



# TUCO

Share. Learn. Buy. Grow.

## Showcasing Excellence

University of East Anglia

UEA's food operation was making annual losses of £600,000 until a new catering head was hired. Disciplined management procedures have cut costs dramatically and a flexible, enterprising approach to delivery has boosted income to a record high.



**The University of East Anglia's head of catering is on a charm offensive. Having turned around the fortunes of UEA's food operation – its deficit has reduced by nearly 30% in just 12 months - Darren Fennah wants to help other parts of the university to transform their catering provision.**

"I'm starting with the university's 'Sportspark'. The food and drink offer there used to be outsourced but it was recently brought back in-house. We've begun working closely with the Sportspark management team to provide catering support and resource in all areas including staff, training, procurement and logistics. Having seen what we've done recently with the campus outlets, the Sportspark team knows that our approach makes commercial sense and they want us to continue supporting them."

Even the vice chancellor has been singing the praises of UEA's re-organised catering operation. When the new vice chancellor took up his role, Darren and the executive chef met with him and his wife to discuss requirements for all formal dinners and entertaining at their official residence.

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This might be the case now but 18 months ago, it was a different story. When Darren, who is from a railway and contract catering background, was first appointed as head of catering, he was tasked with reducing the

£600,000 annual deficit to a breakeven point in three years. Lax financial procedures around accountability, stock management, pricing and staffing had increased losses every year.

Darren immediately overhauled buying procedures. Over 3,500 product lines were purchased by the university's food outlets. Darren cut this to 1,000. Each outlet had their own stock and suppliers and this fragmented approach was replaced with a streamlined purchasing system overseen by the new procurement and logistics manager.

All food and equipment is now bought through national catering consortium TUCO which also supplies another 339 universities and colleges and 28 councils with £100m worth of goods and services each year. UEA now benefits from lower prices and better supply chain standards and last year saved over £105,000.

"Using TUCO means that I can also speed up the procurement process", Darren says. "Their frameworks are EU compliant, all the hard work has been done and I'm able to bypass the university procurement office and buy direct."

**Procurement costs and savings – 13/14**

	<b>£</b>
Total expenditure via TUCO frameworks	684,202.45
Cash Savings	74,864.98
Process Savings	30,000.00
Manufacturer Rebates to University	651.91
TUCO Annual Subscription	(100.00)
<b>Total net savings</b>	<b>105,416.89</b>



## Outlet Income – 13/14

Outlet	Budget £	Actual £	Growth / (Decline) £	Growth / (Decline) %
Zest	631,852	915,573	283,721	44.9%
Blend	675,413	324,283	(351,130)	(52.0%)
Vista	228,242	242,383	14,141	6.2%
BIO Café	70,577	192,056	121,479	172.1%
Café Direct	349,617	737,001	387,384	110.8%
Tonic	90,190	95,784	5,594	6.2%
Café 57		68,203	68,203	
<b>TOTAL</b>	<b>2,045,891</b>	<b>2,575,283</b>	<b>529,392</b>	<b>25.9%</b>

Outlet income has exceeded the 2013/14 budget by £529k (25.9%).

## Hospitality Related Income – 13/14

	Budget £	Actual £	Growth / (Decline) £	Growth / (Decline) %
Open Day & Special Events	N/A*	13,485	13,485	N/A*
Catering Direct	287,852	553,789	265,937	92.4%
Conferences	323,871	153,763	(170,108)	(52.5%)
BroadView Lodge	N/A**	37,818	37,818	N/A**

\*Open Day and Special Events is a new category introduced in 2013/14 and includes outdoor street food stalls.

\*\* BroadView Lodge is a bed and breakfast accommodation. This is also a new category as BroadView Lodge opened in 2013/14.



A restructure meant that a dedicated finance manager could be appointed. She now briefs catering management and staff on new financial disciplines around cash handling, invoice processing, stock control, P&L and menu costing.

Darren points out that getting managers to take more responsibility over their outlet's financial systems, successes and failures has proved highly successful. "Each manager has their own profit and loss account. It's like

they're running their own business but on a smaller scale. They have a team of staff and they submit monthly board reports. There's a really good team spirit and each manager has a sense of ownership and pride in their outlet."

Dragons' Den style meetings give outlet managers a chance to present new ideas to Darren and his executive chef. If they ask for new equipment or a marketing budget they have to present the business case, showing the projected return on investment.

This management approach has translated well to the service's bottom line. BIO Café, which serves barista coffee, a small range of hot food, sandwiches and snacks saw 172.1% growth in annual income following a low cost refurbishment. Café Direct delivered a 110.8% sales increase and revenue at main campus outlet Zest increased by 44.9% over the past 12 months. New coffee bar Café 57, which serves homemade cakes and teas, took £70,000 in its first 4 months, surpassing targets.

