Sevenoaks Town Council - 1st September 2026
Finance & Delivery Committee – 1st September 2026

SDC Community Asset Transfer & Stag

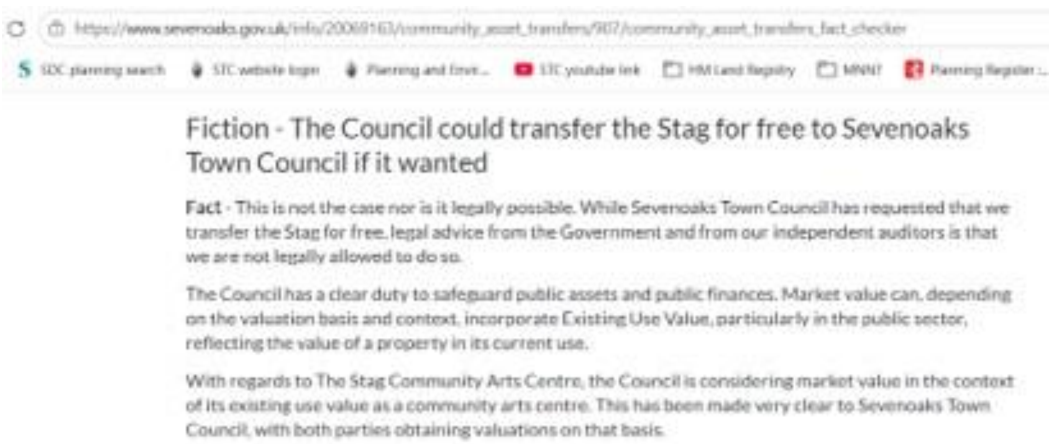
Legal Matters
It is now clear via correspondence between SDC & SDC legal representatives that the following had been established in relation to a Community Asset Transfer for the Stag noting legislation* noting that it's Under Value does not exceed £2m:

- There is no legal, government, or auditor requirement to charge Market Value or Existing Use Value
- It is legal and lawful to transfer at a nominal value
- Subsidy Control is not relevant
- Best Value is essential and has been demonstrated that the Community Asset Transfer represents social and economic well-being as per STC's Business Proposal and the SDC s.151 Best Value Assessment presented to June 2026 Cabinet Meeting. There are clear grounds whereby it can be said that a disposal of the freehold would uplift the social and economic wellbeing of the Sevenoaks area. For these reasons SDC would require no consent to transfer the freehold of the Stag at below 'best' consideration, should they choose to do so.
- SDC's Disposal Policy: SDC confirmed in its email from Head of Legal & Democratic Services 8th May 2026 that this policy is not within SDC's Policy Framework and therefore can be amended as required by Cabinet.

STC maintains that the Stag is a public asset and the public should not need to pay for the facility as it moves from one local authority to another.

It is disappointing and departing from normal practice that SDC has consistently refused to enter into negotiation and mediation with STC and that a legal process had to be entered into for these points to be clearly established and confirmed by SDC. Also, that STC's financial offer for the Stag was not presented to FIAC or Cabinet.

It is also a matter of serious concern that SDC continues to publish statements that appear inconsistent with the legal position now established. The following statement remains on SDC Website and the most recent Press Release (distributed at the same time as the SDC June Agenda Papers) from Portfolio Holder Cllr Julia Thornton dated 5th June 2026 stated, "Disposal of the entire freehold of the Stag for free is not deemed to be legally acceptable within the established national legal guidance."



Fiction - The Council could transfer the Stag for free to Sevenoaks Town Council if it wanted

Fact - This is not the case nor is it legally possible. While Sevenoaks Town Council has requested that we transfer the Stag for free, legal advice from the Government and from our independent auditors is that we are not legally allowed to do so.

The Council has a clear duty to safeguard public assets and public finances. Market value can, depending on the valuation basis and context, incorporate Existing Use Value, particularly in the public sector, reflecting the value of a property in its current use.

With regards to The Stag Community Arts Centre, the Council is considering market value in the context of its existing use value as a community arts centre. This has been made very clear to Sevenoaks Town Council, with both parties obtaining valuations on that basis.

