disposal of the Stag Community Arts Centre by way of granting a new 30 year lease with Sevenoaks Town Council, on terms to be agreed, with the freehold retained by Sevenoaks District Council.	Peppercorn?	Currently the agenda papers state peppercorn rent but do not reflect rent reviews which is a concern. In a liaison meeting 2.6.26 SDC stated verbally that the peppercorn rent could be set for the entire lease without rent reviews. The current lease has no Tenancy Rights; this could result in a similar 'negotiation' happening in years to come after investing considerably in the venue.

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	This would retain the District Council's freehold ownership whilst enabling long term operational control by the Town Council. The Council would also grant an access agreement over the car park which would be aligned with the 30 year lease of the building. Indicative Heads of Terms • Lease term of 30 years at peppercorn rent • Permitted use restricted to community, cultural, theatre, cinema and ancillary uses • No assignment, underletting or disposal without District Council consent. • Full repairing and insuring obligations • Clawback provisions linked to change of use or Disposal • Break/re-entry provisions for material breach • Periodic performance and governance review Arrangements. Advantages • Retention of strategic freehold control by the District Council • Reduced subsidy control and valuation risk • Greater protection against inappropriate • future redevelopment Disadvantages • Continued long term residual ownership		
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	liabilities Reduced certainty for the Town Council regarding future investment confidence.		
SDC Option 3	Current arrangement continues – 9 years left on lease and freehold moves to new Unitary Council However, in the event that Sevenoaks Town Council does not wish to proceed on the basis of the above, a long lease arrangement represents the lower risk option from a strategic asset management and governance perspective because it enables continued community operation whilst retaining District Council ownership and future strategic control.		With only 9 years left on the lease, and no Tenancy Rights there are serious concerns about the long term future of the asset and its community arts. In the current agenda papers SDC states (Para 57) <i>“an alternative option for the Council could be to declare the asset surplus to its requirements and dispose of the Stag at an open market disposal, where it could potentially realise a capital receipt of between c.£1.0m - £1.5m. this option is not being considered as the Council considers the asset to be a strategic community asset that should remain under local stewardship.”</i> However, this may be of interest to the new Unitary Authority
Other options may be possible?	Appeal to Secretary of State		SDC Agenda Papers (para 34) states <i>“The Secretary of State can put in place a statutory instrument with the new established unitary authority that allows the transfer to take place”</i> .

Notes

- *Option 1 and Option 2 will incur additional conveyance costs relating to surveyors and legal matters.
- SDC are expecting a letter relating to the Stag Transfer from its auditors Grant Thornton.
- STC has requested a copy of SDC Valuation Report as it indicates £650,000 compared to STC Valuation Report of £450,000.
- SDC state – Overall, the application demonstrates clear community benefit and strategic alignment with the Council’s community and

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wellbeing objectives. The Council must nevertheless carefully balance these benefits against the permanent disposal of a significant town centre asset and the associated long term strategic implications.

RECOMMENDATION: To delegate to Chair and Vice Chair of Finance & Delivery Committee, Chief Executive and Responsible Finance Officer ongoing negotiations regarding the Stag Freehold or Lease and to report back for consideration and verification from the Town Council.

Future for the Stag – some draft outline proposals

(AI generated, for illustrative purposes only, not to scale or final detail)



Future ambitious proposals for the Stag include providing additional seating (to attract