

Edinburgh College

# COMMERCIAL STRATEGY

2023 - 2026



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# 1. EXECUTIVE SUMMARY

**As Scotland's Capital College, Edinburgh College's responsibility, reach and impact is significant. We deliver life-changing education and training to people across the city, the region and beyond. We must build on the strong foundations already in place, to ensure we continue to be the right shape and right size to deliver for our people, our region and our partners.**

This Commercial Strategy underpins the College's Strategic Plan - Our Strategy, Our Future - and outlines our ambition to redefine the college experience by moving with agility to meet the needs of our industry and business partners and through developing impactful connections, responsive programmes, applied research and innovation.

Ongoing uncertainties around flat cash funding across the sector mean there is a need to diversify our alternative income streams and grow our capacity to deliver non-Scottish Funding Council (SFC) funded activity across the whole College.

To help drive our College to a more stable and sustainable future, this strategy, along with the other four strategic pillars (Curriculum, Digital, Finance and People), will support successful achievement of our goals and sets out an ambitious business development plan to reflect our College's ambition of fundamentally improving the educational, social, economic and environmental wellbeing of our students and communities.

This strategy will be delivered by the development of commercial activity in four key areas:

- Business Engagement
- Apprenticeships
- International Activities
- Alternative Income

This Commercial Strategy links with the College's overarching strategic themes of People, Place and Performance. It will be delivered through a phased approach, consolidating and maximising all current income opportunities and processes across our College. It will require transformation and reinvestment of our time, resources, and range of new delivery options to ensure we have the right people in the right places to deliver our ambitions. We will focus on a move towards a sustainable growth model which allows us to maximise long term income opportunities of scale.

Our core strategic aim is to cement our place as a leading provider of education and training nationally and internationally, and to be at the centre of the regional skills, innovation and entrepreneurial eco-system.





## 2. BACKGROUND AND CONTEXT

### 2.1. Where are we now? – National Context

There is an ever-evolving national context which provides both challenges and opportunities for our College to align our commercial portfolio to meet the needs and skills demands of key national strategies. Our work will align with the objectives of key national strategies which are outlined below.

The National Strategy for Economic Transformation focuses on societal, environmental and economic advancement, by encouraging business innovation, upskilling and reskilling of the workforce, supporting inward investment opportunities, addressing regional inequalities, and delivering lifelong learning.

In addition, the Government's National Performance Framework emphasises educational enrichment, a globally competitive and sustainable economy, international collaboration, and the cultivation of thriving businesses with quality jobs and fair work for everyone.

The Climate Emergency Skills Action Plan (CESAP) outlines a number of relevant targeted activities for colleges. These include driving systemic change in the green skills domain, ensuring a skilled talent pool for future net-zero jobs, facilitating the transition to green and circular economy employment, and assisting both employers and individuals to seize opportunities arising from the net-zero transition.

This Commercial Strategy also aligns with the Future Skills Action Plan, which underscores enhancing system agility and employer

responsiveness, promoting access to upskilling and reskilling opportunities, and ensuring the sustainability of the skills system.

The 'Putting Learners at the Centre: Towards a Vision for Scottish Education' strategy aims to enhance education by offering tailored support and professional development at regional and local levels. Our strategy mirrors these objectives, aligning with the vision of providing responsive, bespoke support and emphasising the importance of professional learning opportunities at regional and local levels.

**The Climate Emergency Skills Action Plan outlines a number of relevant targeted activities for colleges.**

Furthermore, our strategy is well aligned to the National Adult Learning Strategy, Shared Prosperity Fund and Multiply Programme, which focus on workplace learning, expanding adult learning opportunities and journeys, and reinforcing the broader goal of enriching social and life skill learning opportunities.

## International Context

Our International team is dedicated to addressing global skills and employability priorities. During the lifetime of this strategy, the team will continue to develop commercial programmes which support inclusion through skills development and unique employability approaches in key markets. The team will collaborate closely with national and international colleagues and other external stakeholders to supply quality TVET (Technical and Vocational Education and Training) programmes which offer positive, sustainable outcomes.

The growth of international student recruitment is a key aim in this strategy, and the team will adopt a quality-assured approach to increasing the number of international students undertaking their studies at our College, increasing income from international students, 'internationalising' our campuses, and enhancing the international student experience.





## 2.2. Where are we now? – Regional Context

Our College works in partnership with a number of regional stakeholders, including Capital City Partnership, Local Authorities, Skills Development Scotland (SDS), Chambers of Commerce, and the Scottish Council for Development and Industry (SCDI), all of whom have identified key sectors as areas of growth priorities in the region over the coming years.

