

From: Simon Jones, **Corporate Director, Growth Environment & Transport**

To: Paul King, **Cabinet Member for Economic Development and Coastal Regeneration**

Subject: Reinstatement of a Visitor Economy and Inward Investment Service for Kent & Medway

Decision Number: 25/00084

Classification: **Unrestricted**

Past Pathway of report: N/A

Future Pathway of report: Cabinet Member Decision

Electoral Division: All

Summary: The cessation of Visit Kent and Locate in Kent organisations has left a significant gap in Kent & Medway's business support and economic development landscape. Reinstating a level of visitor economy and inward investment services is crucial for restoring business and sector confidence and ensuring that the county is seen to be open for business.

Recommendation(s)

The Cabinet Member for Economic Development and Coastal Regeneration is asked to:

- (a) APPROVE the establishment of a new in-house provision model to deliver Brand Kent (visitor economy and inward investment) services, following the cessation of previous external arrangements.
- (b) APPROVE the redirection of the Kent County Council (KCC) budget remaining for the 2024–25 visitor economy and inward investment contracts (approximately £162,000) to support the implementation of the new in-house provision.
- (c) APPROVE the planned allocation of £405,000 (with total service funding dependant on level of partner contributions) from the 2026–27 budget, subject to full approval at County Council in February 2026, to sustain and expand the in-house service model.
- (d) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, in consultation with the Cabinet Member for Economic Development and Coastal Regeneration, to design and implement the final service delivery model, including recruitment and integration of services within existing council structures and manage and determine future funding allocations within the parameters set by the County Council, to ensure its ongoing development and sustainability.

(e) DELEGATE authority to the Director of Growth & Communities to take all necessary actions, including finalising terms and entering into required contracts or legal agreements, to implement the decision as shown at Appendix A.

1. Introduction

- 1.1 Visit Kent (VK) and Locate in Kent (LiK) were contracted by Kent County Council (KCC) supported by a financial contribution from Medway Council (MC) to lead a range of 'brand Kent' activities to support the county's visitor economy and attract inward (business) investment. Both organisations were originally established by and have worked alongside KCC for many years through grants, contracts, and specific commissions.
- 1.2 Both organisations, similar to other areas across England, have faced financial challenges with Visit Kent ceasing trading as of 3 September 2025 and Locate in Kent winding down operations from mid-September. The financial situation within both organisations was exacerbated by reductions in public sector funding and the disappearance of access to grant funding pots from the European Union, central government, and other sources.
- 1.3 Following internal discussions which have considered industry insight, this paper sets out a proposal to ensure that a level of 'Destination Management Organisation' and Inward Investment activity can continue in Kent, and subject to agreeing funding with Medway Council, Medway (K&M).

2. The Importance of Visitor Economy and Inward Investment Services:

- 2.1 Many areas in the UK, and internationally, choose to deliver or invest in services that promote a place; its visitor offer as well as its ability to attract businesses to establish a base. Kent & Medway is competing as an area both domestically and internationally with other counties and regions to secure visitors who spend money in the local economy and to attract new businesses to the area to provide employment opportunities for local people and supply chain opportunities for local firms. LiK and VK were well-known organisations and had become the 'go-to' entities for businesses, stakeholders, partners, and residents wishing to find out about opportunities to visit or invest in Kent & Medway. In its 28 years of operations, Locate in Kent supported 1,130 companies which either moved, set-up or expanded in Kent leading to the creation or retention of 70,165 jobs (some seven per cent of the current local workforce). Visit Kent similarly supported hundreds of local businesses each year and was instrumental in securing tourism itineraries, group travel and supporting the sector which generates over £4bn GVA per annum to the county thanks to its 6,000 businesses and 75,000 employees (11% of jobs in Kent & Medway).
- 2.2 Many areas in the UK offer similar services due to the economic benefits they bring about and any break in service leaves a significant gap in the county's economic development landscape, risking reputational damage for the area and affecting business confidence.

