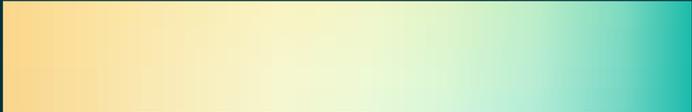


MEMBERS' BENCHMARKING REPORT



2018

PUBLISHED BY TUCO
(The University Caterers Organisation)
in partnership with Qa Research



FOREWORD

Welcome to our latest benchmarking report.



University catering budgets are coming under increasing pressure and in a climate of rising food and beverage prices and greater uncertainty TUCO is playing a crucial role in helping members to drive efficiency and control their costs.

Sector benchmarking is a key part of that. Drawing on data covering everything from salaries to average customer spend, this report is our most comprehensive to date in terms of its scope.

Our goal is to provide as much information as possible to allow institutions to assess their performance against peers.

Many of this year's findings echo trends in the wider market, for example around profit margins and operating costs. They also highlight the strengths of the sector as a place to work in terms of employee benefits.

I'd like to thank all members who took part in the benchmarking exercise – your input will undoubtedly benefit fellow institutions and I'm sure this report will help to inform work within your own operations.

But I'd also like to reiterate a key message from our previous report. The more members that make use of our services and get involved in our activities, from framework agreements to the competitions, the stronger they become.

That's particularly true of our benchmarking exercises. Through greater involvement of our members we will be able to gather richer data that allows greater segmentation and arms teams with even more insight to enable them to prosper.

Mike Haslin
Chief Executive, TUCO

THE BENCHMARKING SURVEY DELIVERS THE FOLLOWING BENEFITS FOR MEMBERS:

For line managers:

- Benchmarks operational efficiency against peer institutions
- Facilitates comparison of operating costs to other institutions

For operations managers:

- Provides a mechanism to monitor relative operating costs and delivery capabilities
- Provides objective basis for prioritisation of operational initiatives
- Identifies optimal opportunities

For senior managers:

- Provides an independent, external benchmark of operational performance
- Provides consistent, credible, accurate industry standard definitions and metrics around commercial operations
- Contributes towards better performance and delivery
- Provides an assessment of an institution's performance and progress relative to the industry

INTRODUCTION

This is the third benchmarking exercise carried out by TUCO and Qa Research.

Back in 2015 we ran a pilot study with 10 members and this was followed up in late 2016 with a full survey designed to compare performance across the sector.

Through this work we have fine-tuned the methodology and combined with feedback from members we have now developed a model that draws out even more valuable insight for university catering operations.

The latest comprehensive benchmarking exercise was launched in October 2017 with an email call out to members and a user-friendly online survey complete with instructions.

The results have been divided according to size of institution and are broken down into three main areas: profile information, personnel and operating performance. The latest survey also included two new areas – pensions and internal hospitality.

The findings include data that covers everything from salaries and staff turnover to average customer spend.

While the report does not divulge data from individual members, each participating institution has received a tailored summary report showing their performance versus the overall results and with comparable universities.

The overriding goal is make it easy for catering teams to use the report to gauge their performance against peers and pinpoint areas where they can improve.

CONTENTS

Foreword	2
Introduction	3
The results in a snapshot	4
Summary of findings	6
Methodology	16
Conclusions	17

