

FROM STRENGTH TO STRENGTH

**Charity Retail Association
Strategic Plan 2024-2027**

Welcome to the Charity Retail Association (CRA)'s strategic plan, covering the financial years 2024-2027. Once again we are able to report a highly successful completion of the previous plan, and a substantial growth in both membership and income for the Association, which has consolidated its position at the heart of charity retail, working closely with a wide range of stakeholders and partners. With the COVID-19 pandemic now behind us, and with our sector having grown substantially since reopening fully in 2021, we now have an opportunity to take that growth and use it to move the sector to the next level.

This plan contains some elements of organic growth, and some areas where we need to be more aspirational and maybe even a bit speculative. Nobody can predict the future, as the past few years have made perfectly clear, but we are confident that some of the items detailed in the Context (page 2) will be with us for many years to come.

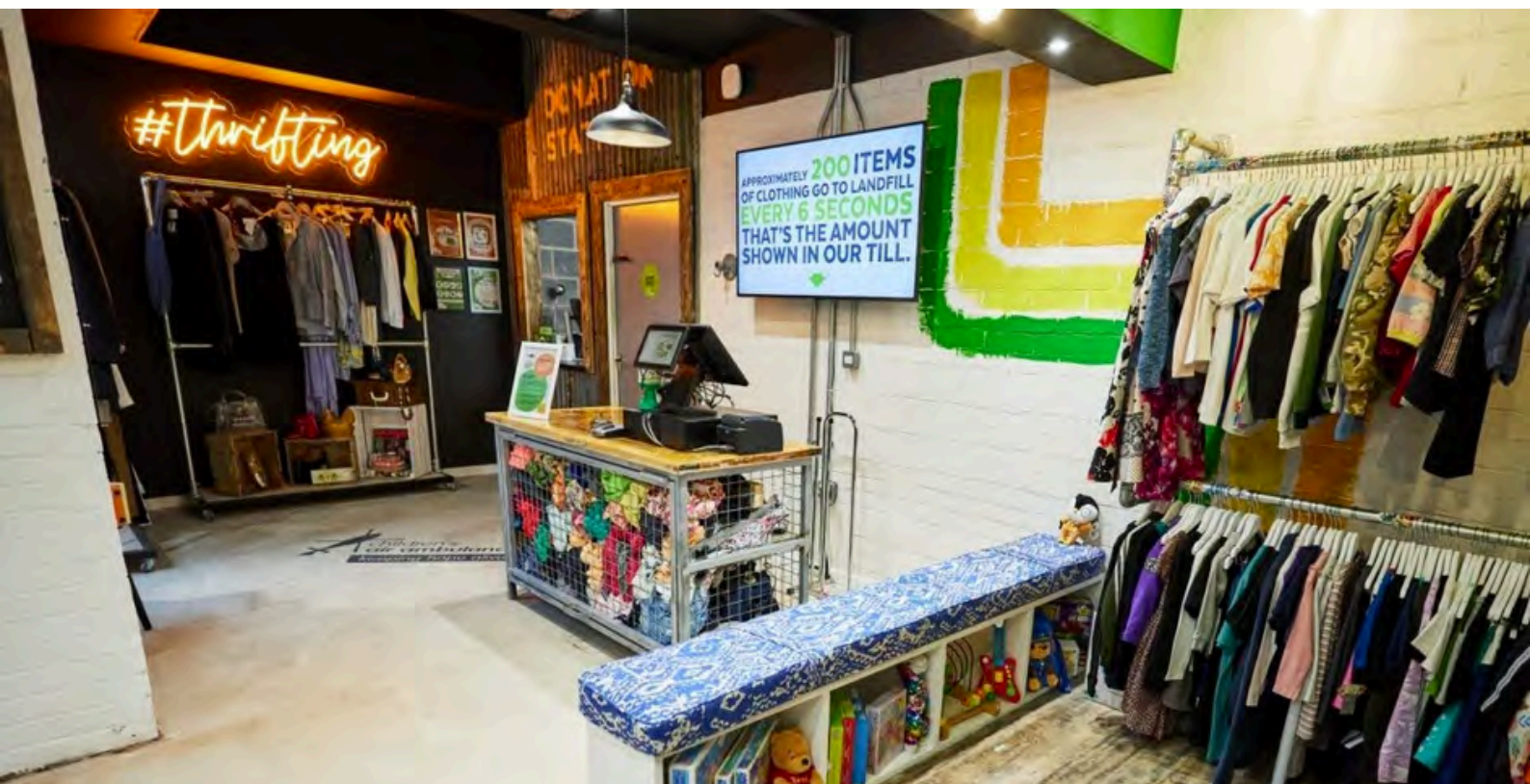
We have tried to construct a plan which reflects the world as we think it might be in 3 years time – and give ourselves the space to adapt should our predictions prove wide of the mark.

