



# TUCO

Share. Learn. Buy. Grow.

## Showcasing Excellence

### Lancaster University

Lancaster University's in-house food operation has gone from making a loss to generating a healthy profit, all in three years. Investing in staff, engaging with every level of the university and finding time for 'brainwaves' are some of the secrets to its success.



**Five years ago Lancaster's in-house catering service was on the verge of being outsourced. "But thankfully the university gave us the chance to turn things around", explains food operations manager Tim Holmes.**

The task ahead was considerable. Catering had been a loss-making department for years and when its deficit reached £107,000 in 2011 the university took action. External advisers reviewed catering arrangements and big changes were made to the staffing model and individual unit offers. Everything from pricing to customer experience, staff contracts to catering equipment was transformed.

"I've worked here for 40 years and I've seen the food operation change but the biggest transformation has happened in the last four years", say Tim.

The university began with a £1.5m refurbishment of catering facilities. The kitchens were rebuilt and re-equipped, front of house was upgraded and a large restaurant was created.

A new commercial manager was appointed and the food operation's annual marketing budget increased from £2k in 2010 to £40k in 2014. Tim Holmes explains: "It was refreshing to work with someone who understood that to generate significant income you



have to promote what you're doing. We have 12,000 students and 2,000 staff on campus and there's been a significant rise in sales now we have a proper marketing budget."

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Other changes included a restructure of staffing and catering units. In 2012 a retail services manager and executive chef were brought in and a reorganisation of the bars side of the business took place.

A newly created food operations team oversaw hospitality, catered accommodation, conference and event

catering and outlets attached to the main kitchens.

In 2013 a head chef and two assistant food operations managers were recruited. Today the catering department employs 55 permanent staff. Another 60 work in food retail.

Training improvements were crucial to this restructure. Prior to 2012, staff development was negligible. Now every employee receives a minimum of seven hours training per year in customer service, health and safety and product knowledge.

Jo Hardman, Lancaster University's commercial services manager describes his approach to staff development. "We've invested time in training and communication, making sure that managers buy into our approach and that staff share our overall vision."

This focus on professional development has contributed to a



## Procurement costs and savings – 13/14

<b>Total expenditure via TUCO frameworks</b>	<b>£146,529.30</b>
Cash Savings	£13,814.94
Process Savings	£6,000.00
Manufacturer Rebates to University	£1,467.18
TUCO Annual Subscription	(£ 100.00)
<b>TOTAL NET SAVINGS</b>	<b>£21,182.12</b>



major improvement in the department's finances. Income has grown by nearly 50% over the past four years, jumping from £2.5m in 2010 to just short of £4m in 2014.

### **"You need breathing space to develop new ideas,"**

It's a similar story around profit. In 2012, the service made a net profit of £90k. Twelve months later this jumped to £205k and, in the last financial year, net profits topped £256k, despite an increased investment in marketing, staff, training and kitchen equipment.

Rather than profits going to shareholders, as with contract caterers, surpluses are invested in supporting the university's strategy.

One important investment area has been innovation. "You need breathing space to develop new ideas," says Tim Holmes. "Now I've been given time to develop those all-important brainwaves."

Jo Hardman echoes this. "Looking outwards to competitors has helped us deliver a 'change' culture. New concepts, menus and approaches are examined, rejected, delivered. As an in-house team we can change quicker than our competitors, we can experiment and we can be closer to our customer!"

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One of the department's most profitable new ideas was opening daytime-only units in the evening in another guise. A snack bar serving sandwiches now transforms in to an Italian restaurant at 7pm. The conversion cost £1,000 and the additional income has been substantial.

Another research trip inspired the

team to deliver street food such as burgers, bratwurst, paella, hog roast and chocolate fountains to name a few. Two pop-up units were purchased and the concept is proving popular with both students and staff.

