

16 June 2020 at 3.00 pm

This meeting will be held virtually and will be
livestreamed here:

https://www.youtube.com/channel/UCIT1f_F5OfvTzxjZk6Zqn6g



Despatched: 08.06.20

People & Places Advisory Committee

Supplementary Agenda

The Chairman has agreed to bring the following urgent items to committee for consideration. Reasons for urgency are listed below each item.

	Pages	Contact
13. COVID19 - Draft Economic Recovery Plan and Actions	(Pages 1 - 2)	Sarah Robson Tel: 01732227129
Reason for urgency:		
Planning has commenced for swiftly mobilising the Recovery Phase. The economic impact for the District is at the heart of recovery planning. It is therefore more important than ever that the Council considers its response to mitigate the impact of the pandemic on the District's economy. Therefore, this report cannot be postponed until the next People and Places Advisory Committee in October 2020.		
14. COVID19 - Draft Communities Recovery Plan and Actions	(Pages 3 - 4)	Sarah Robson Tel: 01732227129
Reason for urgency:		
Planning has commenced for swiftly mobilising the Recovery Phase. The community impact for the District is at the heart of recovery planning. It is therefore more important than ever that the Council considers its response to mitigate the impact of the pandemic on the District's communities. Therefore, this report cannot be postponed until the next People and Places Advisory Committee in October 2020.		

15. **Supporting the Recovery of Leisure in the District**

(Pages 5 - 12)

Sarah Robson
Tel: 01732227129

Reason for Urgency:

Sencio Community Leisure and The Stag Community Centre services will have an essential role to play to reconnect with communities and bring people together through sport and physical activities once the current lockdown position changes. It is therefore more important than ever that the Council urgently considers the support this organisation may require to mitigate significant financial difficulties and risk during this difficult time. Lockdown restrictions are being lifted and the Council needs to consider its position now, therefore, this report cannot be postponed until the next People and Places Advisory Committee in October 2020 but needs a decision made at Cabinet on 9 July 2020. It has missed the 28 clear days notice due to the ongoing and daily changing advice from central Government during this pandemic.

16. **Supporting the Recovery of Culture in the District**

(Pages 13 - 20)

Sarah Robson
Tel: 01732227129

Reason for Urgency:

The Stag Community Centre services will have an essential role to play to reconnect with communities and bring people together through culture activities once the current lockdown position changes. It is therefore more important than ever that the Council urgently considers the support the organisation may require to mitigate significant financial difficulties and risk during this difficult time. Lockdown restrictions are being lifted and the Council needs to consider its position now, therefore, this report cannot be postponed until the next People and Places Advisory Committee in October 2020 but needs a decision made at Cabinet on 9 July 2020. It has missed the 28 clear days notice due to the ongoing and daily changing advice from central Government during this pandemic.

If you wish to obtain further factual information on any of the agenda items listed above, please contact the named officer prior to the day of the meeting.

Should you need this agenda or any of the reports in a different format, or have any other queries concerning this agenda or the meeting please contact Democratic Services on 01732 227000 or democratic.services@sevenoaks.gov.uk.

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COVID-19 - DRAFT ECONOMIC RECOVERY PLAN AND ACTIONS

People & Places Advisory Committee - 16 June 2020

Report of Chief Officer - People & Places and Chief Officer - Finance & Trading

Status For information

Also Considered By Improvement & Innovation Advisory Committee - 25 June 2020

Key Decision No

Portfolio Holder Cllr. Lesley Dyball

Contact Officer Sarah Robson, Ext 7219 and Adrian Rowbotham, Ext 7153.

Recommendation to Cabinet: To note the presentation.

Reason for recommendation: The reporting of the draft economic recovery plan and actions is to allow Cabinet to discuss these and set the priorities for officers

Introduction and Background

- 1 As we move from response to recovery the presentation looks to bring together those statutory and duties we have as a district council in leading the recovery of our towns and villages.

Key Implications

Financial

None directly arising from the presentation.