But income hasn't grown everywhere. 'Grab and go' outlet, Blend fell victim to a small campus supermarket which the university expanded tenfold. "I took the decision to close Blend for six months", Darren says. "There was a large downturn in revenue and footfall. I wanted to limit any losses."

Hospitality has also seen a big income rise. Conferences, formal dinners, outside catering and internal events have delivered £554,000, beating the previous year's figures by 92%.

Darren explains why. "It's down to re-organisation and a better product range. I took on a patisserie team, revamped the menus and brought in a mobile catering offer which includes a New York hot dog stand and a mobile coffee three wheeler!"

"We invested in good quality gazebos and developed our street food - everything from pulled pork to Asian fusion. If the weather is good we often serve outside and we change our offer regularly, responding to the different events taking place on campus. If there's an Indian market then we'll tailor our street food to fit."

This flexibility has won the catering operation recognition within the university. Food services can be easily altered and have proved they are sensitive to the needs of students, staff and visitors. Darren believes this has helped set his service apart from outside caterers.

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Darren has applied a similar re-organisational strategy to the catering service's workforce.

Over 90% of the original management team have now been replaced by catering professionals with a proven level of industry experience. There has also been a 50% change in front of house staff and one third of the kitchen workforce have been replaced.

Managers are trained to be 'red hot' on sickness absence. This rigorous approach has led to a 50% drop in sickness absence rates. Darren feels he now has control over the supervision and management of his 100 employees. He also feels that he has won their loyalty. These benefits are, he believes, unique to an in-house operation.

This renewed staff loyalty has been boosted further through catering competitions. Cooking contests, organised by TUCO, give UEA's chefs and baristas a chance to show off their skills, competing with other university catering staff. "My chefs are now asking 'when is the next competition?' It's increased internal competition as well. Everyone wants their outlet to be the best and to get some of the glory."

This glory and success is not just reserved for staff. An investment of £43,900 in new technology has enabled the university to offer

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students 'sQuid', a cashless payment system, boosting catering income by a potential 40% as it grows in use. Parents can pre-load payment cards and students can use them in campus cafes, supermarkets and bars. Credit in the catering 'purse' of the card can only be redeemed in food outlets that don't serve alcohol so parents can be sure their children are getting three meals a day.

Darren is excited about the future. He has plans to open a new food court on the site of the outlet he recently closed. He is also eager to gather new ideas, using his TUCO networks to visit other universities, share best practice and problem-solve with his peers.

Asked about the threat of outsourcing, he is pragmatic. "There was talk of contracting out the catering operation but now we've shown how we can grow revenue and control costs the outsourcing option doesn't make sense. The university is actually getting rid of other catering contractors because our prices are lower and we're not here to make a massive profit. I think in-house provision has really proved its worth at UEA."





## Gross Profit - 13/14

	Budget £	Actual £
Total Income	2,657,614	3,334,702
Cost of Sales	930,165	1,024,673
Gross Profit	1,727,449	2,310,029
Gross Profit %	65%	69.3%

## Pay Costs – 13/14

	Budget £	Actual £	Under / (Over) Spend £
Pay Costs	1,621,239	1,813,378	(192,139)

During 2013/14 the catering department went through a major restructuring of the management and administration team:

- » £61,000 spent on severance, redundancy payments, payments in lieu of notice and outstanding holiday entitlement
- » Additional costs on agency budget (£67,600) to cover long term sickness and absence
- » All sickness costs for 2013/14 totalled £78,200
- » The casual and overtime budget was overspent by £63,400 which included cover for vacant positions and sickness of front line and kitchen/stores staff

## NON-PAY RELATED COSTS – 13/14

### Maintenance

Underspend of £17,500

### Other Supplies and Services

Overspend of £112,000. The main reasons are:

- » Heavy investment in the training and development of staff and management in food hygiene
- » Cost of disposables products (£47,000 overspend)
- » Lease and hire costs (£10,000 overspend)
- » Increased cleaning due to greater footfall and higher quality standards

### Equipment

- » Overspend of £58,000
- » New Rational oven (£16,000), new butter spreading machine (£5,300)
- » New tills and printers (£9,600)
- » Cashless payment system (£43,900)



## CAMPUS NUMBERS – 13/14

Every day, UEA's catering operation serves:

- » 2,500 breakfasts
- » 6,500 lunches
- » 3,000 evening meals

On campus there are:

- » A total of 21,500 people
- » 18,000 students (of which 6,000 are international students)
- » 3,500 academic and support staff including 100 catering workers





# 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)**