We write this on the eve of a general election, and do not yet know what the new government's view of our sector will be – we have our fingers firmly crossed. But one thing we do know for certain is that charity retail is here to stay. Its pivotal importance to the UK high street, to the facilitation of reuse, and above all to the provision of hugely-needed unrestricted funds for parent charities, means that charities, society and even the planet cannot do without the marvellous institution that is the UK's network of charity shops. As an Association we look forward to serving that need for many years to come and continuing to play our part in this vital sector.

Emma Peake, Chair
Robin Osterley, Chief Executive

Front cover: The Prince and Princess of Wales Hospice shop, Glasgow

Below: The Air Ambulance Service, West Bridgford



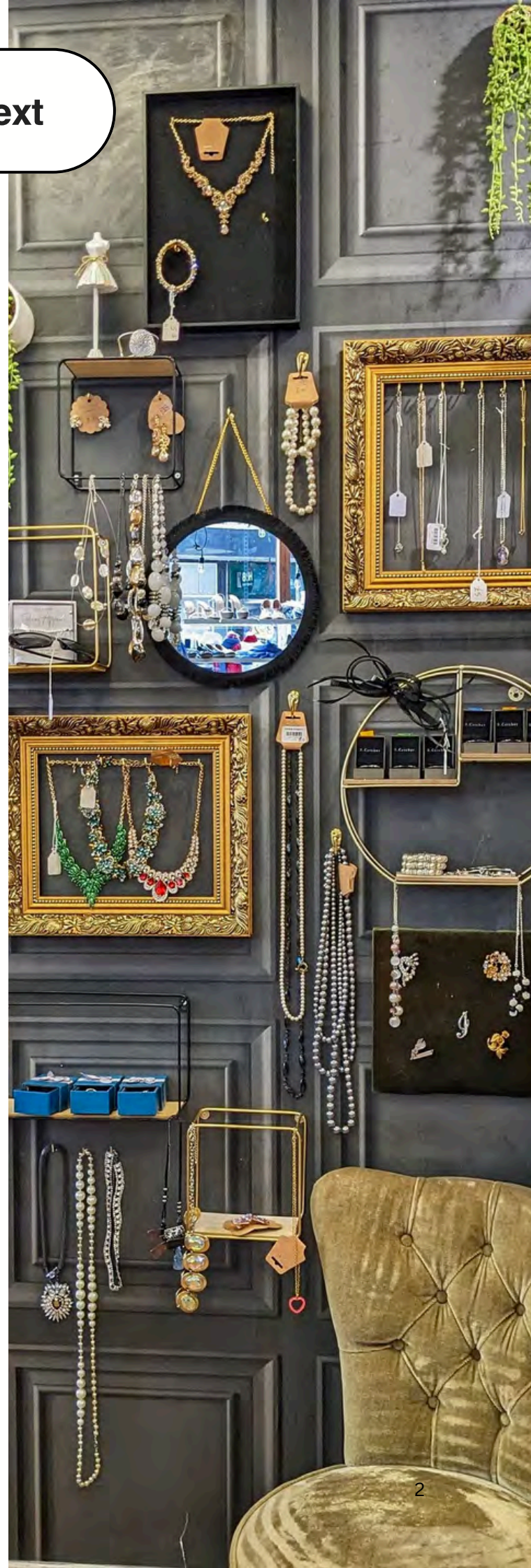
Context

The aftermath of the COVID pandemic was not supposed to be like this. During the frequent lockdowns and restrictions imposed by the Governments in all parts of the UK there was much talk of “building back better”, which was taken to mean creating a kinder, more inclusive society; one which looked after its citizens better according to the principles of equity, diversity and inclusion, and one which recognised the climate crisis as real and urgent, but soluble given that sufficient and timely action was taken.

