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To: Growth, Economic Development and Communities Cabinet Committee –
12 October 2016

Subject: Visit Kent - Contract Performance Review

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: For consideration by Cabinet Committee

Electoral Division: Countywide

Summary: The visitor economy services contract with Visit Kent was awarded by the County Council in September 2013, following an OJEU compliant process, and commenced in April 2014. The contract was awarded for three years to the end of March 2017, and is renewable for up to 36 months. The value of the County Council's contract with Visit Kent is £280,000 per annum. Under the terms of the current contract, the County Council also provides staff resources to support Visit Kent's activities.

The contract contains a range of Key Performance Indicators (KPIs), grouped into six categories. These are reported in detail by Visit Kent on an annual basis to the County Council, the most recent being for the period April 2015 to March 2016.

This report covers activity undertaken by Visit Kent since April 2014 against the requirements set out in the contract. It shows that there has been a substantial range of achievements by Visit Kent in supporting the development of Kent's visitor economy as one of the county's key sectors.

Recommendation: The Growth, Economic Development and Communities Cabinet Committee is asked to consider and note the report.

1. Introduction

1.1 This report provides a review of the performance of the visitor economy services contract with Visit Kent from April 2014. It is based on the Annual Reports provided by Visit Kent for 2014-15 and 2015-16, supplemented by additional information for the period April to August 2016.

2. What was Visit Kent asked to deliver?

2.1 The contract requires Visit Kent to develop and deliver innovative and creative solutions to grow the Kent 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 the Kent 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.

2.2 The contract contains 6 Key Performance Indicators (KPIs), which are set out in more detail in Appendix 1 to this report, with brief commentaries on achievements provided in italics. Highlight activities over the past couple of years are described in section 3 of this report.

2.3 Appendix 2 provides a summary of other key service outcomes delivered through Visit Kent's activities, and are obtained from ongoing research commissioned by Visit Kent. They show, for example, that annually there are over 58 million total staying and day visits to the county, a total visitor spend of over £77m and that the visitor economy in Kent now employs nearly 68,000 people.

3. Highlights for Visit Kent since April 2014

3.1 Notable highlights for 2014-15 include the popular **Kent Contemporary** campaign which featured across key London Underground, Rail and Southeastern stations, the start of the **Garden of England goes Global** campaign in Europe, the **Colour of Summer** promotion in partnership with Southeastern and local attractions, the **Kent Big Weekend** in March 2014 and campaigns over the course of the year to promote Kent's **cruise business**, local **golf packages** and **Rural Breaks** in the county.

3.2 2015-16 started with the launch and delivery of celebratory events for the 800th anniversary of **Magna Carta**, hosting the **national Tourism Symposium** in June 2015, attending a **China sales mission** at the end of the year to develop what is increasingly being seen as an emerging market, through to the 10th anniversary of the **Kent Big Weekend** in March 2015. The Visit Kent team also coordinated the development of a thorough evidence base for the impact of **Operation Stack** which caused significant disruption to tourism businesses in summer 2015, mounted a bid to Government for relief funding and delivered a high profile "**We're Open**" campaign which acted as a coordinated face for tourism in the crisis.

3.3 Particular highlights for 2015-16 include the continuation of the **Kent Contemporary** campaign in London, Kent being named as the **top family destination in Europe** by Lonely Planet, the countywide **Magna Carta Rediscovered** touring exhibition which visited Faversham, Canterbury, Maidstone, Dover, Sandwich and Rochester, and Kent becoming **International Garden Tourism Destination of the Year**.

3.4 Since April 2016, Visit Kent repeated its summer **Kent Contemporary** campaign with 11 partners, while over the same period the **Kisses from Kent** social media campaign reached over 850,000 people across Europe and beyond. The company has recently successfully applied to external funding programmes, including the

Discover England Fund and **INTERREG**, to support projects both to showcase Kent's gardens and food and drink sector and to provide business support to the county's small tourism businesses. These initiatives will help to drive further visitors to the county.

