

From: Mike Hill, Cabinet Member for Community and Regulatory Services
Barbara Cooper, Corporate Director of Growth, Environment and Transport

To: Growth, Economic Development and Communities Cabinet Committee – 3rd July 2018

Decision No: 18/00040 (Non-key)

Subject: Open Golf update

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Electoral Division: Sandwich

Summary:

This paper provides an update on the 22 March 2017 paper that the GEDC Cabinet Committee received regarding the transport improvements required to stage The Open Golf Championships.

The last time Kent hosted The Open in 2011, 180,000 spectators attended, and the event generated a £77m benefit to the Kent economy, of which £24.14m was direct additional spend. In 2020 the economic impact is forecast to be more than £85m, of which at least £26.8m is forecast to be direct additional spend. However, critical transport improvements are required at Sandwich Station to enable the expected number of spectators to access the Royal St George's Golf Course when The Open is underway.

Since March 2017, KCC has led a value engineering process to reduce the cost of the required infrastructure by £400,810. Its anticipated final cost is now £3,898,390. In that same period, KCC has successfully negotiated a three Championship agreement, so that by 2036 Kent will have hosted the Championship a total of three times, thereby maximising the economic impact from the public-sector investment and enabling long term planning around the Championships to take place.

Recommendation: The Cabinet Committee is asked to note the work that has taken place since March 2017 and to consider and endorse or make recommendations to the Cabinet Member for Community and Regulatory Services on the proposed decision for Kent County Council to underwrite the final 28% of contingency for the project, a sum of £243, 220. This is within the context that other funding partners collectively have contributed a further £1, 929, 425 towards the project since March 2017.

1. Introduction

- 1.1 The Open Championship (The Open) is the oldest of the four major international championships in professional golf. This prestigious event is administered by The R&A and is the only 'major' outside the United States. 2020 will be the fifteenth occasion that Royal St George's Golf Club will have hosted The Open.
- 1.2 The Project will deliver platform extensions and a second station footbridge at Sandwich Railway Station. These improvements will enable longer trains to stop at Sandwich Railway Station during the event without blocking the level crossing, which will improve the capacity for rail borne passengers and not obstruct spectators arriving via other modes of travel, particularly via Park and Ride. The proposed improvements will improve the safety of spectators, and critically, for an international sporting event, provide an excellent spectator experience.
- 1.3 The last time Kent hosted The Open in 2011, 180,000 spectators attended, and the event generated a £77m benefit to the Kent economy, of which £24.14m was direct additional spend. In 2020, the economic impact is forecast to be more than £85m, of which at least £26.8m is forecast to be direct additional spend. However, critical transport improvements are required at Sandwich Station to enable the expected number of spectators to access the Royal St George's Golf Course when The Open is underway. The constraints on existing infrastructure at the station mean that the Championship can only return with the identified improvements being put in place.
- 1.4 Evidence of the economic benefits of hosting The Open was shared with this committee in March 2017, as well as a detailed description of the transport improvements required. These remain unchanged since March 2017.

2. Progress since March 2017

- 2.1 Following a meeting supported by the Minister for Sport and Civil Society, the Cabinet Member and KCC officers along with The R&A and Royal St George's Golf Club gained an agreement from the Secretary of State for Transport to instruct Network Rail to value engineer the original proposition to deliver the required transport improvements. This was completed on 30th April 2018 and delivered the cost saving identified above.
- 2.2 In addition, KCC prepared and submitted a Business Case to the South East Local Economic Partnership (SE LEP) Accountability Board for a Local Growth Fund investment into the project. The business case was tested by the SE LEP's Independent Technical Evaluators (ITE) and was agreed by the SE LEP Accountability Board on 17th November 2017. The recommendation from the ITE was that the Project achieves high value for money, and that the economic appraisal indicates a Benefit Cost Ratio (BCR) of 3.92:1, (anything above 2:1 is considered a justifiable investment). In total the SE LEP is contributing £1,903,170 towards the infrastructure.
- 2.3 In response to the requirement from KCC's original decision to commit £250,000 capital investment to the project as well as the condition to secure the SE LEP's contribution, since March 2017, The R&A has agreed to not

only a 2020 Open at Sandwich but a series of three Championships between 2020 and 2036 in total. This in turn secured investment from the Department for Transport. This three-event commitment clearly delivers at least triple the direct economic impact ('at least' because the Sandwich course has the capacity to host greater visitor numbers in successive Championships, unlike most other courses on the rota) and particularly supports the county's visitor economy through enabling the 'Golf in Kent'¹ partnership to build a long-term campaign and approach.