These sectors include health and social care, engineering, renewables, green skills, construction, digital technologies, creative industries, administrative and support services, financial services, and tourism and hospitality.

The Edinburgh and South-East Scotland City Region Deal Regional Prosperity Framework is also a key driver in the region, focusing on data and digital skills, construction, net zero, and health and social care sectors.

Health and Social Work Activities sector is projected to experience significant absolute growth, with an estimated increase of 7,300 employed individuals from 2024 to 2031. Other sectors expected to see growth over a longer-term forecast period include Professional, Scientific and Technical Activities (3,600 people), Administrative and Support Service Activities (2,900 people), Arts, Entertainment and Recreation (2,000 people), and Education (1,600 people). This growth is driven by factors such as Scotland's aging population and the aim to maintain frontline services while adapting to evolving technologies in the Manufacturing sector.

**Health and Social Work Activities sector is projected to experience significant absolute growth.**

Skills Development Scotland's Regional Skills Assessment highlights the anticipated growth in certain sectors within the Edinburgh, East Lothian, and Midlothian regions. The Human



Apprenticeships are a fundamental component of the Scottish Government's Economic Strategy, and are essential for developing the skills required to support economic transformation, net zero transition, boost productivity, and promote fair economic opportunities. By expanding and enhancing the range of apprenticeship family activities our College offers, in collaboration with schools, industries, and universities, we will deliver a cohesive pipeline of Foundation, Modern, and Graduate apprenticeships across various sectors.

**Apprenticeships are a fundamental component of the Scottish Government's Economic Strategy.**

The Firth of Forth Green Freeport project, backed by both the Scottish and UK governments, will present future opportunities for innovation, inclusive growth, and the creation of green jobs in the region. As a critical stakeholder, we are well positioned to actively engage in and leverage the potential offered by the project.

The Lothian Care Academy is another significant venture aimed at providing high-quality training and education within the Health and Social Care sector, within which our College will play a pivotal role.



## 2.3. Where are we now? – College Context

The college sector has undergone significant change in recent years, resulting in regionalisation, reclassification, a new funding methodology, credit realignment, national pay bargaining, and more recently flat cash funding.

The impact of these national policy changes has resulted in changes in key financial performance measures, from an income and expenditure surplus/deficit model, to an Adjusted Operating Position (AOP) model. These changes have led to pressure on college cash management practices, including an inability to build and hold cash reserves. Coupled with a number of unfunded national pay deals for college staff, this places the financial sustainability of our College at risk.

As a result of the above, and ongoing pressures on core grant funding and uncertainties around other government funding streams, as well as credit activity, there is a growing need for us to diversify and increase our commercial income, through the delivery of this Commercial Strategy.

Against the backdrop of these challenges this Commercial Strategy is essential to supporting the financial sustainability of our College over the coming years. The budget for 2023/24 has been set to show underlying growth in International and College-generated commercial income as follows:

- Underlying Commercial Income is budgeted to be £0.4m higher than in 2022/23 with growth across Bespoke and Scheduled courses as well as Hires and Lets.

- International income is budgeted to be £0.2m higher than in 2022/23 with a plan to secure new contracts. An increased level of contribution towards overheads is also expected with tight control on costs of delivery.
- Our strategy will shape how we intend to grow our International and College-generated commercial income. Another key development will be to facilitate income generation target setting across the areas of Curriculum, Professional Services and Commercial and International (with a clear distinction between allocated and College-generated income).

This strategy also links with the College's Financial Strategy and will contribute to the short to medium-term financial plan to achieve financial stability.

Through this strategy, we will seek to establish meaningful, strategically-aligned commercial goals, which can facilitate effective business and employer engagement, make a positive contribution to the innovation and knowledge exchange eco-system, and support the development of both existing and new revenue streams within the current and future context of the College.

# 3. AIMS AND OBJECTIVES

## 3.1. Where do we want to get to?

The following aims and objectives will enable the delivery of our Commercial Strategy:

### Priority 1

BUSINESS ENGAGEMENT	BUSINESS DEVELOPMENT OBJECTIVES
<p><b>Generate additional £1m contribution to overheads through commercial activities through the period to 2026.</b></p>	<ul style="list-style-type: none"> <li>■ Generate additional income to reduce our dependence on core grants and promote financial sustainability. This will incorporate the development of our current portfolio and the creation of new, sustainable income streams.</li> <li>■ Simplify and automate commercial processes</li> <li>■ Increase our technology-enabled commercial offer</li> <li>■ Ensure internal capacity exists to support activities and develop new externally funded initiatives</li> </ul>
<p><b>Enhance our commercial portfolio to ensure synergy with industry need.</b></p>	<ul style="list-style-type: none"> <li>■ Enhance customer satisfaction</li> <li>■ Establish new key strategic collaborations particularly with SMEs/micro-enterprises</li> <li>■ Develop a thorough understanding of current and future skills needs through collaboration with industry, regional stakeholders and national skills agencies. This will be achieved, in part, through the creation of a new Knowledge Exchange hub, as well as enhanced engagement with key stakeholders.</li> <li>■ Identify new opportunities for Commercial programmes across the entire College curriculum, with a focus on those areas not currently engaged in key programmes such as apprenticeships, Flexible Workforce Development Fund and bespoke industry courses</li> <li>■ Develop new products driven by market need</li> <li>■ Continue to grow and develop activities in areas of key strength such as construction, health and social care, leadership and management</li> <li>■ Continue to develop products and services to support innovation, with a focus on SMEs and micro-enterprises</li> </ul>

# Priority 1

## BUSINESS ENGAGEMENT

## BUSINESS DEVELOPMENT OBJECTIVES

### Develop a commercial mind-set.

- Simplify and automate commercial processes to support effective Stakeholder engagement
- Develop the buy-in and understanding of internal stakeholders
- Embed commercial activities in all curriculum areas through the delivery of thematic working groups and enhanced tracking and monitoring systems
- Maximise the benefits gained from commercial activities for internal and external stakeholders
- Ensure services are accessible and customer-focused
- Maximise use of internal expertise in the delivery of commercial activities

### Maximise Employer Engagement Opportunities.

- Increase collaboration with employers and industry
- Increase upskilling and reskilling opportunities
- Enhance relationships with membership organisations through regular engagement and collaboration
- Maintain mutually beneficial relationships with industry representatives such as sector skills councils etc.
- Seek to engage with new employers on an ongoing basis via the Knowledge Exchange Network and commercial programmes, keeping open lines of dialogue and offering a calendar of thematic engagement opportunities



## Priority 2

APPRENTICESHIPS	BUSINESS DEVELOPMENT OBJECTIVES
<p><b>Generate additional £1.2m contribution to overheads through contracted activities through the period to 2026.</b></p>	<ul style="list-style-type: none"> <li>■ Generate additional income to reduce the College's dependence on core grants and promote financial sustainability; delivering new frameworks aligned to growth sectors and growing current apprenticeship activities in line with employer demand.</li> </ul>
<p><b>Embed Foundation and Modern Apprenticeship delivery across all relevant curriculum departments by 2026.</b></p>	<ul style="list-style-type: none"> <li>■ Develop the buy-in and understanding of internal stakeholders</li> <li>■ Secure apprenticeship starts across all curriculum areas</li> <li>■ Maximise benefits to internal and external stakeholders of EC contracts activities through the implementation of a continuous improvement plan</li> <li>■ Enhance internal and external communication with regards to college apprenticeship activities</li> <li>■ Maximise benefits to internal and external stakeholders of indirect apprenticeship contracts through the implementation of a continuous improvement plan</li> <li>■ Embed apprenticeship activities across the curriculum and develop apprenticeship pathways from FA (Foundation Apprenticeships) to GA (Graduate Apprenticeships)</li> </ul>

## Priority 3

INTERNATIONAL ACTIVITIES	BUSINESS DEVELOPMENT OBJECTIVES
Achieve annual £2m income contribution from International Activities by 2026.	<ul style="list-style-type: none"> <li>■ Generate additional income to reduce the College's dependence on core grants, focusing on thematic international group activities, English-language provision, and growth in international student recruitment.</li> </ul>
Understand and prioritise market and customer needs.	<ul style="list-style-type: none"> <li>■ Research growth sectors nationally and internationally</li> <li>■ Develop a thorough understanding of current and future market needs and attractive opportunities</li> <li>■ Identify new opportunities for international business across the College - commercial opportunities, consultancy, student recruitment.</li> </ul>
Build a sustainable and relevant international portfolio of products and services underpinned by the College's strategic capabilities.	<ul style="list-style-type: none"> <li>■ Ensure that we compete internationally based on our strengths</li> <li>■ Diversify and expand international activity beyond niche areas and markets; developing new products based on market needs</li> </ul>
Develop partnerships that facilitate a complete, relevant offering	<ul style="list-style-type: none"> <li>■ Engage with third parties, British Council, SDI (Scottish Development International), DBT, Overseas Agents etc.</li> <li>■ Leverage partner connections in other markets, particularly within the EU</li> </ul>