Sadly, there is little sign of this happening, even three years after the worst of the pandemic was over. Instead we have a world where economic gloom has stifled public sector initiatives and investment, where a cost of living and inflation crisis has made life incredibly difficult for many people, where frustration and financial difficulty has resulted in an increase in stress and anti-social behaviour, and where many governments have drastically rowed back on their climate change commitments.

Further, the negative economic impacts of Brexit have yet, at the time of writing, to be compensated for by the benefits promised by the campaigners and politicians who led the leave campaign. The UK’s charities are struggling for income at a time when their services are most needed; and the NHS is, even without COVID, under the greatest pressure in its history, with record waiting times in A&E departments and in outpatient appointments.

More specifically, here is some of the backdrop that the sector has been working with. Some good, some bad, and all very different from what we expected a few years ago.



Sales performance

Unlike in most commercial sectors, there is a direct relationship between sales performance and doing good, as our profits are all generated in the aid of good causes.

During the last few years, sales in charity shops have been at an all-time high, reflecting an unprecedented diversity within the customer base; whether you want inexpensive yet high quality items, something different from the rest of the high street, exciting items to upcycle and trade with, or simply want to shop more sustainably, charity shops are for you! This has fuelled a huge growth (double digit year on year growth for a couple of years), and even if recently growth has settled down, the majority of our members are reporting optimism and investment in their charity retail operations.

Volunteering

One of the consequences of recovery from the pandemic has been a significant shift in the landscape of volunteering in the UK. The charity retail volunteering force has declined from 220,000 in early 2020 to around 186,000 at present - a significant decline of some 15%. It is not difficult to speculate what has caused this: there is still some reluctance for people to leave the house; the re-evaluation that a lot of people have done of their lives during lockdown has made them think that there are other things to do than volunteer for charity or in charity shops; and the cost of living situation which we face as a nation has required more people to devote any spare time to paid work rather than spend their time volunteering.

It is unclear as to whether the situation will ever improve, but it's notable that a number of our members have adopted a position of mitigation rather than cure by taking on more paid staff to fill the gaps. This is not always disadvantageous as paid staff can be very productive and often can pay for their own salaries and then some. However the core of charity shop human resource needs to remain with volunteers in order to preserve the profitable business model that we have benefited from for so many years. Many volunteering campaigns have come and gone and whilst we are clear that there have been improvements in the flexibility and accessibility of onboarding systems, in the end our belief is that this is going to continue to be a struggle for the majority of our members given the financial and social climate in which we are operating.



Cost of living

The last few years have seen a virtually unprecedented increase in the cost of living as experienced by the majority of individuals in the UK.

The confluence of a number of geopolitical events such as the war in Ukraine, the ongoing consequences of Brexit, climate change related harvest failures and extreme weather events has created an unusual degree of hardship amongst the UK population. Whilst this may have some beneficial consequences for sales in charity shops (traditionally exceptionally good places to purchase high quality low cost items, especially clothing) there is no doubt that a general economic malaise is not good for anybody in retail.

As we write the sales of second hand goods have been holding up strongly. Whether this successful trading era is likely to continue it is too early to say, but there is no doubt that the cost of living crisis represents both an opportunity and a threat to charity retail.

Inflation too has played a part in that the costs for our members have been rising significantly in an environment where they are unable to increase prices substantially.

Whilst average transaction values have been increasing slowly, inflation has eroded this increase in income such that the profitability of charity shops has remained relatively flat over the last few years. Again this is not necessarily something to worry about, but it is an important factor in understanding how our members plan and consider their futures.

Climate change and reuse

In spite of financial constraints (and possibly lack of ambition and an excess of short-termism) having watered down many political promises in terms of climate responsiveness, the charity retail sector remains a beacon of hope.

It's been known for some time that charity retail is the largest facilitator of reuse for clothing in the UK. Getting accurate statistics is very difficult, but our best guess is that approximately half of the UK's clothing production is reused via charity shops. To put it another way, if charity shops didn't exist, the amount of textiles going into landfill or incineration would be approximately double. This startling fact would be reason enough for charity shops to exist and be given the full force of governmental support – but it still remains somewhat of a secret.