2.4 The final significant development of this project since the Committee last considered it, is confirmation that following negotiations between KCC, the DfT and Network Rail, that the latter will fund the Power Draw element (implementing a strong enough power supply that can meet the demands of the 12-car trains) of the project.

2.5 For clarity, Members are reminded that as advised in March 2017, the five East Kent district councils are each providing £20,000. This completes the funding package.

3. Wider governance and legacy planning

3.1 There is an existing governance in which KCC is involved, which brings together partners involved in the event to plan and prepare for the Open 2020 and future events. Dover District Council is the lead authority for the Open Golf Championships within Kent. Within this governance, the main decision making body is the Sandwich Open Silver Executive, which is chaired by Cllr Nigel Collor in his capacity as Dover District Council's Portfolio Holder for Access and Licensing. Two meetings of the Sandwich Open Silver Executive have taken place: July 2017 and January 2018. It next meets in September 2018.

3.2 Reporting into the Silver Executive are the following sub groups, which provides an indication of the scope of the work currently underway to prepare for this international sporting event

- Contingency Sub Group
- Dover District Safety Advisory Group
- Gold Executive Kent Police Gold
- Inward Investment Sub Group
- Kent Police Silver
- Local Communities and Businesses Sub Group
- Marketing and Communication Sub Group
- Marshalling Sub Group
- Medical Sub Group
- Technical Sub Group
- Tourism (Hospitality, Accommodation and Visitors) Sub Group
- Transport Sub Group – including a Railway Governance Group

¹ Golf in Kent is a partnership of Kent golf providers looking to grow the impact and offer of the game of golf for visitors and residents' experience alike. Established by Visit Kent, it continues to be actively supported by them.

- 3.3 Of these, the Tourism and the Transport Sub Groups are already live, with the remaining ones being 'stood up' between summer 2018 and summer 2019, depending on their remit.
- 3.4 KCC will additionally have an internal steering group to ensure that its input to this multi-agency effort is coordinated.

4. Equality and Diversity Implications

- 4.1 An Equality Impact Assessment has been carried out for the proposed infrastructure at Sandwich Railway Station. This will be further developed by the contractor Network Rail
- 4.2 A further Equality Impact Assessment will be carried out by DDC to inform the entire Open Golf 2020 Project.
- 4.3 KCC will also carry out an Equality Impact Assessment to inform the event's Transport Plan.

5. Financial Implications

- 5.1 KCC has previously committed £250, 000 to the core capital cost of this project.
- 5.2 KCC is intending to underwrite the final 28% of contingency for this project, should it be called upon, a sum of £242, 220.
- 5.3 KCC will be providing a project manager to this project from summer 2019 to summer 2020. This will be created as a role within an existing staff member's job description within the KCC Sport and Physical Activity Service, so the authority will not incur any additional revenue cost.
- 5.4 Other costs associated with this project will be absorbed within existing budgets.

6. Conclusions

- 6.1 The Open Golf is a prestigious international sporting event that reaches over 600 million households.
- 6.2 Its direct economic impact on Kent through the three occasions we will host it between 2020 and 2036 will be more than £75 million.
- 6.3 The project now forms part of the Government's GREAT Britain campaign to 'showcase the best of what our whole nation has to offer to inspire the world and encourage people to visit, do business, invest and study in the UK'.
- 6.4 The overarching project will be delivered by Dover District Council, supported by Kent County Council.

6. Recommendation(s)

Recommendation: The Cabinet Committee is asked to note the work that has taken place since March 2017 and to consider and endorse or make recommendations to the Cabinet Member for Community and Regulatory Services on the proposed decision for Kent County Council to underwrite the final 28% of contingency for the project, a sum of £243, 220. This is within the context that other funding partners collectively have contributed a further £1, 929, 425 towards the project since March 2017.

7. Background Documents

Appendix 1 – Proposed Record of Decision

GEDC Cabinet Committee Report 22/03/17.

<https://democracy.kent.gov.uk/documents/s84997/GEDC%20Open%20Report%20Final%2022-03-2017.pdf>

8. Contact details

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