Agenda Item 6

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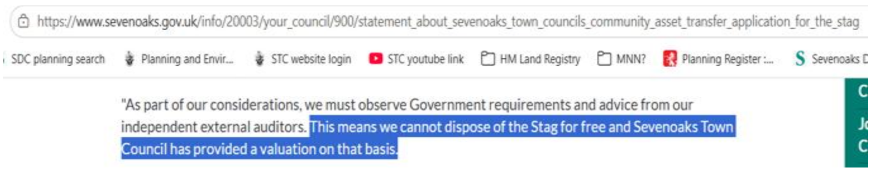

SDC has stated "This was intended as a communication with the lay public. Its use of simple language my not have spelled out the difference between what was legally possible, and what the Council considered capable of being justified having regard to its fiduciary and BV duties, Auditor concerns, and its Disposals Policy. However, although the Council accepts the 'fact checker' could have been expressed differently, it was seeking to make the point that, in the light of the advice from the Government and the Auditor, there were no sufficient grounds for the Council to take a decision to dispose of the Centre for free."

These public statements are not legally correct and very misleading to elected members and the public and should be removed.

STC's Kings Counsel legal representative stated "On a fair reading of the Report (SDC FIAC & Cabinet June 2026), it is clear that the underlying legal advice to SDC – and therefore the subsequent Report to Cabinet – members were materially misled on a matter bearing upon their decision, and the error has gone uncorrected before the decision was made. In this case SDC was materially misled by the legal errors that the Report was based upon."

It is clear from a review of SDC's agenda papers that it delivered a constant narrative that it was not legally possible to make a Community Asset Transfer of the Stag at a nominal value for the points raised above; we all now know that is not the case.

The legal correspondence also records that, notwithstanding the matters set out above, SDC does not intend to change its June 2026, even if directed by the courts to reconsider. SDC therefore intends to maintain its position that Market Value or Existing Use Value should be charged, despite the petition signed by 7,500 members of the public. STC understands that SDC has relied on the upper end of its valuation range without applying the reductions identified in the valuer's comments. STC acknowledges that SDC may lawfully decide to charge for a Community Asset Transfer and noted SDC's stated position that this is required for its own fiduciary reasons.

At the Sevenoaks Town Council Meeting on 24th August 2026 - It was therefore **RESOLVED** for the above reasons, the anticipated timeline, and complications with LGR, and costs to the public purse that STC made the decision to not currently proceed with the proposed Judicial Review and request an Open Letter from its litigation solicitors providing details of the matter to date (see attached).

Note: Legislation* - Circular 06 /03: Local Government Act 1972 general disposal consent (England) 2003 – disposal of land for less than best consideration that can be reasonably obtained.

Recommendation 1 - Acquiring the Freehold of the Stag

*STC remains firmly of the view that the **Stag is a Public Asset**, and the public should not be charged for the movement of the public asset from one local authority to another.*

However, if STC's and the Stag's priority is to secure the Stag for current and future generations and enable substantial future investment acquisition of the freehold may represent the only viable opportunity to achieve those objectives, notwithstanding STC's concerns about the vendor's approach.

In addition, the following could be considered in relation to the acquisition of the freehold:

- *In 1974 during Local Government Reorganisation decisions on assets would have been made on information at the time, however now looking at these there seems to have been one off opportunities missed which have shaped Sevenoaks.*
- *The asset is a key community asset not only essential for the cultural and economy of the town, but also home to the youth café.*
- *The Freehold would enable the current and future STC and Stag not to be beholden to any landlord, potential rent increases and or worst case non-renewal of lease.*
- *STC has developed other community assets at approximate £2m - £3m, in economic terms obtaining such an asset at £650,000 (although disagreeable) would be good value.*
- *The Freehold would enable future long term major investment not only for the venue but also for the town.*
- *The other option of the 30 year lease would enable continuation with the status quo and some improvements to the venue it is unlikely to secure serious large scale investment. It is also unlikely that the new UA would have the resources or desire to re-enter into negotiations if a 30 year lease is entered into. Legal advice is that this would also prevent any future legal challenges.*
- *STC could use the financial process below to pay SDC for the Stag. This would not increase the precept. This is also the Stag CEO preferred option to obtain the Freehold as opposed to Lease.*

£	
350,000	Public Works Loan Board repayments £27,000 p.a.
200,000	STC Capital Receipts Reserve

100,000	Fundraising
650,000	

The £27,000 PWLB payment would be in place of the annual grant to the Stag.

Recommendation 2 - Consider all SDC options including Lease

The three options from SDC are set out below, including a 30 year Lease, with comments and Terms and Conditions remain unclear.