Unfortunately, neither the UK government nor the EU (or for that matter local authorities) appear to set enough store by the importance of reuse compared to recycling. The status of reuse at the top of the waste hierarchy seems to be largely ignored, and whilst it is comparatively easy to find funding for projects involved in fibre-to-fibre recycling, reuse seems to be very much the poor relation. As an example, all local authorities have targets for recycling, and no such exist for reuse, a much cheaper and more effective way to reduce the climate impact of textile consumption. We are conscious that there remains a way to go before reuse is given the same consideration as recycling in the thinking of the various administrations and we will be working hard in this area during the lifetime of this plan.

Online platforms

Another consequence of the cost of living crisis that has befallen us over the last few years has been the rise of online platforms on which consumers can sell second-hand clothing to supplement their income.

It used to be that everyone kept a bag in their bedroom in which they placed items for charity shop donations - now there is an increasing trend to keep two bags, one for charity shop donations and one for items to be sold online. Online selling platforms are playing a significant part in the public's imagination but this is not necessarily a bad thing for charity retail. We often use the phrase "a rising tide floats all ships" as the increased awareness of the advantages of purchasing second-hand filters its way through the public consciousness.

Again we stand at a bit of a turning point here - it's unclear as to whether the whole world will end up buying second-hand clothing (which might under undermine charity retail somewhat) or whether online platforms simply take their place in a complex ecology of consumer choice.

One additional consideration is the rise of so-called "resellers" - people who purchase from charity shops in order to sell clothes at a profit on online platforms. Again this seems to have a both a downside and upside - one doesn't like to see charity shops losing out on potential profit, but there is no doubt that many of our members benefit extensively from these types of sales and would be reluctant to lose that significant part of their income.

The collection industry

Traditionally the charity retail sector has relied extensively on collectors who purchase excess stock from the back doors of shops on a per kilo basis.

Whilst this has never provided a massively significant proportion of charity retail's income (probably no more than two to three percent) the requirement to keep stock moving and out of the waste stream is as significant as ever - if not more so given the quality issues discussed below.

Unfortunately at the time of writing it seems clear that there is a range of threats to the viability of the collection industry. These come from geopolitical issues, increasing costs of transport and labour, and an apparent reduction in demand from downstream markets.

The charity retail sector's dependence on clothing collection is definitely a concern given these threats, and we must as a sector look to creative solutions and act in partnership with clothing collectors rather than seeing them as merely sources of income.

Perhaps there will be economic and geopolitical changes in the near future which will improve the situation, but it is certainly too early to tell and we must remain vigilant in our considerations of this scenario and build it into our business continuity planning.

Donations quality

One very significant issue in the last couple of years is a continuing and widely-reported decline in the quality of charity shop donations. The generosity of the public has never been greater, but the increasing influence of fast fashion and overproduction of cheap clothing has created an influx of low quality items into charity shops. To a lesser extent the rise of online selling platforms, where the cream of donations can be sold instead of being donated has also played a part in this decline, though our view is that fast fashion is a much bigger and more insidious issue, particularly considering the enormous impact that overproduction of clothing has on the planet. The reduction in quality received over the counter from the public also has a knock on effect in terms of the quality of items which are sold to clothing collectors, exacerbating the issues for them discussed on page 5.

Whilst there doesn't seem to be any kind of easy solution to the issue of donation quality, many of our members are, as always, adopting creative solutions to improve the income from these items, such as opening pound shops and selling to the consumer by bag or kilo rather than as individual items.

The continuation of this decline in quality is unlikely to be halted except by significant government action to reduce the sheer quantity of items manufactured, potentially through a scheme such as Extended Producer Responsibility (EPR) or other fiscal measures to mitigate the impact of clothing manufacture. We await with interest the developments in this area that a new government might be able to undertake, but there is little doubt that this trend will continue for some time to come.

Crime and abuse

One of the most unsavoury consequences of post-lockdown was a set of behavioural changes that has been experienced by the whole of the retail sector, including charity shops. The compulsory and very unwelcome wearing of masks by retail consumers immediately after lockdown seems to have started this trend, but it is showing no signs of abating.

A minority of the public feel able to behave in whatever way they like with regard to retail staff and volunteers. The increase in verbal and physical abuse of shop workers has been reported by many of our members as a major concern. The whole issue is exacerbated by an apparent unwillingness or inability of the authorities to address these issues through the criminal justice system, whether they emanate from casual and random incidents or from organised crime.