- 3.5** During the autumn the company will set up **Go To Places Ltd** as a wholly owned subsidiary of Visit Kent, which will enable it to offer visitor economy services on a commercial basis to other parts of the UK. This builds on the successful establishment of the **Visit Herts** initiative in 2015 as a destination management organisation for Hertfordshire. It is Visit Kent's intention to build on its already successful business model of public/private sector investment.

4. Looking forward to 2017 and beyond

- 4.1** Over the past couple of years, Visit Kent has gone through a period of change, with a number of key personnel having moved on. It now has a completely new team structure, and a refreshed senior management team, with the requisite skills and experience to support its development and change of direction towards new markets and new geographies. Despite this, the high quality delivery of services has been maintained by Visit Kent through the transition.

- 4.2** Executive resources at Visit Kent will be devoting time to steering the business through significant changes in the government policy framework for tourism, including uncertainties about future public sector funding. There are also substantial changes in the context and market within which Kent's visitor economy operates, and these include the potential impact of Brexit on inbound tourism, most of which is from mainland Europe, the lingering impacts of and possible future threats arising from Operation Stack, and changes in the value of sterling.

- 4.3** Over the next three months, KCC officers will be reviewing with Visit Kent the potential for renewing the County Council's contract for visitor economy services. This will take account both contract performance since April 2014 and budgetary pressures facing the County Council from April 2017 onwards.

5. Financial implications

- 5.1** The value of the County Council's contract with Visit Kent for the period April 2014 to March 2017 is £280,000 per annum.

6. Legal implications

- 6.1** There are no legal implications for the County Council arising from this report.

7. Equalities implications

- 7.1** There are no equalities implications arising from this report.

8. Conclusion

- 8.1** This report shows that 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.

9. Recommendation

The Growth, Economic Development and Communities Cabinet Committee is asked to consider and note the report.

Background Documents - None

Contact Details

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Appendix 1 – Key Performance Indicators

| KPI 1 - Marketing and Promotion |
|--|
| <p>Promote Kent as a top UK visitor destination and an attractive place to visit, to both domestic and international markets: <i>Campaigns have utilised new media and digital strategies as well as conventional routes to market (such as Visit Kent magazine)</i></p> |
| <p>Identify key target visitor markets: <i>Domestic market (predominantly London and surrounding counties) Overseas markets (France, Belgium, Holland and Germany) Long haul (USA) Emerging markets (China)</i></p> |
| <p>Develop and run successful marketing campaigns across a range of media, aimed at increasing visitor numbers and spend: <i>See Appendix 2 for performance figures</i></p> |
| <p>Build on Kent's heritage and natural environment to create modern and exciting campaigns: <i>Kent Contemporary campaigns (2014,2015 and 2016) Magna Carta Rediscovered Big Weekend (2014, 2015 and 2016) Garden of England Goes Global Kisses from Kent 2016 Year of the English Garden 2016 Culture Kent Food is Great campaign</i></p> |
| <p>Focus on increasing the number of overnight visitors to, and short stays in, Kent: <i>See Appendix 2 for performance figures</i></p> |
| <p>Establish robust methods of measuring visitor satisfaction: <i>See Appendix 2 for performance figures</i></p> |
| <p>Effectively publicise the role of KCC in supporting the visitor economy: <i>Via regular posts on the Visit Kent website Press releases and KCC Member quotes Joint badging of events with KCC</i></p> |

KPI 2 – Support Sector

Support the tourism sector and help it remain an effective and successful contributor to the Kent economy:

Visit Kent focuses its resources on supporting high growth businesses, new start-ups and SMEs in the tourism sector

Seek out opportunities to support new business growth, including hotel development:

Working in partnership with KCC, People 1st, Kent Invicta Chamber, Produced in Kent Tourism Business Advisory Service

Tourism Symposium, Ashford, June 2015

Access for All campaign

Signposting KCC loan schemes for businesses

Encourage new job creation and apprenticeship opportunities:

Leading the development of the Hospitality, Tourism and Transport Guild

Attendance at Kent Choices Live, March 2016

Provide a strong voice for the industry, ensuring that Kent is properly represented to national, regional and international audiences and key tourism bodies:

