



Alexandra  
**Rose**  
Charity

# An Economic Impact Assessment of the Rose Vouchers for Fruit & Veg Project

August 2022



 **ENVOY**  
Partnership

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### About Alexandra Rose Charity

Founded in 1912 by Queen Alexandra, the Alexandra Rose Charity was established to support Londoners in poverty. Their mission now is to give families with low incomes access to fresh fruit and veg in their local communities. In 2014, they launched the Rose Vouchers for Fruit and Veg Project, which helps families buy fresh fruit and veg and supports them to give their children the healthiest possible start. To date, they have supported over 8,000 families.



### About Envoy Partnership

Envoy Partnership is a social value and impact management consultancy. They support clients to measure, demonstrate and enhance their social, economic, and environmental impact. They guide organisations with their social value journey and deliver high-quality, independent evaluations, SROI and social value analysis, and impact management support.



### About this Study

Envoy Partnership was commissioned to conduct an economic impact assessment of the Rose Vouchers on East Street Market, Peckham and the surrounding area of Southwark. This project focuses mostly on East Street Market in the London Borough of Southwark. This research aims to understand the direct and indirect impacts of the Southwark Rose Vouchers for Fruit and Veg Project on the local economy and develop a robust methodology and tool so that Alexandra Rose Charity can apply the approach to its other project areas. This study does not attempt to capture the *social value* of Rose Vouchers, which is being recorded and researched by Alexandra Rose Charity itself; instead, the scope was to evaluate only the project's potential economic impact.



This report was produced by Poppy Fawcett and Andy Gawin Warby of Envoy Partnership in collaboration with Dr Michelle Green (Impact and Evaluation Manager, Alexandra Rose Charity). Thanks to Jonathan Pauling (CEO, Alexandra Rose Charity) and Stephanie Rice (Rice Consulting) for important contributions on the full report, and to Wendy Barratt for designing the infographics. Gratitude and appreciation are due to the many market traders and families receiving Rose Vouchers, the Southwark Markets team, and other interviewees who participated in or helped facilitate the research.

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## i. Executive Summary

Alexandra Rose Charity supports families with low incomes across the UK by distributing food vouchers that can be exchanged for fruit and vegetables at traditional retail markets and other local retailers. To date, there is strong evidence supporting their Theory of Change that the Rose Vouchers for Fruit and Veg Project positively impacts the health and financial situation of the target families. This report was commissioned to conduct further research into the food markets that partner with Alexandra Rose Charity, by accepting the Rose Vouchers at their stall, and to help the Charity assess the economic benefit strand of their Theory of Change.

This study focuses on East Street Market, located in the London Borough of Southwark, and evaluates the direct and indirect economic impact of the Southwark Rose Vouchers for Fruit and Veg Project on the individual traders, the market, and the local area. This pilot study has also informed the methodological basis for the creation of an economic calculator tool that can recreate this assessment in other project locations.

This research found that in the year 2021-2022, Southwark Rose Vouchers for Fruit and Veg Project has been responsible for an economic gross value of approximately £610,003 for the local economy: from the £196,101 of direct investment of Rose Vouchers, an additional £413,902 of economic benefit was created in the local economy.

Rose Vouchers represent an economic return on investment ratio of approximately £1: £3.11



This means that for every £1 invested by Alexandra Rose Charity on Rose Vouchers, we estimate an additional £2-£2.50 was created in additional economic value. The methodology is sensitive to some impact factors and variables. Hence, a range is more reflective of the real value that was returned.

As part of the evidence base for the study, interviews with the East Street Market traders were conducted to understand how the Rose Vouchers affect their business model and their personal and business spending habits. In addition, existing qualitative survey data from families receiving Rose Vouchers was drawn on to corroborate the traders' insights into family spending habits at the market. Furthermore, secondary research and some informal qualitative research with relevant stakeholders were conducted, to better understand the wider socio-economic influences on the market and its place in the rapidly changing dynamic of Southwark.

The research strongly suggests that Rose Vouchers are more fundamental to the survival of East Street Market than originally thought, with traders estimating that the Rose Vouchers make up approximately 20% of their income. There is anxiety amongst the traders regarding the decline of East Street Market. Traders report that economic shocks such as rising food prices, living costs, and Covid-19 have been key driving factors of the decline. In addition to this, the regeneration and gentrification of the Elephant and Castle areas had led to a shrinking traditional customer base.

As well as its significant support in easing pressures on East Street Market during this challenging economic climate, this research found that the Rose Vouchers are also having their own small impact on the wider local economy by trying to bring footfall to the market and high street and alleviating the pressure on families' disposable income.

