

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Derek Murphy Cabinet Member for Economic Development

DECISION NO:

For publication /

Key decision: YES

Subject Matter / Title of Decision: Inward Investment Contract

Decision:

As Cabinet Member for Economic Development, I agree to enter into a contract with the successful bidder for the provision of inward investment services and provide authority to the Director of Growth and Communities the delegated authority to enter into necessary contractual arrangements to let the contracts.

Reason(s) for decision:

Kent County Council provides a contracted inward investment support service to assist companies to locate and grow in Kent and Medway. The service has been funded by the European Regional Development Funding (ERDF) and administrated by the Ministry for Homes, Communities and Local Government (MHCLG), with match funding from Kent County Council and Medway Council.

The current inward investment services contract is delivered by Locate in Kent. It commenced in August 2016 and will run until the end of July 2021. A further contract is required to continue the service for a period from 1st August 2021 to 30 April 2023, and the procurement process to achieve this is underway.

Cabinet Committee recommendations and other consultation:

The proposal is being considered by Members of the Growth, Economic Development and Communities Cabinet Committee at their meeting on 1 July 2021

Any alternatives considered and rejected:

- **Option 1 - Doing nothing**

This would mean having no further external service commission after the cessation of the current contract with Locate in Kent, and no in-house provision within KCC. This would provide significant financial savings to KCC. However, because there is currently no comparable business support service in Kent and Medway, this would result in a failure to capitalise on opportunities for growth in the local economy and job creation, and to support businesses following the significant economic impacts brought to bear by the Coronavirus pandemic
- **Option 2 – Do minimum**

This would mean establishing for the first time a bespoke, outward-facing business support service based in KCC. Although currently KCC does not have the expertise in-house to provide the specialised, face-to-face support that businesses require, this would potentially deliver cost savings to the County Council. However, it is unlikely to attract financial support from Medway Council, the ESIF programme and the private sector. There would also be TUPE implications of transferring staff from the current supplier to KCC. There are also currently difficulties of establishing a new team of this nature at a time when the return to office situation is not fully settled.
- **Option 3 – Minimum Plus**

This would mean an external supplier providing a less ambitious service at a lower cost than currently. This would deliver financial savings to KCC and provide some specialised inward investment services post-Brexit. However, it would put at risk the ERDF funding and would result in a reduction in the county's ability to compete for domestic and foreign inward investment, and it is

uncertain whether financial support would be forthcoming from Medway Council.

- **Option 4 – Preferred option (Fully Contracted Service)**

This would involve delivering a targeted approach to attracting more domestic and foreign business investment to Kent and Medway, focusing specifically on the opportunities and challenges in a post-Brexit economy. This is the preferred option and is supported by the proposed funding partners, who will provide financial support for the duration of the proposed commission.

- **Option 5 – Most ambitious / more ambitious than preferred (Fully Contracted Service PLUS)**

This would be expected to cover all sectors across Kent and would thus increase targets and outputs. Although there would be higher targets and more business beneficiaries, with the potential to create more jobs, this option would cost more than the provision in the Council's agreed budget.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

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signed

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date