Legal Implications and Risk Assessment Statement

None directly arising from the presentation.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

COVID-19 - DRAFT COMMUNITIES RECOVERY PLAN AND ACTIONS

People & Places Advisory Committee - 16 June 2020

Report of Chief Officer - People & Places

Status For information

Also Considered By Improvement & Innovation Advisory Committee - 25 June 2020

Key Decision No

Portfolio Holder Cllr. Lesley Dyball

Contact Officer Sarah Robson, Ext 7219

Recommendation to Cabinet: To note the presentation.

Reason for recommendation: The reporting of the draft communities recovery plan and actions is to allow Cabinet to discuss these and set the priorities for officers

Introduction and Background

- 1 As we move from response to recovery the presentation looks to bring together those statutory and duties we have as a district council in leading the recovery of our towns and villages.

Key Implications

Financial

None directly arising from the presentation.

Legal Implications and Risk Assessment Statement

None directly arising from the presentation.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

SUPPORTING THE RECOVERY OF LEISURE IN THE DISTRICT

People & Places Advisory Committee - 16 June 2020

Report of Chief Officer - People & Places

Status For Decision

Also considered by Cabinet - 9 July 2020

Key Decision Yes

Executive Summary: The report outlines the impact of the COVID-19 pandemic on the leisure industry and sets out a request from Sencio Community Leisure for financial assistance to mitigate current financial difficulties related to the closure of their facilities due to the Coronavirus outbreak.

This report supports the Key Aim of related elements of the District Council's Community Plan.

Portfolio Holder Cllr. Lesley Dyball

Contact Officer(s) Sarah Robson, Ext. 7129

Recommendation to People & Places Advisory Committee:

- (a) To consider the information provided in the report, the financial implications and risk assessment and advise Cabinet on the request for an extension to the current payment holiday on Sencio's loan repayments to the Council by a further 3 months to 30 September 2021.
- (b) To consider the information provided in the report, financial implications and risk assessment and advise Cabinet on the request from Sencio for a Council loan of up to £120,000 over the next 3 months towards essential utility costs.
- (c) To advise Cabinet on the loan terms, it is proposed that the loan will be interest free, but with the stipulation that it will be paid back to the Council in financial year 2021/22. If the loan is not paid within the repayment period, any outstanding balance will accrue and be charged a rate of 6% interest with effect from April 2022.

Recommendation to Cabinet:

- (a) To consider the information provided in the report, the financial implications and risk assessment and advice from People & Places Advisory Committee and reach a decision on the request for an extension to the
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current payment holiday on Sencio's loan repayments to the Council by a further 3 months to 30 September 2021.

- (b) To consider the information provided in the report, the financial implications and risk assessment and advice from People & Place Advisory Committee and reach a decision on the request from Sencio for a Council loan of up to £120,000 over the next 3 months towards essential utility costs.
- (c) If it is decided to provide a loan, to approve that the loan will be interest free, but with the stipulation that it will be paid back to the Council in financial year 2021/22. If the loan is not paid within the repayment period, any outstanding balance will accrue and be charged a rate of 6% interest with effect from April 2022.
- (d) If the decision is reached to provide further financial assistance to Sencio, to delegate authority to the Portfolio Holder for People and Places in consultation with the Chief Officer People and Places to undertake any minor amendments.

Reason for recommendation: Access to leisure services will play an essential role in reconnecting with communities and bringing people together through sport and physical activities once the current lockdown position changes. It is therefore important that the Council urgently considers the support Sencio Community Leisure may require to mitigate significant financial difficulties and risk during this difficult time.

Introduction and Background

- 1 The leisure sector across the country has been massively effected by the COVID-19 pandemic. Nationally it expected that the impact will be felt not only in the short term, but also for the medium to long term. Locally, we are seeing considerable pressure being placed on our partner organisation Sencio Community Leisure.
- 2 Councils across the country are working hard to keep supporting leisure providers and facilities during the coronavirus crisis. This includes introducing a range of emergency measures such as relaxing performance requirements, advance payments, waiving management fees and offering financial support. This is despite the impact coronavirus has had on councils own finances and their ability to generate income.
- 3 Leisure operators are facing particular challenges accessing Government support during the pandemic and are largely ineligible for emergency response packages.
- 4 Local authorities and leisure operators alike should anticipate that once lockdown restrictions are lifted, it will take some time to reach full operating capacity due to social distancing requirements.