It's important to note that this research evaluates Rose Vouchers through an exclusively economic lens. It does not account for the Social Value brought to the families (the primary beneficiaries) or indeed any Social Value for wider stakeholders created through the existence of the market, for example, the sense of community for marginalised groups. To understand the full benefit of the Rose Vouchers for Fruit and Veg Project, this economic assessment should be reviewed together with data on the Social Value creation as well.

## 1. Introduction

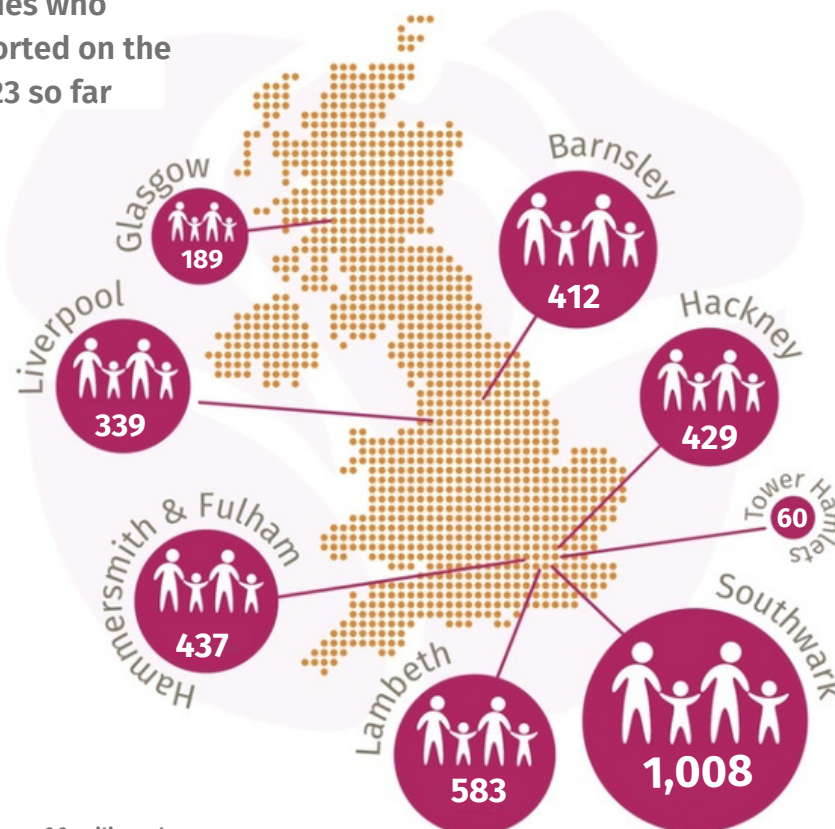
The Alexandra Rose Charity (ARC) provides Rose Vouchers to families with low incomes across eight areas of the UK to date: Liverpool, Barnsley, Glasgow and five boroughs in London. Families are recruited by and collect Rose Vouchers from Children's Centres or similar distribution hubs, and redeem vouchers at local street markets and independent greengrocers for fresh fruit and vegetables. In Southwark, families receive £4 for every child under primary school age and £6 a week for children under one and pregnant mothers. Traders accept Rose Vouchers in lieu of cash (each worth £1) and log them through the Rosie App, where they request reimbursement. Traders are usually paid within 24 hours.

Alexandra Rose Charity has developed an evidenced Theory of Change (available in the appendix) mapping the impact on the main groups to benefit from this model, such as families, independent retailers and distribution centres. The outcomes include nutritional and health benefits that emerge from increased fruits and vegetable intake and the financial boost to afford basic food items. However, the Charity wants to understand further the additional part of their Theory of Change, which maps the impact on markets and the local economy.

The London Borough of Southwark is home to the country's largest Rose Vouchers for Fruit and Veg Project. It has received substantial funding from Impact on Urban Health (formerly Guys and St Thomas' Charity) as part of its wider investment programme aiming to improve the local food environment and reduce childhood obesity.

Alexandra Rose Charity currently provides Rose Vouchers to over 450 families every month, with targets to reach 1,000 families in the next year. As the largest project, Southwark has been selected for this economic impact assessment pilot. One Rose Voucher is worth £1 at East Street Market.