The police are as under-resourced as any of the public authorities but there does appear to be a notion abroad from the criminal fraternity that charity shops present an easy target and are not proper victims, since the majority of goods are donated.

Thanks to lobbying by ourselves and other organisations, the government has recently introduced a programme to create a specific set of offences for retail crime. However whether this survives the change of government remains to be seen. There is no doubt that many of our members have had to undertake expensive and time-consuming measures to mitigate the consequences of this increase in antisocial behaviour and criminal activity, and we are committed to supporting them through lobbying and through involving ourselves in working parties run by the police and other authorities.

Artificial intelligence

“In today's fast-paced retail landscape, artificial intelligence (AI) is increasingly becoming a cornerstone for enhancing customer experiences and optimizing operational efficiencies. From personalized recommendations to inventory management, AI is reshaping how retailers engage with consumers and streamline their processes.

“One of the most visible ways AI impacts retail is through personalized recommendations. By analyzing vast amounts of customer data, AI algorithms can accurately predict consumer preferences, offering tailored product suggestions that cater to individual tastes and needs. This not only enhances customer satisfaction but also drives sales by presenting relevant items at the right time.

“Moreover, AI-powered chatbots and virtual assistants are revolutionizing customer service in retail. These digital helpers can handle customer inquiries, provide product information, and even assist with purchases, offering round-the-clock support and improving overall satisfaction.

“Behind the scenes, AI is optimizing inventory management and supply chain operations. Predictive analytics algorithms forecast demand, enabling retailers to maintain optimal stock levels, minimize out-of-stock situations, and reduce excess inventory costs.

“In essence, AI is ushering in a new era of retail, where data-driven insights drive decision-making, and customer-centric experiences take centre stage. As technology continues to advance, the retail industry will undoubtedly see further innovations fuelled by AI, revolutionizing the way businesses operate and interact with consumers.”

Photo: Trinity Hospice Blackpool, Attire St Annes

Not our words, but those of ChatGPT. Readers might say that some of the above does not apply to charity retail, as we don't have inventory (except in new goods of course) and our customer service is less online. But this is the world in which we live today, and we absolutely must understand what AI can do for charity retail and the world of charity which it so ably supports.

Conclusion

It is against the above sets of backgrounds that this plan has been written. It seems to us that charity retail is facing a series of turning points, and it is our role as your Association to help support and guide you through what is undoubtedly likely to be as much revolution and evolution.



Vision

A sustainable, inclusive and trusted charity retail sector, successfully supporting the causes it serves.

Purpose

To lead and support the sector, inspiring everyone to be involved in charity retail and understand its social, environmental and economic value in a changing world.

Values

Integrity We are open, honest and act in the best interests of our members.

Inclusivity We are an accessible, safe space where everyone is welcome and valued.

Sustainability We minimise our collective impact on the planet and champion reuse globally.

Support We provide the best knowledge and guidance to the charity retail sector.

Innovation & leadership We are the sector's leading voice, proactive and embracing change.

Collaboration We create the best possible partnerships, strengthening connections to further the success of charity retail and its place in society.

Photo: Isabel Hospice, Welwyn Village

Always loved by Isabel Hospice

Sustainable women's fashion



Objectives

We recognise we are stronger listening to, including and celebrating diverse voices. Equity, Diversity and Inclusion (EDI) underpin all our objectives, aims and activities. All objectives are equal in priority, and must always be read and considered with EDI in mind.

1. Lead positive change for charity retail
2. Accelerate the growth of reuse and wider sustainability initiatives
3. Unite, connect and support the sector to grow and succeed
4. Be the recognised authority for insights into the charity retail sector
5. Raise the profile of the sector
6. Ensure robust and ethical incomes streams are in place to enable the above objectives

Photo: Wakefield Hospice, The Ridings



The Plan

Aims and impact / success measures

Objective 1: Lead positive change for charity retail

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| 1.1 Lobby on key issues for the sector | 1.1.1 Regularly meet with officials, politicians and other key stakeholders to secure support for charity retail. |
| | 1.1.2 Secure specific changes to guidance and legislation which support the charity retail sector. |
| 1.2 Being a part of the conversation on future policy developments | 1.2.1 Participate in a least 6 influential meetings, roundtable events or research projects considering future policy proposals. |
| 1.3 Develop policy proposals and consultation responses | 1.3.1 Produce eight or more consultation response or policy papers. |
| 1.4 Building coalitions of support | 1.4.1 Regularly meet with charity sector and other stakeholders to build support for measures that would be beneficial for charity retail. |