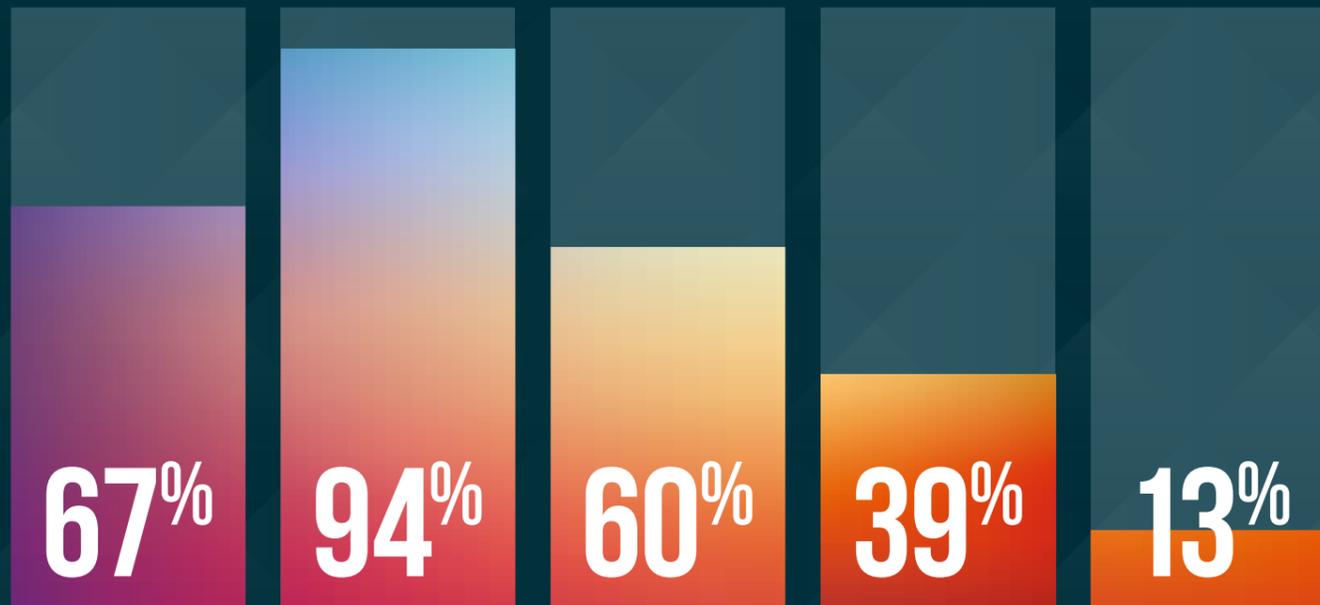
BENCHMARKING RESEARCH
A SNAPSHOT OF THE FINDINGS

£1.78M

Average total annual spend on catering staff salaries at a large-sized university

RUN IN-HOUSE
CATERING
OPERATIONS

89%



Provide internal hospitality

Use TUCO training and development services

Average gross profit on food

Food costs as a percentage of sales

Overall staff turnover

£19,847

Average salary for a catering supervisor

229,902

Average number of meals served at university restaurants

£4.48

Spent on average per transaction in university restaurants

39



Average number of FTE catering services staff in a medium-sized university

WHO TOOK PART?

Summary of findings

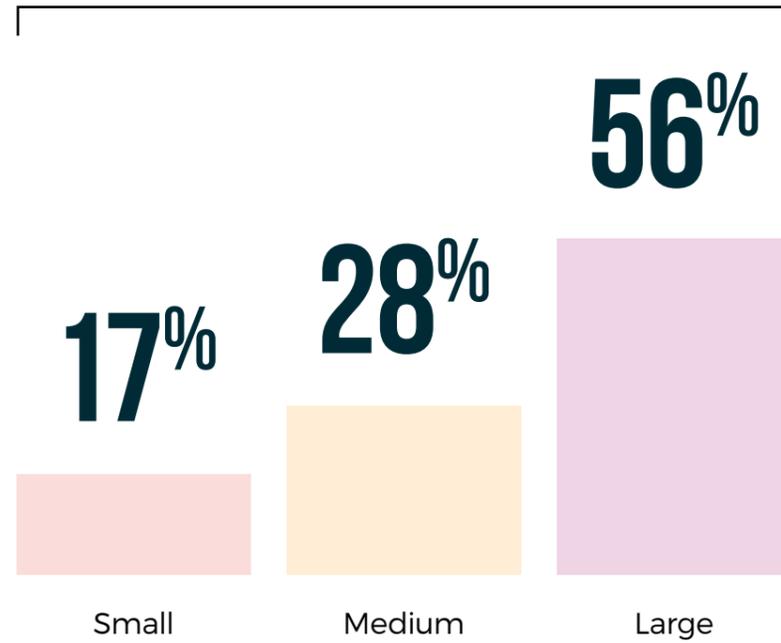
The research involved a cross-section of TUCO members, from small institutions such as Newman University to one of the UK's largest, the University of Manchester. They were also an even mix of campus, city and multi-campus based.