- 5 The current challenge is to consider support that can alleviate the negative impacts in the short term.

Leisure

- 6 The gym and fitness industry will have a vital role in ensuring the ongoing health and wellbeing of the nation following the lifting of COVID-19 restrictions. Whilst the industry awaits firm guidelines from the Government regarding the timing and mechanism for re-opening there is some advice already filtering through to support this process.
- 7 Leisure facilities across the country are exploring many options to ensure they are able to maximise attendance within the centres as soon as restrictions are lifted. Practical measures currently being considered by leisure operators nationally include moving equipment from fitness suites to sports halls to increase spacing between users, limiting numbers that can attend exercise classes in studios, keeping changing rooms closed and only allowing access to toilet facilities. It is unclear at this stage what actions will be required for wetside activities.
- 8 The Government has however lifted some restrictions on activities taking place outside, this includes golf courses, although does not include driving ranges at this stage.

Local partners

- 9 Lockdown has had a significant impact on our partner organisations, in particular Sencio Community Leisure, in terms of its ability to realise any income to support its operations. Consequently, the organisation has requested urgent assistance with the cash flow challenges and implications resulting from lockdown as they look toward the future and business recovery.

Sencio Community Leisure

- 10 Sencio Community Leisure (Sencio) became responsible for providing leisure services on a 25 year lease, with Sevenoaks District Council as Landlord, and currently have the following facilities:
 - Sevenoaks Leisure Centre
 - White Oak Leisure Centre
 - Edenbridge Leisure Centre
 - Lullingstone Park Golf Course
- 11 On 20 March 2020, due to the COVID-19 pandemic and Government instruction, Sencio closed all of its centres and the golf course.
- 12 Sencio was forced to suspend all direct debits and memberships in light of the situation, resulting in a lost income of approximately £320,000 per month, which includes front of house income. However, Sencio has

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continued to be liable for monthly outgoings of approximately £160,000 per month, which includes utilities, supplier costs, salary costs (for non-furloughed staff) and some pension and PAYE costs.

- 13 Unfortunately, leisure trusts/operators are not eligible for Sport England funding and an application to Government's Business Interruption Loan for £1.5 million has been unsuccessful.
- 14 Information provided by Sencio has also confirmed that although they have no further access to borrowing at this current time, the bank has agreed to support their current overdraft facilities based on Sencio's recovery plan scenarios for reopening the golf course and leisure centres.
- 15 It is also known that a request for a loan to Big Issue Invest has been made, but no decision on that loan had been received at the time of writing.
- 16 The majority of Sencio's 343 staff have been furloughed under the government's Job Retention Scheme (JRS). The remaining staff are used to undertake daily building and plant checks, particularly relating to the swimming pools, alongside Human Resources, Payroll and Marketing support.
- 17 During closure, Sencio has negotiated reduced costs with its utility suppliers, organising payment holidays on leases/rentals for equipment such as fitness gym equipment, golf grounds maintenance equipment, golf buggies and photocopiers. It has also secured 3 month loan payment holidays from Big Issue/Co-operative and Sevenoaks District Council. Sencio has continued to provide their customers with access to online workouts and exercises to support their customers through this difficult time. Sencio also provided the use of Sevenoaks Leisure Centre for the Community Hub and storage of emergency food parcels organised by Sevenoaks District Council up until 17 April 2020.
- 18 The leisure centres are large, complicated buildings to operate and maintain and it is not possible to turn the key, walk away and then expect to return to open the buildings and become immediately operational. Sencio has followed Sport England guidance on essential maintenance on leisure facilities during the pandemic, in particular swimming pool and changing facilities. All non-essential plant, such as air conditioning units have been switched off, but some pieces of plant have to continue to operate in order to maintain services, for example, the water treatment and filter cleansing of the swimming pools, which will ensure that when the centres can re-open they can return to full functionality as quickly as possible. The golf course has also been maintained, including site maintenance and grass cutting.
- 19 The pandemic has had a severe effect on Sencio and to date the District Council has agreed the following support:
 - Released the Management Fee of £26,950 for the whole year up front.