Partnerships with DCMS, Visit England, UKinbound, Tourism South East

Tourism Symposium, Ashford (2015)

Chairmanship of Tourism Society

Representation on panels of Cruise Britain, ATAK, Skills Commission

Ensure that Kent tourism businesses have access to strong intelligence that provides an understanding of the current and future visitor markets and are equipped with the necessary skills:

Market intelligence on website includes Business Barometer, District Dashboards, and the Cambridge Economic Impact Model

Help the sector develop first class customer care skills:

Leading the Hospitality, Tourism and Transport Guild

Representation on the Kent and Medway Skills Commission

Develop a strong business support function for tourism businesses in Kent:

Regular networking lunches with Kent tourism businesses

Provision of support through its Tourism Business Advisory Service

KPI 3 – Securing investment

Increase levels of private sector investment:

Visit Kent has secured over £5m investment over last decade

Private sector investment £575K in 2014-15, ££712K in 2015-16

Commercial contracts with Bluewater, Chatham Historic Dockyard, Canterbury Christ Church University, Herts LEP, Southeastern

Secure funding to benefit the visitor economy (from public and private sector sources):

Visit Kent has secured funding from external programmes (INTERREG, Discover England, Arts Council, Visit England)

Public sector investment £639K in 2015-16

KPI 4 – Partnerships

Work closely with and create innovative partnerships with other KCC services (eg Produced in Kent, Locate in Kent, Explore Kent):

Cross promotion of KCC services (Explore Kent, loan schemes, Produced in Kent, Library Service)

KPI 5 – Governance/Client Liaison

Create an advisory group to advise strategically on contract delivery:

Provided by Visit Kent board to KCC

Account manager to meet regularly with KCC:

Visit Kent has a dedicated account manager for KCC contract

KPI 6 – Coping with reduced funding

How would provider accommodate a potential 10% reduction in each of years 2 and 3:

Visit Kent has a strategy to contain costs and drive income, which has increased significantly through commercial contracts, externally funded projects and increased membership by tourism businesses

Appendix 2 – Visit Kent Service Outcomes

| Service outcome: | Measured by: | Current status: |
|---|---|---|
| Increase visitor numbers to Kent | Annual County Economic Impact studies (Cambridge Model) | Total Staying and Day Visits: 58,304,000 |
| Increase visitor spend into the Kent economy | Annual County Economic Impact studies (Cambridge Model) | Total visitor related spend: £2,867,251,000 |
| | Annual Conversion Research | Visitor spend including Kent Residents: £77,285,494 |
| Increase number of jobs within the Kent visitor economy | Annual County Economic Impact studies (Cambridge Model) | Total estimated actual employment: 67,931 |
| Increase levels of visitor satisfaction | Annual Conversion Research | TRI*M Score: 82 |
| Secure external investment to match fund KCC investment 2.5:1 | Visit Kent accounts system | Increase of 10% |
| Business satisfaction | Annual industry survey | Underway for 2015 |

In addition, Visit Kent has also monitored:

| | April 2014 – March | April 2015 – March | April 2016 – Aug |
|-------------------------------------|--------------------|--------------------|--------------------|
| Website visits | 1,183,084 | 1,581,210 | 943,073 (22.7% up) |
| Social media | | | |
| Facebook | 3,795 | 7,071 | 10,364 |
| Twitter | 19,206 | 28,500 | 30,277 |
| Data capture | 24,976 | 71,044 (UK | 71,001 (UK |
| | | 49,058 (European) | 48,266 (European) |
| | | 4,423 (Trade) | 4,494 (Trade) |
| UK Articles REACH | 26,979,922 | In excess of 88 | 2.7million |
| UK Articles AVE | £1,249,213 | £1,468,784 | £387,052 |
| UK Press Trips | 15 | 41 | 15 |
| International | £993,405 | £376,953* | £76,699 |
| International Articles REACH | | 4.3 billion* | 160m |

*AVE and REACH are not always supplied for international publications, so these figures are incomplete