Objective 2: Lead positive change for charity retail

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|---|--|
| 2.1 Lobby for measures to promote reuse | 2.1.1 As in 1.1. |
| | 2.1.2 Participate actively in discussions and research about improving the sustainability of textile and household goods production and consumption, and their end of life |
| | 2.1.3 Continue to promote the TRUST initiative to improve the quality of the reuse marketplace. |
| 2.2 Influence Textiles 2030 and its signatories to increase emphasis on reuse | 2.2.1 Be an active participant in Textiles 2030 with a focus on prioritising reuse. |
| 2.3 Work to increase members' sustainability through signposting, partnerships and resource development | 2.3.1 Identify additional resources to help members develop their own emissions evaluation process. |
| | 2.3.2 At least one new addition to the sustainability web page per month, whether a signpost, case study, or other resource. |
| | 2.3.3 Lead by example – report annually on what the CRA has done to reduce its own emissions. |

2.4 Campaign to promote sustainability with the public

2.4.1 Run at least two annual social media campaigns (that must improve on the previous year's statistics by 20%) with a public focus, encouraging membership to share amongst their supporters.

2.4.2 Retain affiliate status with Sustainable Fashion Week and engage with its activities to boost association of charity shops with sustainability with the public.

2.4.3 Attend (6 per year) and share (once a month) charity member's events and activities in this space. Resurrect the CRA's YouTube channel and utilise for this purpose.

2.4.4 Acquire reliable statistics regarding the sector's sustainability and share an impactful aspect of these fortnightly on all CRA social media channels.

Objective 3: Unite, connect and support the sector to grow and succeed

3.1 Strengthen links between members

3.1.1 New website to be completed by Christmas 2024.

3.1.2 Double the current uptake of member services.

3.1.3 Reach 5000 active newsletter recipients with an annual average of 32% open rate and 7% click through rate.

3.1.4 Run an annual conference with over 350 delegates, 50 exhibition stands and over 90% rating the conference as good or excellent or 90% who would recommend attending.

3.1.5 Run at least 50 events annually (including Interest Groups, regional hospice meetings, small retail chain meetings, network meetings and the national lunch). Get 20% of the membership attending at least one event annually face to face (not including conference) and 75% rating the event as good or excellent.

3.1.6 Consider encouraging members to develop regional/local networks themselves, aiming to create 5 new groups.

3.2 Lead on best practice and encourage development of charity retail

3.2.1 Promote professional development through mentoring.

3.2.2 Promote wellbeing with monthly articles and aim to grow sign-ups to the Retail Trust offer by 5% annually.

3.2.3 Continue to develop the Charity Retail Safeguarding Scheme, with an average of 1 new sign-up per month.

3.2.4 Represent charity retail volunteering at national level.

3.2.5 Maintain the Charity Retail Learning (CRL) joint venture, increasing revenue by at least 10% per year, and growing the number of courses.

3.2.6 CRL continues to rate at least 90% good or excellent.

3.2.7 Increase awareness of Charity Retail Careers service.

3.2.8 Continue to support The Charity Shop Gift Card

3.3 Provide policy advice and maintain policy library

3.3.1 All guidance notes and resources are updated/reviewed annually, or when a change occurs – whichever comes first.

3.3.2 All policy enquiries, including online forum posts, acknowledged within 24 working hours, to be followed by a constructive response, and logged on Salesforce for reporting.



Objective 4: Be the recognised authority for insights into charity retail.

4.1 Issue reliable and bespoke research and benchmarking for the sector.

4.1.1 Produce quarterly research to provide reliable benchmarking on charity retail sales and understanding of market trends.

4.1.2 Develop research on priority topics agreed with membership, including the possibility of updating and expanding research on social value and SROI.

4.1.3 Collaborate with appropriate stakeholders to influence and support external projects that add valuable insights to the sector.

4.1.4 Produce timely and relevant statistics to strengthen our lobbying positions and support our media work on behalf of charity retail.

4.2 Be the go-to source of charity retail insights.

4.2.1 Maximise the potential in our research and data to place the CRA as the go-to source of charity retail insights, by promoting research on social media, website and in the press, exploring new outlets to reach new audiences, using expert opinion pieces, video and infographics.