- Provided a 3 month payment holiday on Council loan¹ repayments up to the end June 2020, equating to £22,000 for the quarter. The terms of which, defers payment of the loan without penalty for late payment.
- 20 With effect from 13 May 2020, Government removed restrictions on some outdoor facilities, including golf courses. Sencio successfully re-opened their golf facility on 1 June 2020, albeit in a limited capacity in accordance with social distancing guidelines.
- 21 Industry wide, Community Leisure UK and UK Active have been working with the government and leisure trusts on formulating a corporate strategy regarding recovery for the leisure industry. It is predicted it could take 8-12 months for leisure trusts to recover and even then some programmes/activities that were previously offered may no longer be offered for certain groups of people such as the vulnerable/over 70s.
- 22 Members may also wish to note that some other local authorities have been able to provide financial and other support to their leisure trusts. Locally this includes Tonbridge and Malling Borough Council, who have awarded their leisure trust a direct grant of £300,000 towards core costs as part of a recovery package, rather than a loan.
- 23 Sencio has commenced work in line with the national strategy to identify the impact on re-opening their leisure centres and reshaping the business. The plan has been based on:
- Reopening the golf club on 1 June 2020, with the leisure centres opening on a phased approach from 5 July 2020.
 - Projecting a 10 month period for income to recover, starting at 30% of previous levels and achieving 80% by the end of the financial year. This is based on a reduction in classes/activities, restrictions on events/mass gatherings, reduction of membership fees if activities/facilities are not available and potential staffing redundancies.
 - Risk assessments and safe working practices in place for social distancing for staff and customers.
 - Marketing campaigns promoting health and wellbeing and providing reassurance on health and safety provision for customers.
 - Training for staff on new safe working procedures.
- 24 Sencio is confident that their recovery business plan will enable them to fully recover over the next 10 months, subject to Government's awaited guidance on reopening leisure centres and social distancing requirements.

¹ In 2018 the District Council provided Sencio with a loan of £600,000 repayable over ten years at a rate of 6% interest.

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- 25 Once operational, Sencio will need to meet full operating costs, whilst operating at reduced customer and therefore income capacity. Given the extraordinary circumstances, Sencio's ask of the Council is to consider the following:
- To extend the current payment holiday on Sencio's loan repayments to the Council by a further 3 months to 30 September 2021.
 - To make available to Sencio access to draw down from a Council loan of up to £120,000 over the next 3 months towards essential utility costs. The loan will be interest free, but with the stipulation that it will be paid back to the Council in financial year 2021/22. If the loan is not paid within the repayment period, any outstanding balance will accrue and be charged a rate of 6% interest with effect from April 2022.
 - The loan will support utility and staffing/engineer costs being incurred during the current COVID-19 closures, for example, the water treatment and filter cleansing of the swimming pools, in order to protect and minimise any future maintenance to the Council's property assets and ensure that when the centres can re-open, they can return to full functionality as quickly as possible.

Other Options Considered and/or Rejected

- 26 The Council could chose not to support Sencio Leisure Community Leisure. However, the organisation will have an essential role to play to reconnect with communities and bring people together through culture, sport and physical activities once the current lockdown position changes.

Key Implications

Financial

To date, the District Council has paid the Management Fee of £26,950 to Sencio for the whole year up front. It has also delayed £22,000 of loan repayments due between April and June 2020.

Sencio has requested a further loan repayment holiday of 3 months for the period of July to September 2020. Should this be approved, the Council will have delayed the receipt of a further £22,000 of payments.

Sencio has further requested an interest free loan amount of up to £120,000, which would be paid back during the 2021/22 financial year. If the loan is not paid within the repayment period, any outstanding balance will accrue and be charged a rate of 6% interest with effect from April 2022.

The total potential financial exposure to Sencio could therefore potentially amount to £164,000. This is in addition to the outstanding loan repayments that remain due for the extension to Sevenoaks Leisure Centre which total £546,186.37.

The likelihood of the financial assistance that Sencio are requesting being repaid to the Council is dependent on the success of its recovery business plan and customers returning to the leisure sector over the next 10 months and beyond.

At the time of writing there is no firm guidance on the re-opening of leisure centres from the Government. It is therefore difficult to assess the level of risk associated with loans to Sencio with high levels of accuracy.

