St Raphael's
Your Local Hospice

Retail Proposal 2026-27

Title and date

Current Retail Target

St Raphael's
Your Local Hospice

	Actuals					Target			
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Shop Income	£1,109,995	£1,418,215	£1,726,714	£1,982,252	£1,976,169	£2,061,063	£2,342,551	£2,647,009	£2,910,000
Shop Costs	£(1,123,843)	£(1,200,945)	£(1,691,877)	£(1,626,183)	£(1,669,038)	£(1,729,194)	£(1,989,728)	£(2,254,519)	£(2,393,615)
Contribution	**£(13,848)**	**£217,270**	**£34,837**	**£356,068**	**£307,131**	**£331,870**	**£352,823**	**£392,490**	**£516,384**
	-1%	15%	2%	18%	16%	16%	15%	15%	18%
Shops	**10**	**10.5**	**11.5**	**12**	**11**	**11**	**12.5**	**14**	**15.5**
CapEx in Year	£(26,553)	£(7,783)	£(197,666)	£(5,753)	£0	£(40,000)	£(80,000)	£(40,000)	£(40,000)

Incorporated into the current budget is the assumption that we will continue to grow the estate and increase overall contribution to >£500k by 2029-30. This would incur a £200k capital cost.

The new proposal will need to provide an alternative approach that, at least, offers the prospect of achieving this level of contribution.

Summary of Proposal

The Retail Report suggests that the income arising from each retail unit can be increased in the following ways:

1. Improve the sales mix and sell in the most effective style of shop
2. Improve Gift Aid recovery
3. Create a source of donations from Corporate suppliers
4. Remodel the Sutton Donation Centre as a high street shop

Driving this change would involve adding core staff to all shops plus a Corporate Donations Manager and an Area Manager.

Improve the Sales Mix

St Raphael's Your Local Hospice

The Retail Report notes that the average sales price of our items is below the English average according to the Charity Retail Organisation.

	Charity Retail Average England	Average SRH	Proportion of SRH sales	Total	at Charity Retail Average	Potential Gain
Womenswear	£5.21	£4.28	48%	£918,621	£1,118,228	£199,607
Menswear	£6.00	£4.50	11%	£210,517	£280,690	£70,172
Children's	£2.47	£2.32	5%	£95,690	£101,877	£6,187
Bric-a-brac	£3.26	£3.39	22%	£421,035	£404,889	£(16,146)
Other			14%	£267,931	£267,931	£0
			100%	**£1,913,794**	**£2,173,614**	**£259,820**

If SRH could attain the average price points it could add £250k more income. However, as we are in South London, we could, arguably aim for > than average.

Improve Gift Aid Recovery

The Retail Report notes that 'Gift Aid recovery at 23% offers an opportunity for improvement'

The current budget assumes 20% which relates to Gift Aid of £89k.

The BDO Charity Retail Sales Tracker showed an average of 30% and a high of 40% for Gift Aid Recovery (ie the proportion of donated goods that Gift Aid can be claimed upon – 25% of that value is then Gift Aid claim).

Raising our recovery to the average levels should add £45k to existing levels – as we increase our sales that total also should rise.

Change the Sales Mix in the Sutton Donations Centre

- The DC currently sells larger items including furniture and bicycles. The viewing, collection and delivery of furniture also incurs 'hidden costs' in terms of the paid drivers, volunteer effort and adds risk to the operations'
- Currently the DC achieves £80 income per square foot of retail space. The average of the rest of the SRH retail estate is £212 psf.
- The report notes that furniture and electricals may not be the right sales mix.
- If the DC was re-assigned as a 'Community Store' and sold at just 50% rate of our average rate (£106 psf), it would add £80k to its budgeted income.
- The vacant driver co-ordinator role is a hidden cost of the furniture operation and would be saved.

