



# Shops review proposal

November 2017

## Review of shops

The MS Society has 8 shops which are managed by local groups. In spring this year we began a process to review our approach to this activity.

We regularly review our activities to ensure they are being managed in a way which is safe and ensures compliance with relevant legal requirements, and that they represent the best use of charitable resources.

To inform this review we commissioned BDO, our internal auditors, to conduct an independent audit of the management, oversight and risks of our current approach to managing shops. Please note that the audit also considered our approach to holiday homes and day centres.

This document sets out the findings of our review and the proposals we have developed as a result.

It's important to note at this point that no final decisions have been made. We have invited the groups with shops to feedback on the proposals and this feedback will be collated and considered before we make a final decision. We'll be able to share our final decision early next year.

## The review findings

We know that a huge amount of hard work by volunteers and paid staff goes into running our shops. The majority of our shops are making significant profit which is being used to support important local services for people affected by MS.

However, running a shop is complex and our review identified a number of risks inherent in our current approach.

Our shops are managed directly by volunteers, with only limited oversight or support from staff (mainly focused on the sale, purchase or renewal of leases). This creates legal and financial risk around the management of the properties. There is no consistent approach to the management of contractors involved in maintaining properties, creating risks around value for money, the suitability of contractors and the subsequent quality of their work.

We have put in place health and safety processes to help minimise any risks to members of the public and volunteers in the shops. We know that volunteers and staff have worked hard to comply with these, but we have had consistent feedback that our processes can feel onerous, particularly where there isn't a paid shop manager and the responsibility sits entirely with volunteers.

Staff within shops are MS Society employees, but are managed by volunteers, who are themselves not directly supervised or managed by staff. This creates significant challenge in our ability to ensure good practice in the recruitment and management of staff, and the risk that a breach of employment law may occur. Our audit identified the lack of a consistent approach across our shops to inducting, supporting and training paid staff in their roles. This is not the fault of the volunteers managing the staff in shops, but is a demonstration of the lack of support and direction we have been able to give from within our existing staff structures.

Our shops handle a significant quantity of cash. The audit identified that this exposes individual volunteers and the MS Society to unfair levels of risk and that we should provide more support to improve security and accountability.

We know that volunteers have done a great job of running their shops and have worked hard to ensure that they make a profit. As an organisation however, we have lacked a strategic approach to managing our shops and maximising their income for some time and this has sometimes led to frustration amongst the volunteers who are working so hard to run them. At the moment we do not have staff with the required expertise to develop this approach and provide the support that is needed.

## Our proposals

If local groups wish to continue running shops, we propose the establishment of a National Retail Manager – a member of staff to be based within our existing staff structure.

We would also require that all groups with shops employ a Shop Manager with those members of staff reporting directly to the National Retail Manager and not to local volunteers, as is currently the case. This would ensure that the management of our shops is fully embedded within our staff structures, with the National Retail Manager responsible for our overall retail strategy, ensuring good financial management of our shops, and compliance with relevant legislation.

The National Retail Manager and local Shop Manager would work with the group Coordinating Team and report regularly on progress in relation to cost, expenditure and volunteer involvement. Staff would also work with volunteers to develop plans for the shop and make decisions.

The cost of the National Retail Manager would be centrally funded for a transitional period, after which we expect that the growth in income in our shops will enable the full costs of managing our shops to be met by the groups with shops.

We know that this model may not be popular with all groups but we believe that this would enable us to continue to have our network of shops while also reducing the amount of responsibility placed on volunteers.

We know that our volunteers and staff at shops have worked hard to run them over many years. This proposed change in approach isn't in any way a reflection on the commitment or dedication of our volunteers, but we believe that with more staff support in place we can reduce the burden on our volunteers and strengthen our retail activity.

## Next steps

We met with each group with a shop during October and invited them to provide feedback on the proposals.

We are currently collating all feedback we receive and it will be considered when making a final decision. We'll be able to share our final decision in early 2018. If this final decision will result in changes to our approach to shops, we will also be able to share our timetable and process for implementing any changes.