It is therefore advised that in making any further financial assistance to Sencio that the Council should be prepared to burden the costs in full, should the Leisure Trust become unable to return to profitability.

Legal Implications and Risk Assessment Statement.

Sencio Community Leisure operate three leisure centres and a golf course across the District on a 25 year lease, with Sevenoaks District Council as Landlord. There are requirements under the lease for the Council to pay a management fee each year and for Sencio to meet service and performance targets in respect of their management of the centres.

From early 2022 Sencio will cease to become the operator of one of those leisure centres.

Coronavirus has had a profound effect on the leisure industry and there is a high risk to the ongoing operation of many leisure trusts, including Sencio, across the country.

This report related to the request to provide financial assistance to Sencio, based on their immediate need to meet costs for the next three months. The financial risks associated with this decision are set out in financial implications above.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Community Impact and Outcomes

Failure to provide support could result in the ultimate closure of Sencio, which would require the Council to act quickly to continue the provision of leisure services for the District. Significant costs are likely to be associated with this.

Conclusions

In line with Government guidance, Sencio Community Leisure has temporarily shut down its facilities. This has had a significant impact on its ability to achieve any income to support their operations. Consequently, Sencio Community Leisure has requested assistance from the Council to help with the cash flow challenges and implications resulting from recent COVID-19 related closures.

SUPPORTING THE RECOVERY OF CULTURE IN THE DISTRICT

People & Places Advisory Committee - 16 June 2020

Report of Chief Officer - People & Places

Status For Decision

Also considered by Cabinet - 9 July 2020

Key Decision Yes

Executive Summary: The report outlines the impact of the COVID-19 pandemic on the culture industry and sets out a request from Sevenoaks Town Council for financial assistance to mitigate current financial difficulties related to the closure of The Stag due to the Coronavirus outbreak.

This report supports the Key Aim of related elements of the District Council's Community Plan.

Portfolio Holder Cllr. Lesley Dyball

Contact Officer(s) Sarah Robson, Ext. 7129

Recommendation to People & Places Advisory Committee:

- (a) To consider the information provided in the report, the financial implications and risk assessment and advise Cabinet on the request to make available to Sevenoaks Town Council, a Council loan of up to £220,000 over the next 8 months towards essential recovery, maintenance and utility costs.
- (b) To advise Cabinet on the loan terms, it is proposed that the loan will be interest free, but with the stipulation that it will be paid back to the Council in financial year 2021/22. If the loan is not paid within the repayment period, any outstanding balance will accrue and be charged a rate of 6% interest with effect from April 2022.

Recommendation to Cabinet:

- (a) To consider the information provided in the report, the financial implications and risk assessment and advice from People & Places Advisory Committee and reach a decision on the request to make available to Sevenoaks Town Council, a Council loan of up to £220,000 over the next 8 months towards essential recovery, building security, liability insurance and utility costs.
 - (b) To approve that the loan will be interest free, but with the stipulation that it will be paid back to the Council in financial year 2021/22. If the loan is
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not paid within the repayment period, any outstanding balance will accrue and be charged a rate of 6% interest with effect from April 2022.

- (c) If the decision is reached to provide financial assistance to Sevenoaks Town Council, to delegate authority to the Portfolio Holder for People and Places in consultation with the Chief Officer People and Places to undertake any minor amendments.

Reason for recommendation: Access to the Arts will play an essential role in reconnecting with communities and bringing people together through cultural activities once the current lockdown position changes. It is therefore more important than ever that the Council urgently considers the support The Stag may require to mitigate significant financial difficulties and risk during this difficult time.

Introduction and Background

- 1 The culture sector across the country has been massively affected by the COVID-19 pandemic. Nationally it is expected that the impact will be felt not only in the short term, but also for the medium to long term. Locally, we are seeing considerable pressure being placed on our partner organisations, in particular The Stag.
- 2 Councils across the country are working hard to keep supporting cultural facilities during the coronavirus crisis. This includes introducing a range of emergency measures such as relaxing performance requirements, advance payments, waiving management fees and offering financial support. This is despite the impact coronavirus has had on the ability of councils to generate income.
- 3 Cultural venues are facing particular challenges accessing Government support during the pandemic and are largely ineligible for emergency response packages.
- 4 Local authorities and cultural venue operators alike should anticipate that once lockdown restrictions are lifted, it will take some time to reach full operating capacity due to social distancing requirements.
- 5 The current challenge is to consider support that can alleviate the negative impacts in the short term.