Background to Date

	SDC Options	Known Heads of Terms (as per SDC agenda 16th June 2026)	STC Concerns
1	**Transfer of Freehold of Stag @ £650,000**	• Restriction to community arts, cultural and civic uses • Restriction on disposal requiring District Council consent • 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	STC remains of the view that the public should not pay for a public asset because it is being transferred from one local authority to another. It is legally possible for SDC to make a CAT of the Stag at a nominal value, SDC choose not to stating it is its fiduciary duty to obtain maximum income. The Market Value of £650,000 does not take into account all valuations and professional suggestions that for a CAT a nil value would not be unreasonable. Stag submitted a petition for CAT to take place at nominal value, 7.500+ signatures.
2	**30 Year Lease**	• Lease term of 30 years at a peppercorn rent • Permitted use restricted to community, cultural, theatre, cinema and ancillary uses • No assignment, underletting, or disposal	STC would want clear clarification that the peppercorn rent was for the complete term. Large rent review increases would destabilise the sustainability of the venue

		without District Council consent • Full repairing and insuring obligations • Clawback provisions linked to change of use or disposal • Break / re-entry provisions of material breach • Periodic performance and governance review arrangements	Without Right to Renew Tenancy Rights the Town Council and Stag will return to the same position in 20 years' time. The lack of Right to Renew Tenancy Rights and term of lease could prevent major investment.
3	**Current Lease transfers to new Unitary Authority**	• Current lease expires 2035 • Currently contains 5 yearly rent reviews	The new Unitary Authority will become operational in 2028 at which point the Stag will have a 7 year lease remaining. It is expected that the new Unitary Authority will have large scale requirements of it including Social Care and not have the resources or capacity to address venue leases such as this for some time. If the lease runs out the Unitary Authority may have to follow other processes to renew. The current lease includes the right to review the rent – which could be detrimental to the Stag sustainability It will not be possible to attract large scale external investment or even confidence of the Stag or Town Council to invest in the facility with such a short lease and no Right to Renew.

SHARPE PRITCHARD

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25 August 2026

Dear Sevenoaks District Council,

Our client: Sevenoaks Town Council

In the proposed matter between Sevenoaks Town Council ("STC") and Sevenoaks District Council ("SDC") regarding the disposal of the Stag Community Arts Centre ("Stag")

1. We act for STC in this matter.

2. We refer to SDC's decision of 16 June 2026 to dispose of the Stag, either by freehold transfer for £650,000 or by a 30-year peppercorn lease (the "**Decision**"), STC's pre-action protocol letter dated 21 July 2026, and the parties' subsequent correspondence, most recently SDC's letter of 17 August 2026 rejecting the proposed claim and declining mediation.

STC's decision

3. We are instructed to confirm that STC has decided not to pursue the proposed claim for judicial review.

4. STC reached that decision after carefully considering the cost to the public purse of contested litigation. At this stage, STC does not consider it a responsible use of public money to bring proceedings against another local authority in respect of an asset that both councils hold for the benefit of the same community. This decision does not alter STC's view of the merits.

STC's position

5. STC's position is that the Stag is a public asset held for the people of Sevenoaks. STC does not consider that the community should, in effect, be required to pay for that asset as it moves from one local authority to another, when both hold it on the community's behalf.

6. STC understands that SDC now accepts that a transfer of the Stag at nil or nominal value is, in principle, lawful, but has chosen instead to charge. STC remains of the view that a community asset transfer at nil or nominal value would be lawful, would not require the Secretary of State's consent, and would deliver clear social and economic benefits for the Sevenoaks area. STC does not repeat the detailed legal analysis set out in earlier correspondence, but stands by it in full.

Engagement between the councils

7. STC notes that SDC declined its offers to mediate. STC considers that a disagreement of this kind, between two local authorities serving the same community, should have been capable of resolution through dialogue. SDC's decision not to engage left STC with little practical alternative but to raise its concerns through the pre-action process so that they could be properly considered.

Public communications

8. To help residents understand STC's approach to this matter, STC intends to publish this letter on its website.

9. To the extent that SDC's published material about the disposal of the Stag, including material on its website (for example: https://www.sevenoaks.gov.uk/info/20069163/community_asset_transfers/907/community_asset_transfers_fact_checker), predates the position described in paragraph 6 above, STC would welcome SDC reviewing and updating it so that it reflects the position now understood between the parties.

Next steps

10. STC's decision not to pursue judicial review at this stage is without prejudice to its position on the merits and to any rights or remedies otherwise available to it.

11. Nor should STC's decision be taken as any loss of interest in the Stag. STC remains a willing transferee and continues to wish to see the Stag secured for the long-term benefit of the community.

12. Consistent with that position, STC notes SDC's stated willingness, most recently expressed in its letter of 17 August 2026, to continue working with STC in relation to the Stag. STC shares that willingness and will be in touch in due course.

13. STC does not require a substantive response to this letter and regards the pre-action correspondence as closed.

Yours faithfully,

Sharpe Pritchard

SHARPE PRITCHARD LLP