It's important to note that the overall findings are a reflection of the profile of the university catering organisations that participated in the research rather than a representation of TUCO members. A total of 18 universities out of the 89 members invited to take part did so.

For the purposes of the study, universities were categorised into small (less than 10,000), medium (between 10-20,000) and large (more than 20,000) based on their student numbers.

Overall, 89% operate all of their catering services in-house, 6% have wholly owned subsidiaries and 6% a combination of in-house and contracted out provision. All operate restaurants and grab & go outlets/cafés while 61% have bars and 44% run halls of residence catering.

University size based on student numbers



Source: Qa Research 2018 Base: 18 (all respondents)

HOW ARE THEIR CATERING OPERATIONS PERFORMING?

Universities were asked for transactional information across their different types catering service. The tables show both the overall findings and a breakdown according to the size of institution.

OVERALL TRANSACTIONAL NUMBERS AND VALUE

	TOTAL NUMBER OF TRANSACTIONS (RANGE)	TOTAL NUMBER OF TRANSACTIONS (MEAN)	AVERAGE TRANSACTION VALUE (£) (RANGE)	AVERAGE TRANSACTION VALUE (£) (MEAN)
University restaurants (i.e. plated meals and seating)	21,552 - 1,579,972	409,086	2.22 - 15.00	4.48
University grab and go outlets / cafés (i.e. snacks & limited seating)	39,200 - 1,128,474	460,792	2.14 - 6.64	2.95
University halls of residence	192,000 - 537,600	376,311	2.74 - 4.18	3.44
Licensed bars / bistro	3,500 - 444,347	91,019	1.66 - 7.62	4.68
TOTAL NUMBER	201,748 - 2,987,493	1,069,320		

SMALL UNIVERSITIES (UNDER 10,000 STUDENTS)

	TOTAL NUMBER OF TRANSACTIONS (RANGE)	TOTAL NUMBER OF TRANSACTIONS (MEAN)	AVERAGE TRANSACTION VALUE (£) (RANGE)	AVERAGE TRANSACTION VALUE (£) (MEAN)
University restaurants (i.e. plated meals and seating)	62,000 - 121,027	92,501	3.07 - 5.09	4.05
University grab and go outlets / cafés (i.e. snacks & limited seating)	42,000 - 210,988	115,368	2.45 - 3.38	2.94
University halls of residence	192,000	192,000	3.20	3.20
Licensed bars / bistro	14,157 - 40,000	27,079	1.66 - 3.50	2.58
TOTAL NUMBER	201,748 - 336,000	289,921		

MEDIUM UNIVERSITIES (10-20,000 STUDENTS)

	TOTAL NUMBER OF TRANSACTIONS (RANGE)	TOTAL NUMBER OF TRANSACTIONS (MEAN)	AVERAGE TRANSACTION VALUE (£) (RANGE)	AVERAGE TRANSACTION VALUE (£) (MEAN)
University restaurants (i.e. plated meals and seating)	88,454 - 1,579,972	55,3211	2.22 - 6.90	3.67
University grab and go outlets / cafés (i.e. snacks & limited seating)	115,332 - 595,120	395,036	2.14 - 3.80	2.67
University halls of residence	291,214 - 368,054	332,756	2.74 - 4.18	3.42
Licensed bars / bistro	63,687 - 444,347	254,017	3.78 - 6.65	5.22
TOTAL NUMBER	397,129 - 2,987,493	1,249,508		

LARGE UNIVERSITIES (20,000+ STUDENTS)

	TOTAL NUMBER OF TRANSACTIONS (RANGE)	TOTAL NUMBER OF TRANSACTIONS (MEAN)	AVERAGE TRANSACTION VALUE (£) (RANGE)	AVERAGE TRANSACTION VALUE (£) (MEAN)
University restaurants (i.e. plated meals and seating)	21,552 - 1,495,622	43,4546	2.72 - 15.00	5.06
University grab and go outlets / cafés (i.e. snacks & limited seating)	39,200 - 1,128,474	612,465	2.49 - 6.64	3.11
University halls of residence	530,000 - 537,600	533,800	3.73	3.73
Licensed bars / bistro	3,500 - 95,750	51,395	2.73 - 7.62	5.31
TOTAL NUMBER	811,448 - 2,385,085	1,274,644		