Dedicated Corporate Donations Manager

- The Report notes *'Introducing Corporate Donations significantly improves the AUP as well as total retail sales. RTH currently have a CD business of £1.3M p/a'*

RTH had a £400k 'business' in corporate donations with 1 FTE. They increased that to 3 FTE and now receive goods that are sold for £1.3m.

Being based in London, and, potentially with guidance from the RTH team, we could aim to achieve £250k per annum from 1 FTE over the course of 2-3 years.

Staffing

St Raphael's
Your Local Hospice

- A significant element of the Report recommendations relates to the training, capability, presence and leadership of the retail team.
- It is recommended that, in addition to the vacant Head of Retail role, there would need to be an Area Manager intent on visiting shops and driving standards – cost £48k (incl pension and NIC).
- Staffing levels at SRH have been trimmed to a point where shops are frequently closed in order to cover gaps elsewhere. The Report recommends that there should be 2 FTE paid staff *present* 7 days per week (2,920 hours per annum).
- This additional staffing would cost £396k (incl pension and NIC) per annum across the 11 shops
- RTH team may be able to provide ongoing support and training, not costed in this.
- SRH Driver co-Ordinator role may not be required

Target Staffing		**hours per year**		
Manager	1 FTE present 365 days pa	2920.0	1.7 FTE	hours per shop (365 x 8 hours)
Assistant	1 FTE present 365 days pa	2920.0	1.7 FTE	hours per shop (365 x 8 hours)
		5840.0	3.4 FTE	hours per shop
Current Budget for Shops Staff				
	Manager	1845.1	1.1 FTE	current hours present per shop
	Assistant	1818.0	1.1 FTE	current hours present per shop
		3663.1	2.2 FTE	current hours per shop
		2176.9	**1.2 FTE**	**Additional hours per shop needed**
		59%		more staff resource required than we currently employ
this assumes that the target of 2 staff per shop per day is actual presence and hence adjusts for absence through holiday and sickness				

Summary

	Current Budget	Rebalance Sales Mix	Remodel SDC	Corporate Donations	Increase Gift Aid to 30% of donations	Staff to 2 FTE 365	Revised Target
Current Budget Sales	£1,972,310	£259,820	£80,000	£250,000			£2,562,130
Current Budget Gift Aid	£88,754	£12,991	£4,000	£0	£52,872		£158,617
Current Budget Salary Cost	£(942,219)	£(48,338)	£32,536	£(48,338)		£(396,536)	£(1,402,895)
Current Budget Other Costs	£(786,975)						£(786,975)
Current Budget Contribution	**£331,870**	**£224,473**	**£116,536**	**£201,662**	**£52,872**	**£(396,536)**	**£530,877**

- Based on these various assumptions of additional costs and income, the proposal appears to demonstrate that the target of achieving a contribution level > £500k is possible.
- The costs include 1 FTE Area Manager + 1 FTE Corporate Donations Manager as well as increasing the whole staffing team to average 2 per shop after holiday and sickness.
- A saving on driver co-ordinator may arise from remodelled SDC.
- We may also seek to engage with ongoing consultancy from RTH (not costed)
- Achieving this level of contribution would perhaps take two or three years (as would increasing shop numbers) - this summary has not attempted to assign the changes across time.

Next Steps - Hothouse Trial

- It is recommended that we take three stores and work intensively for six months to replicate the desired outcomes within those three stores; staffing them as suggested and working to train and equip them to deliver on some of the key changes
- Recruit to the Area Manager role – this should add at least its value in sales income growth (for instance by re-assigning the DC sales activity)
- Use Fundraising team to commence Corporate Donation challenge
- Engage RTH team to support this delivery – Rate of £1k per day –

Initial Exploratory excercise	
Hothouse staffing for 6 months in 3 stores	£54,073
Consultancy from RTH team	???
Refresh budget (in lieu of Capex)	£40,000
	£94,073

Required	
Area Manager Role	£48,338
Corporate Donations Role	Initially the existing fundraising team, before recruiting
Potential saving on Driver Co-Ordinator	£(32,536)
	£15,802