Jo Hardman believes that confident pricing is another reason for the in-house catering team's success. "Not being afraid to charge the right price for the right product is key. We got rid of the basic sandwich from hospitality deliveries, which, whilst popular in terms of purchase, was not popular in terms of quality. Whilst the price of sandwiches went up, the complaints came down."

Customer service has been another area of attention. Jo explains: "The change in our pricing policy means we focus first on customer experience and not the bottom line. In the past four years we have spent much more on marketing and equipment [catering equipment costs rose from £20k in 2010 to £100k in 2014] and this has driven improved profit."

Tim and Jo both agree that developing a catering service takes time, money and effort and reducing expenses in some areas is crucial to development in others.

National catering consortium TUCO helped Lancaster University cut costs around food, drink and equipment through its procurement frameworks. Each agreement is EU compliant and, due to TUCO's buying power - it procures £100m worth of goods and services each year for another 339 universities and colleges and 28 councils - Lancaster has saved £21,182 in the last 12 months.

This type of cost-cutting activity has led to investment in new initiatives such as providing top quality coffee, training

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prestigious 'Food for Life' Catering Mark. The scheme provides an independent endorsement that food providers use local, organic ingredients which are free from additives, are better for animal welfare, and comply with national nutrition standards.

A few months ago Lancaster became the first university in the country to be awarded two of the scheme's Gold Catering Marks.

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on organic milk and meat," remarks Tim. "But we've offset this with schemes like our campus allotment which provides the university with fresh ingredients. It's all helped to drive business."

The accolades don't stop at Food for Life. In June 2014 Lancaster moved in to the top 10 of the Guardian's 2015 university league table. It was also declared the highest placed UK university in the Times Higher Education's ranking of the world's best young universities.

staff as baristas and raising catering standards to new highs. "We want to create food and spaces that people are proud of," Jo Hardman reveals. "We don't aim to be 'good for university catering', but as good, and better, than the high street!"

Key to this is offering students a wide choice. While the catering department is delighted to have a strong self-delivered service, they have also embraced partner outlets, operating a mixed economy. This includes a Proud to Serve Costa, Subway, Greggs, Indian and Chinese restaurants, a burger bar and a fish and chip shop, all of which pay commercial rents.

In each of the university's own 15 food units, managers have focused on a specific market. "We had too many units to deliver a traditional offer," says Jo Hardman. "Whilst we have a shared vision and shared resources, each unit has an independent identity."

Reacting to new behaviours has

been central to developing this individuality. TUCO's 2014 Student Eating and Drinking Habits survey has helped with this, identifying why and how thousands of students make decisions about what to eat.

"Students are doing a lot more 'grazing' and eating on the move and our pop-up units cater for this," comments Tim Holmes. "But we're also seeing more students staying longer in our units, working in groups while they have a meal or a coffee. We've tried to create bright, social areas to encourage this."

A bigger drive towards healthy food and students' increased interest in what goes into their meals is another trend identified by the catering team.

"Students want to know where their food is from. It comes from Jamie Oliver's investigations into school meals and also from the horse meat scandal", Tim says.

This has prompted Lancaster to apply for the Soil Association's



## WHAT'S ON THE MENU?

- » **Refuel at County** – Hot and cold breakfasts
- » **Café 21** – Vegetarian, vegan, gluten-free, sustainable seafood
- » **The Hub @ Management School** – Proud to Serve Costa Coffee
- » **Trevor at Furness College** – Coffee, tea, cakes
- » **The Deli** – Delicatessen salad bar
- » **The Trough of Bowland** – Homemade pies
- » **The Mill at Fylde College** – Toasties, sandwiches, burgers, burritos
- » **Grizedale Café Bar** – Pizzas, hot wraps, doughnuts
- » **The Lounge** – Flagship restaurant
- » **The Winning Post at Cartmel College** – Traditional pub food
- » **Pubs and Bars:** The Northern Oak, The Herdwick, The Red Lion and Bar 74
- » **Also on campus:** Subway, Proud to Serve Costa, Greggs Bakery, Pizzetta Republic, Atkinson's Fish and Chip Shop, The Sultan Indian Restaurant, Wong's Chinese Restaurant, the Wibbly Wobbly Burger Bar and an ice cream parlour



Student satisfaction is one of the factors that has helped Lancaster win these honours and food and drink plays an important role. "I knew it was our vice chancellor's aim to be one of the top ten universities in the world", Tim notes. "When we won our 'Food for Life' gold awards, the vice chancellor told me it was fantastic that the catering service was helping the university meet its strategy. That meant a lot."