STAFF AND SALARIES

University catering departments were asked to provide information on permanent full-time and part-time staff as well as their use of casual/student/zero-hours contracts during the 2016-17 academic year. Permanent part-time staff have been counted as a 0.5 full time equivalents (FTE) and added to the total of full-time staff to provide a total number of FTE permanent staff.

STAFF AND SALARIES				
	OVERALL	SMALL	MEDIUM	LARGE
Average (mean) full-time permanent staff	49	20	39	63
Average (mean) part-time permanent staff	41	11	45	48
Total (mean) FTE permanent staff	70	25	61	87
Casual / students / zero hours contracts staff	101	25	83	132
Ratio FTE staff to students	1:348	1:176	1:270	1: 438

Respondents were asked about the overall gross salary costs for all permanent catering staff and all casual catering staff during 2016-17. The combined results show the spread of costs within each size of institution.

TOTAL CATERING STAFF GROSS SALARY COSTS (PERMANENT AND CASUAL)				
(£)	OVERALL	SMALL	MEDIUM	LARGE
Highest	2,940,068	955,000	2,940,068	2,905,019
Lowest	254,502	25,4502	901,125	355,184
Mean (average)	1,611,184	608,288	1,940,615	1,781,376

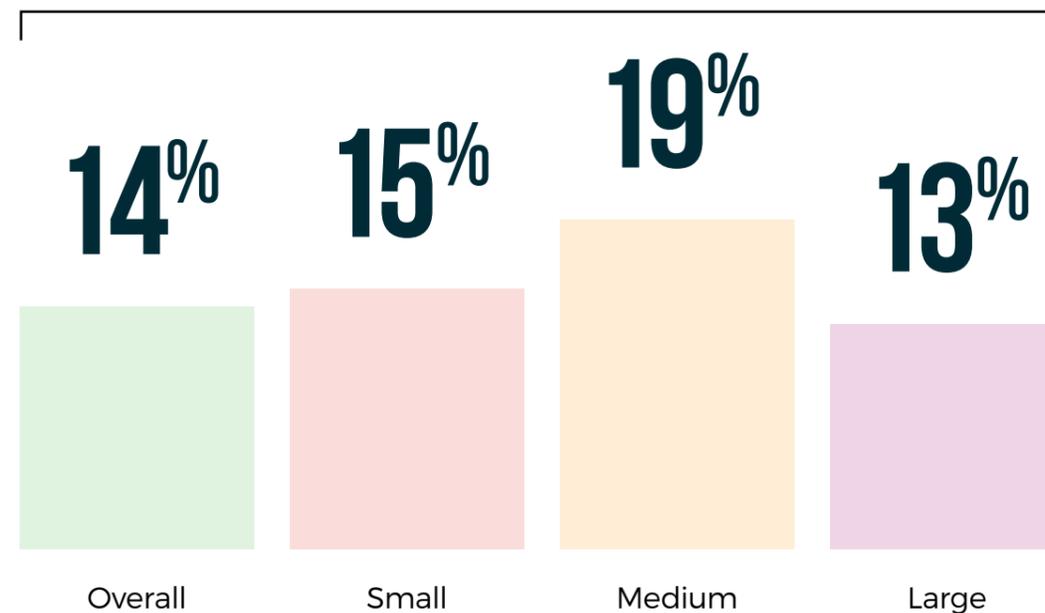
STAFF TURNOVER				
	OVERALL	SMALL	MEDIUM	LARGE
Number of staff employed	69.50	25.00	61.40	86.90
Number of staff recruited	9.53	6.33	6.80	12.11
Number staff left employment	9.18	5.00	8.20	11.11
Change in staff numbers	+0.35	+1.33	-1.40	+1.00
Staff turnover (%)	13%	17%	13%	12%