- 2.3 Following the commencement of the liquidation process for both organisations in Kent, it has become clear that the tourism industry, key businesses, partners and stakeholders are looking to KCC, and MC, to take a lead on finding a practical solution to support ongoing service delivery in K&M. Given financial pressures facing both authorities, immediate work must focus on considering what provision is essential for the area. It is not possible in the very short term to continue the previous scale of support that VK and LiK delivered, but that will be the medium to long term intention, albeit through a different fit-for-purpose model which will also be able to be designed to support the changing context with local government reorganisation and eventual devolution.

3. Business Critical Functions:

- 3.1 Following the announcements about VK and LIK, KCC and MC have undertaken detailed internal officer discussions, considered feedback on what other geographies offer/commission as services, and considered the views of the local industry and key partners and stakeholders. KCC has concluded that the following services are those that should be prioritised to meet the needs of the Visitor Economy sector, and the Inward Investment landscape, and ensure that the area remains open for new and expanding business:

3.2 Visitor Economy Services:

- a) **Marketing & Promotional Activity** to highlight K&M's tourism assets (landscapes, coast, heritage) and bring visitors to the county to support the local economy. This should include the **collation, provision, and dissemination of information** about tourism in Kent (attractions, events, accommodation, leisure, hospitality, and retail offer) to (potential) visitors and residents and their visiting friends and relatives. In practice this needs to include hosting the most appropriate and future-proofed destination-wide digital/web-based assets and resources and coordinating strong, targeted marketing campaigns.
- b) **A single point of contact and a coordinated, credible voice** for the sector which provides 11% of the county's employment opportunities to ensure that challenges can be raised with different audiences and opportunities exploited. This **includes championing the county's tourism** offer domestically and overseas and convening key players in the industry.
- c) **Providing insight and intelligence** for local businesses in the sector as well as the wider tourism industry (tour operators, carriers) to help the sector perfect its offer and respond to trends and opportunities to increase visitor numbers and spend in K&M throughout the year. Also important is segmenting Kent's offer to promote itineraries and visits to different audiences.

- 3.3 Visit Kent held 'Local Visitor Economy Partnership' (LVEP) status and while the above services would meet a basic need, they would need to be supported by a fresh application to Visit England to ensure that K&M re-instigates this accreditation and the confidence this offers to the industry.

3.4 Inward Investment:

- a) Maintenance and customer relationship **management of a live pipeline** of business investment and expansion projects
- b) Provision of bespoke **advice and expertise to businesses** wishing to establish a base in Kent or existing companies wishing to expand their operations to avoid them moving outside the county (commercial property availability, tax and

financial information, advice on the local labour market, connecting to local networks etc.)

- c) **Connecting potential investors to a coordinated network** of relevant contacts, services, sources of information and advice to support 'soft landings'.
- d) **Generating (and converting) inward investment leads** and ensuring that Kent is not overlooked by government(s) or industry as a place to establish and grow a successful business. Work should support K&M's strategically important industry sectors (agri-food, life sciences, creative industries etc.)

3.5 The above services would cover the whole Kent & Medway functional economic area geography with additional, complementary work to be discussed with the District and Borough Councils to develop, promote and secure the tourism and investment offer at a more local level where there is demand and appetite. Some of the Kent districts contracted LiK or VK to carry out specific local activities and some may wish for these to continue as part of a new delivery model – this would of course be subject to investment from the district councils.

3.6 Additional, added value services, which would require additional funding, could include more detailed itinerary development, international trade shows and industry events, business support programmes, corporate event marketing and more targeted and specialist industry-focuses, business-to-business, or business-to-consumer marketing campaigns.

3.7 Feedback from visitor economy industry stakeholders also highlighted the importance of an equitable public-private sector approach in setting a longer-term vision for the service, the importance of a commercially minded approach to service delivery and the need to put something in place rapidly whilst bearing in mind the longer-term requirements for Kent & Medway. A model that enables the most impactful public-private sector approach is part of the medium-term planning.