Culture

- 6 By March 2020, most cultural venues were indefinitely closed with exhibitions, events and performances cancelled or postponed.
- 7 Through this pandemic we have seen the value of culture and creativity across society through drawing, poetry, music and more. The availability of cultural content contributes to mental health and wellbeing, and many

cultural institutions have provided online and free content in recent months for that purpose.

- 8 The culture sector has an important contribution to the economy, delivering activities which create jobs and encourage communities to get involved in their local culture and provide a sense of 'place' and identity. The sector has an important role in supporting communities throughout the year and many organisations are now exploring options to ensure they are able to maximise attendance as soon as restrictions are lifted. Sustainable business models will be imperative for the sector's survival.

Local partners

- 9 Lockdown has had a significant impact on our partner organisations, in particular The Stag, in terms of its ability to realise any income to support its operations. Consequently, Sevenoaks Town Council has requested urgent assistance with The Stag's cash flow challenges and implications resulting from lockdown as they look toward the future and business recovery.

The Stag

- 10 The District Council remains in ownership of the venue. Sevenoaks Town Council signed a 25 year lease to operate the venue in 2009.
- 11 The Stag Community Arts Centre, is an independent, charitable organisation, which adds cultural value to Sevenoaks as a place to live and visit, providing a 450 seat theatre with one of the largest stages in the South East. It shows around 200 touring and community productions per annum. The venue includes The Plaza multi-function space, a cinema with two screens and various bars and café provision. As well as these facilities, The Stag also supports a wide range of art forms through its programming and venue.
- 12 An independent economic impact assessment of The Stag (dated January 2017) shows that The Stag attracts around 250,000 to 300,000 visits¹ per annum, which helps to contribute to the wider local economy.
- 13 Due to the COVID-19 pandemic and Government instruction, The Stag initially closed from 16 March to 20 March and then took the decision to indefinitely close from 21 March 2020.
- 14 There were a number of shows that had to either be cancelled or rescheduled resulting in requests for refunds for participants, which resulted in a loss of income to The Stag. However, The Stag has continued to be liable for monthly outgoings of approximately £25,000 per month, which includes utilities, building security, liability insurance, salaries (for non-furloughed staff) and maintenance costs.

¹ Source: *Project Report: Economic impact assessment of The STAG Community Arts Centre (January 2017)*

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- 15 Most staff have been furloughed and it is currently operating with 3 people (2.6 FTE) with everyone else protected by the Government's job furlough scheme.
- 16 To date, there have been no grants supplied by Government for theatres throughout the pandemic.
- 17 In normal operation, The Stag (like many other theatres and virtually all cinemas) relies on ticket sales and secondary kiosk spend to operate. However, without footfall through the doors (in other words without permission to put on content) The Stag cannot operate.
- 18 It has been suggested that more than a thousand theatres in the UK will simply not re-open post-lockdown. This might represent an opportunity if The Stag was to find a route to remain open, or to remain in position to re-open in the future when social distancing rules begin to be relaxed - and as importantly, audiences return.
- 19 However, Government briefings have insinuated that theatres and cinemas will be one of the last sectors to re-open. The Stag has commenced work to identify the impact of re-opening and reshaping the business. The plan has been based on the following scenarios:
 - Government guidance. If a strict 2 metre spatial isolation rule is mandated and enforced then a worst case scenario would mean The Stag's capacity will be reduced to around 12% of its maximum.
 - Investigating the feasibility and cost of converting the auditorium back to show film.
 - A partial conversion (losing one cinema screen and using an existing projectors) would cost around £20,000. A full conversion (buying a third projector to give future flexibility in using the theatre as a cinema for the biggest films) would add another £40,000.
 - Seeking external capital input - such as a grant, donation or crowd-funding.
 - Risk assessment and safe working practices in place for social distancing for staff and customers.
 - Marketing campaigns providing reassurance on health and safety provision for customers.
 - Training for staff on new safe working procedures.
- 20 Unlike many arts organisations, The Stag does has some cash reserves - put aside year on year of successful operation for improvement projects, new equipment and as an emergency fund. However, the reserves have been reduced by this crisis and will only support the next few months.
- 21 It is understood that up to £220,000 funding is required for the current financial year to enable the long term protection for this community asset which helps to considerably underwrite the local economy. Sevenoaks Town

Council and The Stag have launched a crowdfunding and public awareness campaign to raise funds.