£29,818

Average salary for a head chef in the top pay band

PENSION PROVISIONS

Current average employer contribution towards employee pensions
(as percentage of salary)



STAFF AND SALARIES

£17,030

Average salary for a kitchen assistant in the top pay band

£32,106

Average salary for a catering manager in the top pay band

EMPLOYEE BENEFITS				
	OVERALL	SMALL	MEDIUM	LARGE
Childcare voucher scheme	89%	100%	80%	90%
Cycle to work scheme	94%	67%	100%	100%
Pension	94%	100%	100%	90%
Disability advisory service	83%	100%	80%	80%
Employee assistance programme	83%	100%	60%	90%
Staff discounts (gym membership, eating out, gifts etc)	94%	100%	80%	100%
Flexible working hours	83%	67%	100%	80%
Job share	61%	67%	60%	60%
Use of library services	100%	100%	100%	100%
Healthcare services	67%	33%	60%	80%
Maternity and paternity leave	100%	100%	100%	100%
Nurseries	67%	67%	60%	70%
Parent support scheme	33%	33%	20%	40%
Staff social events	67%	67%	80%	60%
Profit related pay	6%	-	-	10%

STAFF LEARNING AND DEVELOPMENT				
	OVERALL	SMALL	MEDIUM	LARGE
Compulsory training and development (in-house)	100%	100%	100%	100%
Compulsory training and development (outsourced)	83%	100%	60%	90%
Optional training and development (in-house)	94%	100%	80%	100%
Optional training and development (outsourced)	100%	100%	100%	100%
Annual appraisals	89%	100%	100%	80%
Performance reviews	89%	100%	100%	80%
Long service award	83%	100%	60%	90%
Merit pay	28%	-	20%	40%
Mentoring	72%	100%	60%	70%
Team and individual reward and recognition	100%	100%	100%	100%
TUCO learning & development	94%	100%	80%	100%

OPERATING PERFORMANCE

MEALS SERVED				
MEALS SERVED AT YOUR...	OVERALL	SMALL	MEDIUM	LARGE
University restaurants	229,902	48,449	173,966	312,306
Grab & go outlets	282,362	126,113	230,592	363,207
Halls of residence	322,841	312,000	271,095	378,200
Licensed bars / bistro	47,477	-	56,925	42,754
Overall total	660,379	308,889	589,984	777,623

FOOD COSTS (EXCLUDING VAT)				
FOOD COSTS AT YOUR... (£)	OVERALL	SMALL	MEDIUM	LARGE
University restaurants	441,920	120,847	551,257	500,350
Grab & go outlets	526,854	168,042	468,153	672,547
Halls of residence	782,131	403,685	697,553	1,098,222
Licensed bars / bistro	106,163	12,028	92,653	136,452
Overall total	1,356,086	316,849	1,588,900	1,519,974

TURNOVER (EXCLUDING VAT)				
FOOD COSTS AT YOUR... (£)	OVERALL	SMALL	MEDIUM	LARGE
University restaurants	1,070,287	309,558	1,434,030	1,153,008
Grab & go outlets	1,410,613	431,197	1,352,257	1,727,780
Halls of residence	1,895,098	757,600	1,761,397	2,279,748
Licensed bars / bistro	553,780	198,200	1,129,483	480,439
Overall total	3,750,967	1,125,421	4,672,076	4,216,766