4. Options:

4.1 Several options and scenarios have been considered for the in-year model, with one recommended option being proposed:

4.2 Recommended Option: Option A: Hybrid model (in-house/KCC arm's length + some commissioned services):

- Recruit key members of staff from VK/LiK and / or other candidates with relevant expertise and knowledge to lead and deliver business critical services within KCC and, subject to agreed funding contributions, MC's structures, or arm's length structures. Commission relevant services, if required, from third parties to enhance the core offer or fill gaps in provision.
- Pros – agile solution, reduce break in service by appointing candidates quickly, more direct control over focus and outputs. Opportunity to align service with other internal KCC & MC services (skills / employment/ business support /sector support etc.), good value for money as additional costs / functions such as finance, ICT could be provided by KCC and MC at a lower proportional cost (economies of scale within large local authority vs outsourced operational model which proved financially unsustainable). This option also enables additional services to be bought in as required on an ad-hoc or short-term basis.

- Cons – Possible negative external perceptions of public sector service offer vs industry-led, limited budget available meaning initial scope only for a basic, reduced (but essential) service. Service set up and overheads costs borne by KCC, working at pace with HR and Kent Commercial Services to understand and minimise redundancy / pension liabilities with new staff.
- **Recommended option** to provide a core service with additional, commissioned services to be considered once an initial team is in place or if core skills cannot be secured. New arrangements could be put in place quickly ensuring that some key staff members from LiK and VK could be retained providing expertise and 'hitting the ground running'. Aligns with strategic role of KCC in placemaking and economic development.

Other Options considered and discounted for the in-year model:

4.3 Option B: Cease funding services:

- Cease allocating financial resource to visitor economy and inward investment services for Kent & Medway and allow the market to undertake the role independently and on a purely commercial basis.
- Pros – costs savings for KCC and MC, contract management resource savings.
- Cons – loss of key services that support local jobs, businesses and the economy, county getting left behind neighbouring regions, potential for market failure / confusing or competing offers negative perceptions of stakeholders and partners, 'unofficial' activity not aligning to the county's wider strategies for placemaking.
- Risks:
 - Loss of knowledge, expertise, contacts, networks
 - Damage to the local economy as visitors and investment opportunities diverted from Kent and Medway and picked up by neighbouring areas
 - Loss of long-established, well-recognised brands (including LVEP status)
 - Loss of investor and industry confidence
 - Weakened visitor economy sector and loss of mechanisms to understand and address challenges faced by businesses
 - Reputational damage for KCC and the county as a whole

Option not recommended due to the importance of these services for the area's residents, businesses and economy and early indications from the private sector market that fully suitable solutions that provide the right package of services required by industry, stakeholders and partners are hard to by.

4.4 Option C : Reprocure services:

- Test the market to find an alternative provider to deliver business critical services within any remaining budget available.
- Pros – possibility of innovative models of service delivery coming forwards
- Cons – insufficient time in year, re-starting services from scratch losing expertise and momentum, reduced confidence from investors and industry, risk of further market failure with recent organisations not able to provide a financially sustainable delivery model and very limited market interest from previous round of procurement, time taken to carry out a procurement process risks losing assets and expertise, low likelihood of finding providers with in depth knowledge of the county's assets.

Option not recommended due to already being in second half of current financial year and due to unlikelihood of securing a suitable level of service with budget

available, based on responses to single commission in 2023 and many offers from businesses to take on the services following the liquidations demonstrating a misunderstanding in the market about the nature of services required. The current contractual arrangements ended early due to market failure and an inability for organisations to operate a full service within the available financial envelopes.

4.5 Option D: Create provision in house:

- Recruit key members of staff from VK/LiK and / or other candidates with relevant expertise and knowledge to lead and deliver business critical services within KCC and - subject to an agreed funding contribution - MC's structures or arm's length structures.
- Pros - agile solution, reduce break in service by appointing candidates quickly, more direct control over focus and outputs. Opportunity to align service with other internal KCC & MC services (skills / employment/ business support /sector support etc.), good value for money as additional costs / functions such as finance, ICT could be provided by KCC and MC at a lower proportional cost (economies of scale within large local authority vs outsourced operational model which proved financially unsustainable).
- Cons – Possible negative external perceptions of public sector service offer vs industry-led, limited budget available meaning initial scope only for a basic, reduced (but essential) service. Service set up and overheads costs borne by KCC, working at pace with HR and Kent Commercial Services to understand and minimise redundancy / pension liabilities with new staff.