Number of families who have been supported on the project 2022-2023 so far



Figures reflect number of families who have collected and redeemed vouchers between April 2022 to January 2023



## 2. Local Context

### Food Poverty in Southwark

Food poverty, sometimes referred to as food insecurity, is defined as the inability to afford or having restricted access to the foods needed for a healthy and balanced diet.<sup>1</sup> Food poverty can be caused by many factors, including lack of local provision and access, although it is heavily impacted by families or individuals having an insufficient and irregular source of income. Foods high in nutritional value, such as fruit and vegetables, are less affordable and convenient to access and prepare on a daily basis in sharp contrast to convenience foods which are easier to access at affordable prices, such as ready meals and snacks. The concern for good quality health is increasing as the necessary dietary needs are not being met. The amount of nutrition in one's daily dietary regimen links to how an individual may perform in everyday life, at work or school for example, but also has an impact on mental and physical well-being.<sup>2</sup>

The level of food insecurity has risen steadily in the UK, with an estimated 8.4 million people struggling to afford to eat. 52% of households with children cannot afford a diet that meets basic nutritional needs. One in three children in London report having problems concentrating at school due to hunger.<sup>3</sup>

The London Borough of Southwark has higher deprivation and destitution levels than the national average; the population runs a higher-than-average risk of experiencing food insecurity. In 2020, the number of households asking for a referral to the borough's largest foodbank network (Southwark Foodbank) grew by 31%. The top reasons given for referrals to the borough's two largest foodbank networks (Southwark Foodbank and Spring Community Hub) were:

- Delays in receiving benefits (41%)
- Not having a sufficient salary to cover living expenses (16%)
- Having no recourse to public funds - NRPF (16%).

Furthermore, the recorded number of people using food banks often does not reflect true levels of food insecurity. It is estimated that only 20% of food insecure people will ever make it to a food bank, for reasons such as stigma or inability to access help.<sup>4</sup>



<sup>1</sup> Tackling food poverty in Southwark one step at a time (arts.ac.uk)

<sup>2</sup> Ibid

<sup>3</sup> Southwark Food Security Action Plan — Southwark Food Action Alliance

<sup>4</sup> Ibid

## Community Response

In response to this challenge, many local charities and social enterprises in Southwark have stepped up to tackle the root causes of food insecurity and historic inequality in the area. Of particular relevance to Southwark's Rose Vouchers Project is The Walworth Food Model, led by Pembroke House Charity. The model is a new initiative attempting to shift away from an emergency response to food insecurity and instead create a sustainable, community-based solution involving a network of local stakeholders. A central component of the model is sourcing from local supply chains, such as the East Street Market.<sup>5</sup> One of the traders working with the Southwark Rose Vouchers Project has already formed a relationship with this initiative, but collaboration is still in the early stages. This initiative is indicative of the importance of supporting affordable, quality food in Southwark. Supporting East Street Market is of great importance for tackling the long-standing food poverty crisis by making healthy fruit and vegetables more accessible to vulnerable local households.

Figure 1 is taken from the Pembroke House website, illustrating their envisioned model for alleviating food poverty.



Figure 1: Walworth Neighbourhood Food Model

### 3. National Context

#### The Decline of Traditional Retail Markets

Traditional retail markets (TRMs) include all indoor and outdoor markets selling food, household goods, clothing, and other goods. Their broad, diverse, and affordable offering distinguishes them from farmers' markets and specialist markets, which target different demographics and are more expensive while being less diverse in their produce.<sup>6</sup> Traditional retail markets play a crucial anchor role in communities. A 2021 study from the University of Leeds found that retail markets are particularly important for supporting the consumer needs of communities with low incomes, older people, migrants, and black and minority ethnic groups, as well as providing spaces for communities to gather for extended periods of time without the need to spend excess money.<sup>7</sup>

To some, traditional retail food markets appear a dated model that has failed to keep up with the rapidly evolving food industry and online retailing channels. They have been framed as a bygone concept, managed by financially struggling local authorities and are no longer fit for purpose, becoming a drain on the State. As a result, they have experienced decades of underinvestment. Combined with soaring food costs and the current cost of living crisis, traditional retail markets and their communities are suffering significantly.

In 2021, the National Association of British Market Authorities reported a £200m loss over the pandemic for market operators,<sup>8</sup> who received little financial support from the government during the crisis. To overcome this, some markets have moved with the tide of gentrification, redeveloping and repositioning their offer to target more affluent groups, such as young professionals. Whilst this may positively impact the markets and retailers themselves, it sometimes comes at a huge cost to the local families and communities who are financially insecure and on low incomes who rely on the markets for their affordability and culturally relevant produce in terms of fruit and vegetables.