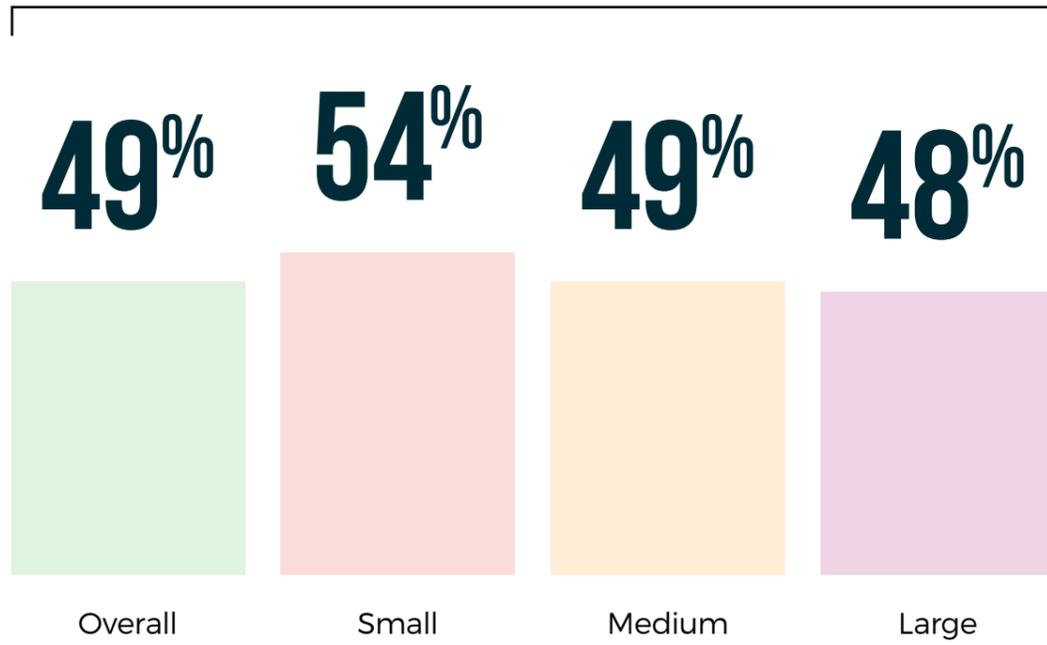
TURNOVER (EXCLUDING VAT)				
FOOD COSTS AT YOUR... (£)	OVERALL	SMALL	MEDIUM	LARGE
University restaurants	1,070,287	309,558	1,434,030	1,153,008
Grab & go outlets	1,410,613	431,197	1,352,257	1,727,780
Halls of residence	1,895,098	757,600	1,761,397	2,279,748
Licensed bars / bistro	553,780	198,200	1,129,483	480,439
Overall total	3,750,967	1,125,421	4,672,076	4,216,766

FOOD COST AS A PERCENTAGE OF SALES				
	OVERALL	SMALL	MEDIUM	LARGE
University restaurants	40%	40%	38%	41%
Grab & go outlets	38%	40%	34%	39%
Halls of residence	42%	53%	38%	41%
Licensed bars / bistro	29%	49%	17%	30%
Total food costs as % of sales	39%	39%	36%	41%

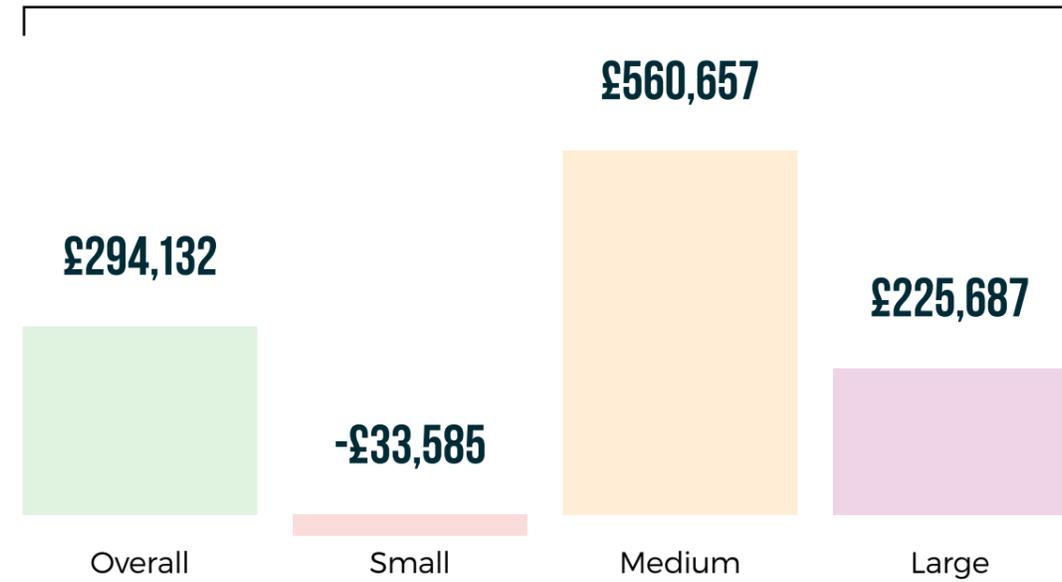
OTHER COSTS (E.G. FUEL & POWER, LAUNDRY, EQUIPMENT AND TRANSPORT)				
OTHER COSTS AT YOUR ... (£)	OVERALL	SMALL	MEDIUM	LARGE
University restaurants	136,913	60,700	135,547	170,356
Grab & go outlets	142,250	35,686	119,284	201,043
Halls of residence	142,012	102,000	116,687	258,000
Licensed bars / bistro	69,067	226,356	110,579	72,348
Overall total	357,264	145,477	397,635	436,243