Favourable option but not recommended as doesn't enable the opportunity to commission additional services / activities that may be required.

4.6 Option E: Multiple geographical services

- Given the diversity of Kent visitor economy, and indeed sector development potential and scale, a countywide service built on smaller distinct geographies within Kent could be considered and replicated to ensure coverage of the whole functional economic area.
- Pros – more targeted visitor offer and inward investment proposition, potential to align services with possible new unitary geographies
- Cons – risk of duplication of services across multiple areas losing economies of scale, very limited resource meaning a very basic service offer due to disaggregation, Kent is a well-known 'brand'/place, and smaller parts of the county are not necessarily as well-known domestically and internationally. The Local Government Reorganisation (LGR) footprint is unlikely to be known before summer 2026, ruling out this model as the in-year model to pursue.

Option discounted due to limited funding in the total 'pot', potential dilution of the county-wide holistic offer, and uncertainty around LGR geographies.

5. Establishing a dedicated in-house/KCC arm's length organisation-hosted team:

- 5.1 The proposed visitor economy and inward investment services require specialist knowledge and posts to be required are being designed to ensure that the relevant expertise can be secured to enable the continuation of key services which meet the needs of the tourism sector and potential investors.
- 5.2 From the original 2025-26 KCC and MC contract budget, approximately £162,000 remains for the current financial year. Current planned 26-27 budgets

(still subject to final KCC and MC budget setting processes) have foreseen a provisional financial commitment of £405K for the next financial year. Total service funding will be dependant on the level of partner contributions, including from Medway Council

- 5.3 The remaining budget for 25-26 allows scope to cover up to seven posts with a small activity budget as well as initial onboarding costs (IT equipment etc.). The exact number of posts would be determined through role evaluation processes led by KCC / MC HR teams with role profiles taking recommendations from industry partners into account.
- 5.4 A basic service will be expected to cover the areas of activity detailed under section 3 above.
- 5.5 Roles with a visitor economy focus will need to cover 'destination management' (tourism product offer and development), strategic partnerships (local, national, international) and commercial & travel trade partnerships.
- 5.6 Inward Investment-focused roles will need to cover lead generation and account management and business, sector and market intelligence.
- 5.7 Some roles would have a dual focus including market insight & research and creative, digital & marketing campaigns
- 5.8 The in-year model will be hosted by KCC within KCC's Economy Function (part of the Growth & Communities Division in the wider Growth, Environment & Transport Directorate) or Kent Commercial Services. This is still being worked through. The in-year model will see all of the Brand Kent function working closely with MC, as the funding has already been provided in year to KCC, with one post seconded, and regular attendance within Medway. This will provide strategic links and synergies with existing activities which are either run on a county-wide basis or which are co-delivered by KCC and MC including:
 - Supporting the implementation of key action areas in the Kent & Medway Economic Framework including "Action Area 3 - Attracting and welcoming investors to K&M", "Action Area 4 - Supporting the conditions for growth" and "Action Area 21 - Developing the visitor economy". There will be opportunities to feeding sector intelligence into the emerging Local Growth Plan and the county's Investible Propositions work as well as the Local Skills Employment Plan and Get Kent & Medway Working Plan.
 - Working with the Skills & Employment team leading on Connect to Work and Skills Bootcamps to support new business relocations, business expansions and visitor economy businesses with filling their skills gaps.
 - Working with the Business Investment Team to offer loans to companies investing in K&M and those within the visitor economy and making use of the Kent & Medway Growth Hub to raise awareness of business support for new, existing and visitor economy businesses.
 - Adding value to sector-focused activity delivered by Produced in Kent to promote K&M's food & drink offer as part of the visitor offer and providing support to visitor economy businesses and new businesses around the healthy workforce agenda.
 - Direct involvement in making use of and enhancing the Grow in Kent place brand and any related activity campaigns.

