

By: Mark Dance, Cabinet Member for Economic Development
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To: Growth, Economic Development and Communities Cabinet Committee –
13 September 2019

Subject: Visitor Economy Services

Key Decision No

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: Countywide

Summary: Following an OJEU compliant process a three-year visitor economy services contract was awarded to Visit Kent in April 2014. The County Council subsequently extended the current contract to March 2020. The value of the contract is £280,000 per annum, and the County Council has also provided additional resources each year on a case by case basis to support specific Visit Kent activities.

This report describes how the visitor economy contract has performed since 2014 and sets out the intended commissioning and procurement process for a new visitor economy contract that will commence in April 2020.

Recommendation: The Cabinet Committee is asked to note the contents of this report.

1. Introduction

1.1 As part of the commissioning process we are working with the Strategic Commissioning team to:

- Review and evaluate overall performance of the current visitor economy services contract, based on the results of research derived from the Cambridge Impact Model (completed August 2019);
- Analyse and summarise the findings: draw up specifications for a new visitor economy services commission (completed August 2019);
- Draw up a Commissioning and Procurement Plan for consideration by the Service Commissioning Board (October 2019);
- Publish Invitation to Tender (October 2019);
- Report outcome of tendering process to GEDC Cabinet Committee (January 2020);
- Award commission (February 2020).

2. Policy context

- 2.1** The visitor economy is regarded as one of the UK's largest and most vibrant sectors. The Government's announcement in June 2019 of the Tourism Sector Deal recognises not just the importance of the sector to the UK economy, but also the significant potential that it has for future growth. The Deal seeks to create a framework to position the industry to promote tourism growth and increase visitor numbers across the country, especially in rural and coastal areas.
- 2.2** The Deal also announces the piloting of up to five new Tourist Action Zones across the country. The County Council will work with the visitor economy service provider to support its ambition to make Kent one of the most accessible tourism destinations in the UK.
- 2.3** The visitor economy service supports KCC Strategic Outcome 2 (Kent communities feel the benefits of economic growth by being in work, healthy and enjoying a good quality of life). It also supports the following themes that influence the achievement of Outcome 2 (Planning for Growth, Investing in our Infrastructure, Standing up for Kent and Smart Places).
- 2.4** The project is consistent with the main aims of the draft Kent Enterprise and Productivity Strategy, which sets the long term ambition for growth in the county and supports the delivery of SELEP's Strategic Economic Plan and the Government's Industrial Strategy agenda.
- 2.5** The project has close working links with other initiatives supported by the County Council:
- Explore Kent, which promotes the county's countryside and coastal assets; and
 - Produced in Kent, which supports businesses in the food and drink sector.
- 2.6** The current visitor services contract with Visit Kent ends in March 2020. It is proposed that a new contract should run for 5 years from April 2020 to March 2025. This would be initially for 3 years and will be extendable by up to 2 years depending on satisfactory performance by the service provider.

3. The current visitor economy contract with Visit Kent

- 3.1** The visitor economy contract requires the current service provider, Visit Kent, to develop and deliver innovative and creative solutions to grow Kent's visitor economy, and to support KCC's priorities for this sector. These are to:
- Promote the county to target visitor markets, and to increase the numbers of visitors to Kent and the value of visitor spend;
 - Support growth in Kent's visitor economy;
 - Provide high quality support to the Kent tourism business sector;
 - Improve the skills levels of employees within the Kent visitor economy; and
 - Attract additional public and private sector investment.

3.2 The current visitor economy service contract with Visit Kent initially ran from April 2014 to March 2017, renewable for a period up to three years to March 2020.

3.3 The cost to the county Council of the contract with Visit Kent is £280,000 per annum. Under the terms of the contract, the County Council has been able to also provide additional resources to support Visit Kent's activities. This is shown below:

<i>£ by financial year</i>	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Main contract value	280,000	280,000	280,000	280,000	280,000	280,000
Staffing cost	140,400	143,305	117,960	130,000	30,000	30,000
contribution						
Marketing contribution		25,000	25,000			
Sub total	420,400	448,305	422,960	410,000	310,000	310,000
Other one-off payments	78,922	7,763	49,200			
Total value of support to Visit Kent	499,322	456,068	472,160	410,000	310,000	310,000

3.4 Visit Kent receives financial contributions totalling £1 million from other organisations, including the Kent district councils, corporate sponsors and local tourism businesses.

3.5 In accordance with its contract with KCC, Visit Kent has commissioned, every two years, impact research derived from the Cambridge Economic Impact Model to evaluate the number and length of visitor trips to the county (domestic and international), the impact in terms of monetary value and the number of jobs supported.

3.6 The most recent results of the Cambridge impact research were published in January 2019, covering the period from 2013 to 2017. The research shows that, since 2013, Kent welcomed 7.6m more visitors (an increase of 12% to 65m), generating an increase in the value of the visitor economy of over £420m (an increase of 7% to £3.8bn) and supporting almost 9,000 more jobs (to some 77,000 in total).

