

Charity Retail Association – Written evidence (HSC0050)

About the Charity Retail Association

The Charity Retail Association is the membership body for charity retailers with around 460 retailer members, who together run 85 per cent of all charity shops in the UK. Our members range from national chains running several hundred shops to local charities running a single shop. Our role as an association is to support our members through advocacy, research, providing policy and operational advice, and offering networking and learning opportunities.

How do you define a high street in a town or small city and what is its purpose?

A high street is the primary street in a town, city or locality where there is a concentration of businesses serving the needs of residents in the local area and visitors. Whilst, shopping remains at the core of High Streets, the steady rise in online shopping has impacted the dominance of retail. The rise in online shopping, which in the last ten years has increased from a retail market share of 10.8% to 26.3%¹, means that the high streets of the future are likely to look very different to the high streets of today.

Charity shops have proven more resilient to the challenges of online shopping than the wider retail sector. Across charity retail, we estimate that 94.8% of all income is generated in-store.² The total number of charity shops at 10,200 has dipped slightly post the pandemic but this is compensated for by a shift to larger store formats. Our view is that the presence of one of more charity shops is vital to a thriving and sustainable high street.

Charity shops will remain a core part of what is defined as a High Street for a wide range of reasons:

- The average transaction value for a basket of goods in a charity shop sits at just £7.04 meaning it's not viable to sell low-cost second-hand goods online due to the cost of creating individual listings for each unique item and then the cost of posting the purchaser.
- Charity shops provide the most convenient drop off point for consumers to donate their used goods. Over 80% of donated goods are taken into stores by donors.
- Charity shops are popular and very well used by the public. Around 22 million UK adults' shop in a charity shop in any three-month period and around 25 million people visit a charity shop to donate in any three-month period.³

¹ National Statistics - Table 1 – Proportion of Online Sales

² Charity Retail Association – Quarterly Market Analysis 2023 – Q4

³ Charity Retail Association – The Value of Giving Back – the social return of charity shops – 2023 Nb: many people will be both regular shoppers and donors.

- Growing interest in reuse and environmental sustainability underpin the growing popularity of second-hand shopping and charity shops.

What should be included on high streets to meet the needs of the whole community?

Healthy high streets rely on a wide range of business types ranging from retail through to hospitality and leisure venues as well as residential use provided this is carefully planned. Diversity of business type is vital to generating the footfall required to ensure that high street businesses are viable.

The biggest challenge to high streets is the risk of vacant units which result in a loss of vital footfall which undermine the viability of other local businesses. The growth in vacant retail units present a serious threat to the future prosperity of our high streets. The shop vacancy rate sits at 14% with High Streets performing worse than retail parks but better than shopping centres.⁴ Compared to pre-Covid 19 shop vacancy rates are around 25% higher. The priority should be seeking to attract businesses to reduce vacancy rates and support customer footfall.

As the association representing charity retailers, we make the case below that charity shops are integral to the ability of High Streets to meet the needs of the whole community:

- Charity shops act as footfall generators drawing people into high streets to shop, donate and volunteer. The additional footfall generated by charity retail benefits other nearby retailers and supports a diverse mix of business types.
- Charity shops offer an affordable range of second-hand goods for shoppers that would not otherwise be available on high streets.
- Charity shops appeal to shoppers looking to shop sustainably to minimise their environmental impact.
- Charity shops provide a convenient drop-off point for people's used goods ensuring that they are reused rather than being sent to landfill or incineration.
- Charity shops help connect a locality to either a local or nationally recognised charity which supports charitable fundraising activity as well as providing a way to access charitable services for local people.

What has been the impact of national level planning policies regarding high streets in the last five years and are any changes required?

Residential use can add to the vibrancy and sustainability of high streets and can be a way of matching the availability of retail units with the demand for them. However, it is important that retail to residential conversions are undertaken in a

⁴ <https://www.localdatacompany.com/blog/vacancyratemonitor>

careful and planned manner that enhances the attractiveness of high streets to shoppers.

The extension of permitted development rights to enable retail to residential conversions without the requirement for a full planning application opens the door to inappropriate conversions that can undermine the character and viability of high streets.

What are the obstacles to bringing underused property on the high streets back into use?

A fundamental issue is that there is often a mismatch between where retailers want to be and where vacant properties are. In part, this is due to a planning system which has not helped the strategic development of high streets. Also, it is common that the poor condition of vacant properties in relation to the rents and lease terms being sought deters businesses from taking them on.

Whilst, not a planning issue, the burden of business rates on high street retail premises is disproportionate and acts as a barrier to businesses remaining on the high street. The British Retail Consortium estimate that retail represents 5% of the economy yet pays 22% of business rates. This is clearly an unsustainable position if we want high streets to thrive.

How can transport connectivity be improved to facilitate better access to high streets and town centres and how should this be funded?

For high streets to thrive people need to be able to access them. In too many areas accessibility has got worse with a reduction in the availability of affordable parking spaces and a dramatic fall in bus services, with some areas suffering an 80% fall in bus services over the past 15 years.⁵

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⁵ <https://www.theguardian.com/uk-news/2023/nov/28/bus-services-cut-by-more-than-80-perent-in-parts-of-england-and-wales-since-2008-finds-study>