- 5.9 Data insight could also be supported by the KCC Kent Analytics team and Medway Council colleagues as part of the Kent & Medway Economic Dashboard to keep track of the visitor economy sector and to review evolving working patterns and employment trends to support business expansions and inward investment.
- 5.10 The advantage of the Kent Commercial Services hosted model in-year is that it is likely to be easier to establish a medium-term private-public sector model through KCS, so there is some logic to establish the in-year model there. This is being worked through at pace.

6. Financial Implications

- 6.1 The KCC budget remaining for the 2024-26 visitor economy and inward investment contracts (approximately £162,000) will be used for the purposes of bringing the service in-house for the remainder of year 25/26. Work on the medium-term plan 26/27 and 27/28 will be progressed with the proposed 26-27 and 27/28 budgets (£405,000 pa). The medium-term plan will continue to be dependent on KCC and MC's wider budget setting processes. The cost of delivering the in-year service will not put significant additional financial burden on the Council but rather will make use of planned resource for the new delivery model supported by KCC's central services (finance, HR etc.). KCC will also work closely with the private sector to lever in additional funding from key industry partners to enhance the service to meet the needs of the visitor economy sector.

7. Legal implications

- 7.1 There are no legal implications relating to the creation of a new in-house/KCS-hosted service. All contractual arrangements for new staff will be supported by KCC's HR team and any contracts for commissioned services will make use of existing procurement procedures within KCC. Advice has been sought from HR regarding TUPE which may apply for elements of certain roles to be recruited, and advice has also been sought on any future financial liabilities linked to recruiting staff for the new service i.e. pension / redundancy liabilities. The in-house/KCS delivery model will require HR support rather than support from the procurement team.

8. Equalities Implications

- 8.1 While the job application process will be ringfenced (initially) to staff made redundant by Visit Kent and Locate in Kent, all recruitment activity will align with KCC's existing policies around equality and diversity in recruitment.

9. Other corporate implications

- 9.1 Support is being provided by KCC's Human Resources, Finance, Legal and SPRCA teams as appropriate.

10. Governance

10.1 The Director of Growth & Communities will inherit the main delegations via the Officer Scheme of Delegation.

11. Conclusions

11.1 Visit Kent and Locate in Kent played an essential role in supporting the Kent and Medway Economy. Their demise has left a significant gap in Kent & Medway's business support and economic development landscape. Reinstating a level of visitor economy and inward investment services is crucial for restoring business and sector confidence and ensuring that the county is seen to be open for business.

12. Recommendations

The Cabinet Member for Economic Development and Coastal Regeneration is asked to:

(a) APPROVE the establishment of a new in-house provision model to deliver Brand Kent (visitor economy and inward investment) services, following the cessation of previous external arrangements.

(b) APPROVE the redirection of the Kent County Council (KCC) budget remaining for the 2024–25 visitor economy and inward investment contracts (approximately £162,000) to support the implementation of the new in-house provision.

(c) APPROVE the planned allocation of £405,000 (with total service funding dependant on level of partner contributions) from the 2026–27 budget, subject to full approval at County Council in February 2026, to sustain and expand the in-house service model.

(d) DELEGATE authority to the Corporate Director of Growth, Environment and Transport, in consultation with the Cabinet Member for Economic Development and Coastal Regeneration, to design and implement the final service delivery model, including recruitment and integration of services within existing council structures and manage and determine future funding allocations within the parameters set by the County Council, to ensure its ongoing development and sustainability.

(e) DELEGATE authority to the Director of Growth & Communities to take all necessary actions, including finalising terms and entering into required contracts or legal agreements, to implement the decision as shown at Appendix A.

13. Background Documents

13.1 Appendix A: Visit Kent and Inward Investment Urgent Proposed Record of Decision.

14. Contact details

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