4.2.2 Represent charity retail in at least 6 external speaking opportunities.

Objective 5: Raise the profile of charity retail

5.1 Raise awareness in the national media.

5.1.1 A minimum of 12 press releases per year to be published.

5.2 Utilise our social media platforms and partnerships to increase awareness of charity retail within the general public.

5.2.1 Grow social media and reach annual targets of new net followers: Facebook - 150, Instagram - 730, LinkedIn - 800.

5.2.2 Annual target of 20k engagements across all platforms.

5.2.3 Annual engagement rate of 5% across all platforms.

5.2.4 Increase subscription to Charity Retail Careers mailings and encourage recruitment in the sector.

5.3 Be prepared and responsive concerning incoming issues and enquiries.

5.3.1 Same-day acknowledgement of media enquiries.

5.3.2 Initial response/statement/interview details provided to media enquiries within 24 hours.

5.3.3 Respond to queries from the public quickly and effectively.

5.3.4 Respond to member queries within 24 hours.

5.4 Campaign to promote sustainability with the public.

5.4.1 Deliver an annual calendar of marketing campaigns with a strong sustainability focus, encouraging members to share.

5.4.2 Support and amplify member and partner sustainability campaigns.

Objective 6: Ensure robust and ethical incomes streams to enable the above objectives.

6.1 Receive proportionate income from charity members.

6.1.1 Charity member income achieved as per current budget.

6.1.2 85% of UK's charity shops in membership.

6.1.3 A consistent and proportionate increase in job advert income.

6.2 A diverse corporate membership, providing insight and income.

6.2.1 Increase industry diversity in corporate membership, focussing on recruitment of large, wealthy, well-resourced organisations.

6.2.2 Promote corporate innovation to our charity membership.

6.2.3 Create new opportunities for corporate members to engage with charity members that generate income for the CRA.

6.3 Identify more funding pathways to generate CRA income.

6.3.1 Help staff as appropriate to feel confident to seek income generation opportunity within their speciality.

6.3.2 Identify funding and partnership opportunities from outside of the traditional corporate member offer, e.g. government departments, aiming for one funded partnership project per year.

6.3.3 Create a fundraising committee to help identify opportunities for income generation that align with our vision, mission and values.

Photo: Scope, Brighton





End-to-end volunteer management

Your mission. Our platform.



A centralised volunteer database



Have a single source of truth, protect the details of your volunteers and maintain data security compliance - it's time to bin the spreadsheet!

Smart automation of day to day tasks



Our platform greatly reduces the number of hours your team will spend on scheduling, communication and many more tasks through automation.

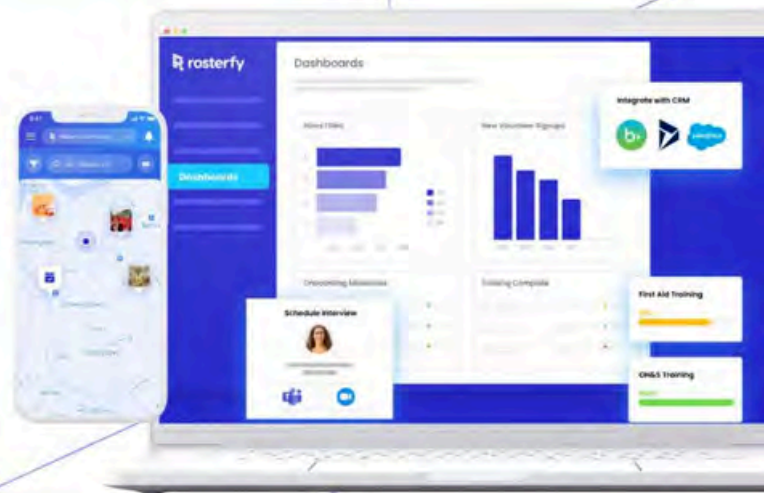
Offer a better volunteer experience



Rosterfy's volunteer portal, personalised communication and modern app experience greatly improves engagement and recruitment.

#WeAreRosterfy

Rosterfy is trusted by many of the world's most recognisable charities and non profits. It's our platform that powers change, helps you raise funds and change lives by mobilising **over 3 million volunteers a year**, totalling over 100 million hours, in 35 countries.



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