Tim believes that engaging with the university's hierarchy has helped the food operation get where it is. Work has been done with senior managers, the student union and student societies, all of which now use the in-house caterers.

Jo Hardman agrees. "If our management had not bought into the change culture, customer experience and staff development then we couldn't have delivered these improvements."

Being Britain's best university catering department is the aim for the future. Both Tim and Jo want to keep making money and continue investing in staff. "The reason we work well is that we haven't just invested in buildings but also people," states Tim. "We've created new positions and made casual staff permanent."

Tim believes workers feel more secure, engaged and listened to now most of them have been made permanent. In return he has seen a visible increase in motivation and commitment.

"It's ironic but we're in such great shape those outsourcers who looked around five years ago would jump at the chance today. We've proved what an in-house catering service can achieve. It's all about developing a rapport with every level of the university and outsourcers just can't match the understanding that an in-house catering team develops with staff and students."

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## CRUNCHING THE NUMBERS

In 2013, the in-house catering team served:

- » 95,000 breakfasts
- » 98,000 morning coffees
- » 74,000 lunches
- » 26,000 afternoon teas
- » 94,000 evening meals
- » £270,000 in additional cash sales



## Conferences and Events 13/14

Type of booking	Number of bookings	Number of delegates
Day meetings	278	17,700
Residential meetings	85	11,357
Lancaster House Hotel (university run)	242	5,213
University accommodation	16,376	



# TUCO

Share. Learn. Buy. Grow.

TUCO is the leading professional membership body for in-house caterers operating in the higher and further education sector. A total of 340 universities and colleges use our services every year. We also support in-house catering teams in the wider public sector, including 28 local authorities and 4 NHS Trusts.

**We are committed to advancing the learning and development of catering and hospitality teams, and we work to boost quality standards and provide essential market advice and information to those working in the sector.**

No longer just a purchasing consortium, TUCO has responded to the changing needs of its members and now provides like-minded individuals with a place to go to share their values.

From running conferences, competitions, study tours and courses, to researching and providing the tools needed to help institutions get better at what they do, TUCO has grown into a bespoke membership organisation.

Membership is open to all in-house catering operations in the higher and further education sector.

*If you are not a further or higher education institution, then it is still possible for you to join TUCO. Please email [info@tuco.org](mailto:info@tuco.org) for more details.*

**Our members receive support and guidance from TUCO in four key areas:**

## SHARE

TUCO provides a platform where members can combine ideas and achievements to collectively raise the profile of university and college catering in the UK. We also help members to network with other professionals and industry experts, sharing best practice and culinary trends.



## LEARN

We offer a wide range of subsidised courses, training, study tours and professional advice, to maximise each member's potential.



**"In four years, I have seen TUCO grow from a purchasing consortium into a true vehicle for the benefit of university caterers."**

– **Jeremy Mabbutt**, *Head of Hospitality Services at Aberystwyth University*

## GROW

We help our members to keep up-to-date with the latest market research, industry trends and consumer preferences and gain insight into studies on topics affecting the foodservice market.



## BUY

TUCO has significant buying power, purchasing £100m of goods and services every year for 340 universities and colleges as well as 28 local authorities and 4 NHS Trusts. Members can choose from 17 EU compliant catering frameworks and 182 suppliers.



For more details of how to join **TUCO** call **0161 713 3420** or email **[info@tuco.org](mailto:info@tuco.org)**