3.7 With our current service provider, Visit Kent, we have undertaken several user-led insights into the service both to assess current delivery and to inform future service needs. A summary of the findings is set out below:

- **Investor satisfaction** – Visit Kent has sent out regular satisfaction surveys to its investors to assess their needs and to ensure that service delivery is in line with their business requirements. This has supported ongoing product development over the period of the contract and has helped to ensure that service delivery is attuned to needs and opportunities.
- **Business support** – The Visit Kent partnerships team has met regularly with tourism businesses across the county, providing support and advice where requested. The main types of advice requested are in marketing and promotion. The number of businesses supported has continued to rise and currently stands at 118 companies with over 160 venues across the county.
- **Campaigns** – One of the flagship campaigns undertaken by Visit Kent (**Kent Big Weekend**) is aimed at raising awareness among and encouraging Kent

residents to visit local tourism attractions. This celebration of the best attractions and activities that Kent has to offer has seen significant increases in the past 5 years. The number of attractions taking part has increased by 21% since 2015, while applications for tickets have risen by over 180% to reach some 300,000 in 2019. **Summer in Kent** (previously known as **Kent Contemporary**) is Visit Kent's flagship annual London marketing campaign and has helped Kent's tourism businesses and destinations to reach a wider audience using a range of different media.

4. 2020 and beyond

- 4.1** It is proposed that the new visitor services contract will run for 5 years from April 2020 to March 2025. This would be initially for 3 years and will be extendable by up to 2 years depending on satisfactory performance by the service provider.
- 4.2** The successful service provider will be required to deliver a higher level of quality and a more effective visitor economy service for Kent for the period to 2025. This will necessitate having a clear strategy to grow the Kent visitor economy in support of KCC's priorities for the sector.
- 4.3** The successful supplier will therefore be required to demonstrate how it will:
- Promote Kent as a premier UK visitor destination to both domestic and international markets;
 - Support business growth in the visitor economy sector;
 - Provide a strong voice for the sector at regional, national and international levels;
 - Devise effective measures to assess the service's impact on the Kent visitor economy.
- 4.4** Proposed outcomes for a new visitor economy service contract have been drawn up for the period April 2020 to March 2025, based on user-led insights of the existing service and the findings from the monthly Business Barometer produced by Visit Kent, the biannual Cambridge Impact Research and visitor perceptions research.
- 4.5** It is proposed that the new commission will see an increase of 25% in the value of tourism to the Kent economy (that is, £1bn) to £5bn by 2025, through:
- Supporting Kent tourism businesses and districts in developing and promoting their tourism product, increasing revenue and overnight stays;
 - Delivering tourism growth as part of the delivery of flagship events such as the Open Golf 2020, Becket 2020 and Dickens 2020, securing increased PR for Kent as a tourist destination and increased visitor numbers and spend;
 - Securing additional income for the visitor economy service through the introduction of tailored and flexible packages of activity for current investors and securing new investors and corporate partners;
 - Supporting businesses to mitigate Brexit risks, through the promotion of staycations and developing strong bilateral cross-channel relationships, with a particular focus on educational tourism, and collaborating on key projects with

partners across the Channel;

- Developing events-focused promotional campaigns, targeting the London market in particular;
- Developing new digitally based content campaigns that focus specifically on potential new visitors;
- Commissioning high quality research to inform future strategy, business planning and development and to provide accurate benchmarking for businesses and investors.

4.6 As part of the new commission, we will also expect the service provider to:

- Develop a “visitor first” strategy that
 - responds to emerging visitor trends for “experiential tourism”;
 - creates a new approach to destination management, led by how visitors perceive the destination and where they find their inspiration;
 - develops a framework that can communicate effectively new products, campaigns and content which work for both visitors and businesses;
 - creates reasons both to visit the county and to return;
- Undertake visitor perception research to support the development of the tourism offer in Kent;
- Undertake regular impact research to measure the effectiveness of the visitor economy service.

5. Financial implications

- 5.1** We will contribute £280,000 annually from the GET Economic Development budget for a period of up to 5 years to March 2025, which is the proposed length of the new visitor economy services contract (initially for 3 years and extendable by up to 2 years). This is the same amount as under the current contract.

6. Legal implications

- 6.1** It is proposed that the contract would be signed by the Corporate Director for Growth, Environment and Transport under Officers’ Delegated Powers.

7. Equalities implications

- 7.1** The new contract will contain provisions for ensuring compliance with the County Council’s equalities and diversity policies. An Equalities Impact Assessment (EQIA) was carried out as part of the commissioning of the current contract with Visit Kent. A further EQIA will be available when the Cabinet Member for Economic Development is being asked to take the decision on awarding the new contract.

8. Conclusion

- 8.1** This report shows that the current visitor economy service, delivered by Visit Kent, has had a significant impact on raising the county’s profile as a key tourism destination and on developing Kent’s visitor economy as an important source of employment and income generation. The proposed new contract from April 2020

will maintain the momentum achieved over the past few years.

- 8.2** The main objective of the new commission is to increase economic activity in Kent and Medway, with a focus on the visitor economy as one of Kent's key sectors. In the face of uncertainties caused by global economic conditions and Brexit, it is important to maintain a focus on supporting those sectors which have promising prospects for growth, such as the visitor economy, with a consistent message that Kent remains 'open for business'.

9. Recommendation

The Cabinet Committee is asked to note the contents of this report.

Background Documents - None

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