SUMMARY OF FINDINGS

Salaries as a percentage of sales



Net profit (£)

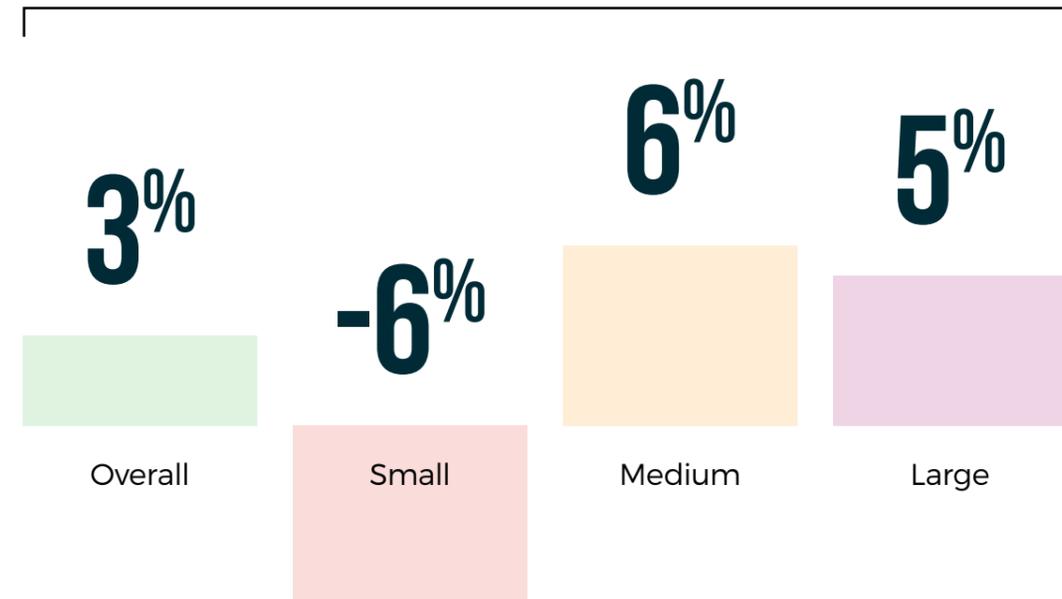


It's important to note that one small university that provided figures to calculate the net profit margin made a loss. Half of the medium-sized universities also registered an overall loss, along with one of the large universities.

% GROSS PROFIT MARGIN ON FOOD

FOOD COSTS AT YOUR... (£)	OVERALL	SMALL	MEDIUM	LARGE
University restaurants	60%	60%	62%	59%
Grab & go outlets	62%	60%	66%	61%
Halls of residence	58%	47%	62%	59%
Licensed bars / bistro	71%	51%	83%	70%
Total gross profit margin on food	60%	61%	63%	58%

Net profit margin (%)



METHODOLOGY

The TUCO Benchmarking Report is based on research using a quantitative online survey. All 89 TUCO members within the university sector (excluding University of Oxford and University of Cambridge colleges) were contacted in October 2017 and asked to take part.

The survey asked for data from the academic year 1 August 2016 to 31 July 2017 relating to catering for students, staff and other visitors to campus catering outlets and catered halls of residence (but not catering for conferences or events).