## Priority 4

ALTERNATIVE INCOME	BUSINESS DEVELOPMENT OBJECTIVES
Develop a portfolio of grant-funded initiatives in support of curriculum and student experience.	<ul style="list-style-type: none"> <li>■ Develop a thorough understanding of current and future needs through collaboration with internal stakeholders</li> <li>■ Maximise income from sources of grant funding, using Grant-finder as a tool for exploring opportunities</li> <li>■ Ensure internal capacity exists to develop and support new grant-funded initiatives</li> </ul>
Support the development of an Entrepreneurial Campus.	<ul style="list-style-type: none"> <li>■ Develop our role in the innovation ecosystem</li> <li>■ Co-ordinate cross-college enterprise initiatives</li> <li>■ Establish an enterprise hub supporting students, graduates, staff and people in the community in the initial stages of business start-up</li> </ul>

## 4. HOW DO WE GET THERE?

Successful delivery of this strategy relies on a whole-College buy in to the generation of income as a key strategic priority, with a need for:

- Understanding the current and future skills demands at a national and regional level
- Understanding the current and future skills demands of key international markets
- Effective collaborative working at local, national, and international level to ensure that our offering is aligned to need and regularly reviewed
- Dedicated business to business marketing strategies targeting key market segments and stakeholders, which allows employers and industry representatives to make informed choices, stimulate demand from industry to upskill and reskill their staff, stimulate industry investment in our College via donation and sponsorship based on current models such as the Digital Care Hub and the Renewables Centre.

### We will also aim to:

- Maximise opportunities for employer-led, work-integrated learning and teaching, with a greater focus on project-based, industry-relevant assessment across the whole curriculum.
- Deliver customer-focused, streamlined and accessible services to partners and clients.

- Drive innovation and development to ensure we offer flexible, responsive and relevant education and skills training.
- Work with local, national and international employers to align training opportunities with current skills demand whilst planning for those of the future.
- Build relationships and connections that enhance value for customers and stakeholders by creating new and relevant learning pathways, developing new delivery partnerships and integrating learning into wider regional strategies.
- Diversify International activity and partnerships and leverage the opportunities these offer as the Capital City College.
- Capitalise on college investment in information systems and tools to adopt a digital-first approach with a focus on the end user; simplifying and automating business processes for the benefit of customers and stakeholders.
- Grow and diversify income streams expanding Commercial, International, partnership and knowledge exchange opportunities.

# 5. HOW DO WE KNOW WE HAVE GOT THERE?

The strategic priorities of our Commercial Strategy align with those of the Edinburgh College Strategic Plan, namely, to grow and enhance our commercial portfolio and promote

financial sustainability. We will focus our efforts in the delivery of our new strategy across three phases of activity, described below:

Phase 1	Consolidation and maximisation	August 2023 - July 2024
Phase 2	Transformation and reinvestment	August 2023 - July 2025
Phase 3	Sustainable growth	August 2023 onwards

Key Performance Indicator	Baseline 2023	Target for July 2026
Annual income contribution from commercial activities	TBC	£4.2M
Number of tender submissions and success rates	30 submissions 65% success	40+ submissions 75% success
Employer feedback	-	80% return rate Min 75% satisfaction
Total number of employer engagement events	20	40
Apprenticeships to generate additional income contribution over the next 3 years	TBC	£1.2M and TBC
International activities to generate additional contribution to overheads over the next 3 years	TBC	£2M and TBC

The Commercial Strategy Key Performance Indicators are supported by the following key strategic enablers:

- Robust financial forecasting and budgeting processes
- Appropriate team structure and succession planning
- Comprehensive self-evaluation and operational planning
- Enhanced communication with internal and external stakeholders
- IT systems that are client-centric and support the growth of commercial activity



# 6. GOVERNANCE

## 6.1. Who is responsible?

Delivery of the Commercial Strategy will be led by:

- Vice Principal Corporate Development
- Director of Enterprise and Knowledge Exchange
- Business Development Manager
- International Business Manager
- Contracts Development Manager

The Senior Management team will participate in overseeing and assisting in the delivery of the strategy.

There will be links to teams across the College responsible for the development and delivery of a longer-term vision for the curriculum, and its effect on the estate to meet future requirements of students, staff and stakeholders.

## 6.2. When will we review and report progress?

The Vice Principal Corporate Development will oversee and report progress to the Executive team, and Corporate Development Committee, who will in turn report to the Edinburgh College Board of Management.

The operational management team, led by the Director of Enterprise and Knowledge Exchange, will meet monthly, and undertake a quarterly strategic review and progress update, to inform this reporting activity.





Quarterly performance review meetings will also be hosted by the Vice Principal Corporate Development.

A final review of the strategy will be reviewed in 2026.



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