- 22 The Stag has in place a recovery business plan to support its recovery, which is subject to Government's awaited guidance on reopening theatres and social distancing requirements. At this stage, they are unable to predict when the business will be able to recover, due to the potential Government restrictions that will be put in place, which may hinder a return to full income recovery.
- 23 Conversion work will likely need to be undertaken to meet the emerging Government guidelines and once operational, The Stag will need to meet full operating costs, whilst operating at reduced customer and therefore income capacity. Given the extraordinary circumstances, Sevenoaks Town Council's ask of the Council is to consider the following:
- To make available to Sevenoaks Town Council access to draw down from a Council loan of up to £220,000 over the next 8 months towards The Stag's essential recovery, building security, liability insurance and utility costs.
- 24 It is proposed that the loan will be interest free, but with the stipulation that it will be paid back to the Council in financial year 2021/22. If the loan is not paid within the repayment period, any outstanding balance will accrue and be charged a rate of 6% interest with effect from April 2022.

Other Options Considered and/or Rejected

- 25 The Council could choose not to support The Stag. However, the organisation will have an essential role to play to reconnect with communities and bring people together through cultural activities once the current lockdown position changes.

Key Implications

Financial

The District Council remain in ownership of the venue. Sevenoaks Town Council signed its 25 year lease to operate the venue in January 2009. The District Council provided a handover grant of £100,000 per annum for the first five years - specifically split £50,000 operations and £50,000 youth work. The Stag has re-invested more than £800,000 of its surplus in improvements since 2009.

Sevenoaks Town Council has requested a loan amount of up to £220,000, which would be paid back during the 2021/22 financial year.

The likelihood of the financial assistance Sevenoaks Town Council is requesting, being repaid to the Council, is dependent on the success of The Stag's recovery business plan and customers returning to the arts sector over the next 8 months and beyond.

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Additionally, the crowd-funding exercise recently launched by The Stag and Sevenoaks Town Council, has the potential to provide further funding that would reduce the amount of financial support required from any loan facility granted by the District Council.

Furthermore, Sevenoaks Town Council who are responsible for the operator's lease, have the potential to raise the Council Tax precept to cover the additional costs associated with the operation of The Stag. Any increase in the precept would take effect from 1 April 2021.

It is therefore advised that in making any financial assistance available to The Stag that the Council should safeguard the recovery of the loan, by making it conditional on Sevenoaks Town Council entering in to an agreement to meet the costs of the loan repayments and identify how this will be achieved. For example, the Town Council has the ability to raise its precept in 2021/22 to fund the loan should it wish to.

Legal Implications and Risk Assessment Statement.

The Stag is operated by Sevenoaks Town Council on a 25 year lease, with Sevenoaks District Council as Landlord.

Coronavirus has had a profound effect on the arts and there is a high risk to the ongoing operation of many venues across the country.

This report relates to a request to provide financial assistance to Sevenoaks Town Council, based on an urgent need for certainty to meet The Stag's costs over the next eight months. The financial risks associated with this decision are set out in financial implications above.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Community Impact and Outcomes

Failure to support could result in the ultimate closure of The Stag, which would not benefit the Council and would significantly limit our residents' ability to access the arts and is highly likely to have an adverse impact on the wider Sevenoaks economy.

Conclusions

In line with Government guidance, The Stag has temporarily shut down its facilities. This has had a significant impact on the ability of The Stag to achieve any income to support their operations. Consequently, The Stag has requested assistance from the Council to help with the cash flow challenges and implications resulting from recent COVID-19 related closures.

We are advised that failure to support could result in severe difficulties for The Stag, which could impact the services provided to our residents, therefore The

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