At the end of the survey a summary page populated with the data the university had provided was shown to respondents, who were asked to check all sections had been completed and amend or change any data as necessary before submitting their answers.

The data set was then reviewed by Qa Research ahead of running the analysis, with some respondents re-contacted to double check their answers which appeared to be 'odd' or an 'extreme' compared to other members.

Members who completed the survey have been sent individual summary reports comparing their performance against those at similar-sized institutions, as well as national aggregated scores.

QA RESEARCH

Qa Research is an independent full service research agency providing bespoke research and insight solutions to the public, private and voluntary sectors. The work was led by research director Nick How, an expert in quantitative and qualitative research.

Participants

The TUCO benchmarking exercise involved

- Harper Adams University
- Newman University
- University of Winchester
- London School of Economics & Political Science
- University of Brighton
- University of Reading
- University of South Wales
- University of the West of Scotland
- Cardiff University
- Leeds Beckett University
- Manchester Metropolitan University
- Nottingham Trent University
- University of Manchester
- University of Sheffield
- University of Edinburgh
- University of Exeter
- University of Glasgow
- University of the West of England

CONCLUSIONS

This year's report draws on data from universities spread across Britain, from Scotland to the south coast of England and including two members in Wales.

The geographical spread is matched by the varying size of participating institutions with some of the smallest and largest universities involved.

The findings will enable universities to judge their performance with peers across a wide range of indicators that go to very heart of their catering operations.

Comparing this report with the last TUCO benchmarking exercise, there are some interesting changes. For example, food costs as percentage of sales have gone up for each size of university and overall from 33% to 39%.

And while salaries as percentage of sales have remained the same, gross profit margin on food has fallen from 67% to 60%. It would appear to reflect some of the cost pressures seen in the wider food and drink industry.

As with the last benchmarking exercise, the biggest message is: get involved.

The more members that provide their data, the more scope there is to further segment the findings.

Around one in five institutions that were approached took part in the latest online survey and it's provided the basis of an interesting and valuable report - imagine how good it will be if more members get involved in future work!

GET INVOLVED

If you would like to find out more about the study or take part in shaping future benchmarking work, contact TUCO on **0161 713 3420** or email **info@tuco.ac.uk**

THE UNIVERSITY CATERERS ORGANISATION

TUCO is the leading professional membership body for in-house caterers operating in the higher and further education sector and is used by universities and colleges throughout the UK.

We also support in-house catering teams in the wider public sector, including local authorities and NHS trusts.

We are very much the voice of our members – championing excellence, facilitating the sharing of best practice and giving in-house caterers the profile they deserve.

TUCO enables its members to cut costs, drive-up quality, improve sustainability and deliver smarter procurement. For example, our wide range of EU compliant procurement frameworks save members more than £10m a year. TUCO Online, a new online eProcurement system, helps universities and colleges to streamline processes and exercise greater control over supplier trading relationships.

We have also now enhanced our procurement offer to drive greater efficiencies and savings through a fully managed service.

TUCO offers a comprehensive programme of subsidised training and events designed to inspire and provide practical insight. It includes the TUCO annual conference, now firmly established as a key date on the university catering world's calendar, and international study tours.

Through the TUCO Academy we offer training designed to address the professional development needs of caterers in higher and further education through a growing programme of day courses and e-learning.

Every year we run awards and also annual competitions designed to showcase and celebrate the depth of talent we have across the industry.

TUCO responds to the changing needs of its members by acting as a forum for networking and learning and ensuring they are kept up to date with the latest trends and analysis via our own research.

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. Just contact us to find out more.



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.



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 £150m of goods and services every year for universities and colleges as well as local authorities and NHS trusts. Members can choose from a variety of EU compliant catering frameworks and a wide range of suppliers.

“TUCO has grown to become the number one source of guidance, support and inspiration for university catering operations throughout the UK.”

– Matthew White, Director of Catering, Hotel and Conference Services at the University of Reading and Chair of TUCO

For more details of how to join TUCO
call **0161 713 3420** or email **info@tuco.ac.uk**

