

By: Derek Murphy, Cabinet Member for Economic Development
Simon Jones, Corporate Director of Growth, Environment & Transport

To: Growth, Economic Development and Communities Cabinet Committee
- 14 March 2023

Subject: Extension of contracts with Locate in Kent and Visit Kent

Decision No: 23/00031

Classification: Unrestricted

Past Pathway: Growth, Economic Development and Communities Cabinet Committee
1st July 2021

Future Pathway: For Cabinet Member decision

Electoral Division: All

Summary: Kent County Council is seeking to extend its current contracts to March 2024 with Locate in Kent and Visit Kent

Recommendation

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Economic Development on the proposed decision to extend to March 2024 the current contract with Locate in Kent and the grant agreement with Visit Kent for the provision of inward investment services and the promotion of the visitor economy in Kent respectively as shown at Appendix A.

1. Introduction

A. Locate in Kent

- 1.1** In February 2020, KCC sought to procure Inward Investment Services for the period August 2020 to March 2025 but the process was stopped owing to the Coronavirus Pandemic and the need to divert the resources of KCC's procurement team to areas requiring immediate support to deal with the County's Pandemic response. Accordingly, the contract was extended to 31st July 2021. The contract was to be financed from an agreed KCC budget which had match funding from the European Regional Development Fund (ERDF) plus additional funding from Medway Council.
- 1.2** In the early part of 2021, an open procurement process was started with a view to obtaining the best value for money. At its meeting on 1st July 2021 the Committee approved a proposed decision to enter into a contract for inward investment services to run from 1st August 2021 to 30 April 2023 when the ERDF funding would cease. The contract was offered to Locate in Kent as a result of the open procurement process.
- 1.3** The contract required Locate in Kent to deliver a minimum of 2,800 new jobs and a minimum of 100 successful business investment / location / expansion projects.

The funding from the ERDF required the delivery of specific targets in respect of Small and Medium sized Enterprises (SMEs).

- 1.4 The Council's budget adopted in February 2023 requires a cut of 10 per cent in the annual provision for inward investment services. (Medway Council has agreed to contribute £70,000.) Combined with the loss of ERDF's annual funding of £428,571, this means Locate in Kent's annual budget for 2023-24 from the KCC contract will reduce from £1,010,571 to £566,014 (being the sum of one month's funding from the ERDF, £35,714, plus £460,800 from KCC, plus £70,000 from Medway Council). This represents a cut of 42 per cent in annual funding.

B. Visit Kent

- 1.5 In March 2020 KCC entered into a three-year Grant Agreement with Visit Kent to run from 1st April 2020 to 31 March 2023 to assist in the promotion and marketing of Kent's visitor economy. The objective of the programme funded by the grant was to increase economic activity in Kent with a focus on the visitor economy as one of Kent's key economic sectors so that:
- Kent is a premier UK visitor destination to both domestic and international markets;
 - By 2023 the value of Kent's visitor economy has grown in line with national forecasts;
 - There is real business growth in the visitor economy;
 - Kent has a strong voice for the sector at regional, national and international levels.
- 1.6 It was expected that the programme would help to deliver an increase of 25% in the value of tourism to the Kent economy to £5 billion by 2025.
- 1.7 The annual total of the grant was £280,000.
- 1.8 The Council's budget adopted in February requires a cut of £50,000 in KCC's funding for the promotion and marketing of Kent's visitor economy, which reduces the annual allocation to Visit Kent for 2023-24 from £280,000 to £230,000. This represents a cut of 17.9 per cent in annual funding from KCC.

2. 'Framing Kent's Future'

- 2.1 The Council's Strategy document for 2022-26 made a commitment to supporting the Kent economy to be resilient and successfully adapt to the challenges it faces over the coming years. Under Priority 1, Levelling up Kent, the document said the Council would "rebrand Kent to attract national and international investment by promoting all that the County has to offer for business, learning, leisure and tourism".
- 2.2 Discussions with Locate in Kent and Visit Kent indicate that they are intending to refocus their activities to take account of the reduced budget allocations but this will require several months to achieve. They have already agreed to co-locate their staff in Canterbury and to share back-office processes. Further discussions are taking place to put in place more ambitious changes.

3 Funding for 2023-24 and extending the current agreements:

- 3.1 Against the background of the Coronavirus pandemic, the (national and international) measures taken to prevent the spread of the disease and through compulsory closures of venues and restrictions on meetings in public places, the targets previously set for Visit Kent proved unrealistic.
- 3.2 Locate in Kent have already exceeded the investment targets set for delivery by the end of April 2023 but the impact of the current economic situation on business investment confidence is likely to make the task harder in future.
- 3.3 Extending the Council's contract with Locate in Kent and grant agreement with Visit Kent to March 2024, albeit with reduced funding, will give time for the Council to agree new and more focused output measures to be delivered by the two organisations.

4. Equalities implications

- 4.1 The extension to the Locate in Kent and Visit agreements have current Equality Impact Assessments which do not identify any adverse impacts.

5. Data Protection

- 5.1 The current agreements with Locate in Kent and Visit Kent require the two organisations to comply with the Data Protection Act and the General Data Protection Regulations (GDPR). These will carry forward with the extension of the agreements.

6 Recommendation

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Economic Development on the proposed decision to extend to March 2024 the current contract with Locate in Kent and the grant agreement with Visit Kent for the provision of inward investment services and the promotion of the visitor economy in Kent respectively as shown at Appendix A.

7. Appendices

- 7.1 Proposed Record of Decision
- 7.2 [2023-03-09 Inward Investment Service - Locate in Kent.docx](#)
- 7.3 [2023-03-09 Promotion and Marketing of Kents Visitor Economy.docx](#)

8. Contact Details

Report author:

David Smith
Business & Enterprise Programme Director
Telephone number: 03000 417176
Email: david.smith2@kent.gov.uk

Relevant director:

Stephanie Holt-Castle
Director of Growth & Communities
Telephone number: 03000 412064
Email: stephanie.holt-castle@kent.gov.uk