



## University of Exeter

There are two University campuses in Exeter – Streatham and St. Luke's – and there is also Penryn campus in Cornwall. The majority of students are based at Streatham campus.

There are approximately 23,000 students and 5,000 staff.

## Background

The University currently had a mixed economy model for the delivery of catering and retail services at its main campus in Exeter. This includes outlets operated by Pret a Manger, Costa Coffee and AMT, whilst there are restaurants, cafeterias and retail outlets directly managed by Campus Services and by the Students' Guild.

The University engaged The Litmus Partnership to conduct an options appraisal in order to determine the most appropriate strategy and service delivery model for the provision of catering and retail services over the next five to seven years.

## Brief

- ▶ To identify opportunities for service improvements and revenue growth including potential new revenue streams – the review covered all catering and retail outlets operated by external suppliers, Campus Services and the Students' Guild.
- ▶ To utilise the results of consumer research to inform potential changes to the catering and retail offers, thereby ensuring provision of a high quality, value for money service to students, staff and visitors
- ▶ To assess the future food and beverage requirements against the forecast student numbers and suggest any changes in space allocation or improvements to facilities that may be required
- ▶ Taking account of the above, conduct an options appraisal to determine the most appropriate strategy and service delivery model for the future
- ▶ To create an implementation plan for the recommended option

## Approach

The review and options appraisal were carried out between February and April 2019.

Activities whilst our consultants spent time on the two campuses included:

- ▶ Interviewing a cross section of stakeholders
- ▶ Conducting an online Consumer Insight survey
- ▶ Visiting the catering outlets and supporting kitchens at each campus
- ▶ Sampling lunch and snacks at both campuses
- ▶ Observing a number of services during different day parts and speaking with some customers

Desk based activities included:

- ▶ Analysis of financial trading information and staffing structures
- ▶ Reviewing the University's catering strategy and development plan
- ▶ Reviewing the financial performance data from Campus Services and from the Students' Guild
- ▶ Measuring the key financial metrics against HE sector benchmarks using data we have assembled from more than 50 UK universities.
- ▶ Conducted a SWOT analysis

We then took the key findings from our research and analysis to inform the options appraisal where we considered the following options against a set of agreed criteria:

1. Retain the mixed economy model
2. Create a separate trading subsidiary for the operation of catering and retail
3. Management contract or executive lease
4. Full outsourcing
5. Bring everything in-house

## Outcomes

We recommended retaining the mixed-economy model. This was predicated on making improvements to the in-house services set out below:

- ▶ Addressing the value for money issues identified in the Consumer Insight survey
- ▶ Consolidating product range in retail shops to capture procurement efficiencies to be passed on to the customer
- ▶ Expanding the availability of healthy options across all outlets – this was the second most significant satisfaction gap identified in the Consumer Insight survey
- ▶ Offering short-term pop-up residencies to local vendors/restauranteurs to provide authentic international cuisine, and testing of potential permanent food venue concepts
- ▶ Developing closer collaboration between Campus Services and Students' Guild
- ▶ Re-design and refurbishment proposals for selected outlets
- ▶ At the Streatham campus, look for opportunities to introduce cafes into social spaces or creating social spaces by doing so

We anticipated that it would take a year to implement all the changes and a further year to assess their impact. At this point we suggested that the University should re-visit the options, particularly because contract caterers are gaining a greater understanding of the HE sector and its catering and retail requirements, and are developing their offers accordingly.



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