Research from the University of Leeds, completed in collaboration with Markets 4 People, stresses the overlooked impact of the loss of markets to our consumer and community ecosystems. They found that TRMs are significant community hubs that function as inclusive spaces for eating, shopping, and socialising.<sup>9</sup> Beyond this, they provide an essential affordable alternative to monopolistic food markets operated by the major supermarket chains in the UK. The report argues that:

"Traditional retail markets are therefore not a lingering feature of a nostalgic high street but very much a key aspect of a future strategy for inclusive, community-focused and sustainable towns and cities."

This builds on the findings of Project for Public Spaces (2010), which researched the impacts of public markets have on their communities outlined in Figure 2.<sup>10</sup>

The tension between decline and gentrification is a challenge for local authorities and TRM stakeholders, who aim to support markets to grow, whilst still serving their core low-income customer base.

#### The Benefits of Public Markets

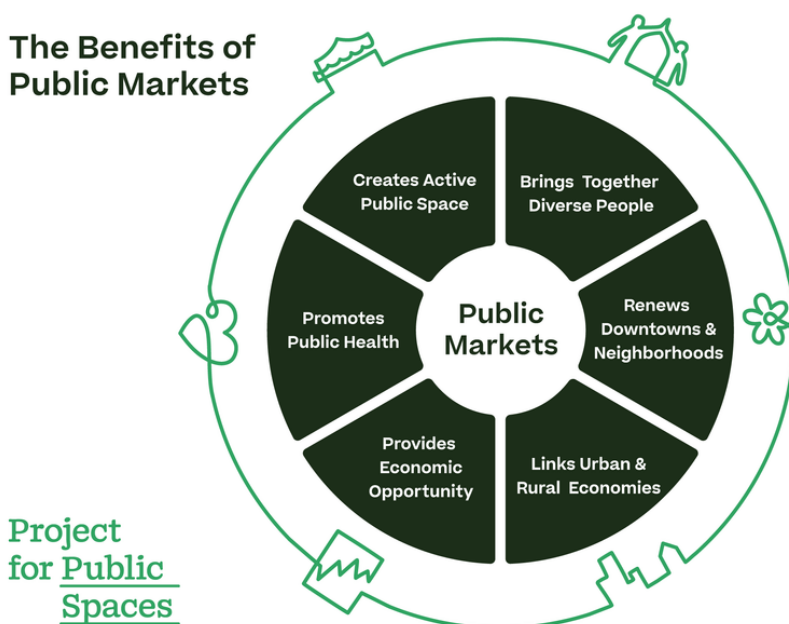


Figure 2: Six key findings of Project for Public Spaces

<sup>6</sup> Gonzalez, S. and Waley, P. (2013), Traditional Retail Markets: The New Gentrification Frontier? *Antipode*, 45: 965-983

<sup>7</sup> Findings from our case study markets: Understanding and Enhancing the Community Value of Traditional Retail Markets in UK Cities (leeds.ac.uk)

<sup>8</sup> Markets hit by £200 million in Lost Income due to COVID - NABMA

<sup>9</sup> Findings from our case study markets (leeds.ac.uk)

<sup>10</sup> Endless Bounty: The Transformative Benefits of Public Markets (Project for Public Spaces, pps.org)



## COVID-19 and the Cost-of-Living Crisis

When Alexandra Rose Charity launched the Southwark Rose Vouchers Project at East Street Market in 2018, the market was weathering changes in the local economy well. It was a vibrant and competitive marketplace. However, the last two and half years have seen unprecedented challenges for market traders, which has meant the importance of Rose Vouchers to their businesses has significantly increased as their traditional customer base is squeezed, largely through residents decanting out of the area to enable major regeneration and development.

The first shock was the Covid lockdown in the spring of 2020, when the local authority was forced to shut the East Street Market completely under the Covid-19 restrictions. Alexandra Rose Charity and other national organisations lobbied for this decision to be reversed, and their campaign succeeded. The market re-opened; however, only fruit and veg traders were allowed on the market, which meant the attractions and other products that drew a wider group of customers to the market, were no longer on the market. This led to declining footfall. Traders have told us that the number of customers has not returned to pre-pandemic levels. This is likely to reflect the broader societal changes in shopping habits caused by the pandemic, with more people shopping online and opting for home deliveries.

Since autumn 2021, the market has been struggling with a further challenge to its economic viability as a result of the cost of living crisis. This has seen local people's incomes squeezed even tighter, meaning they have less to spend on fruit and veg in proportion to their total income compared to higher earners. In response to this, traders are often trading down in quality to continue providing value for money to their customers. Others absorb the higher costs internally rather than pass these increased costs onto their customers. These twin crises of the last two and half years have led to a decline in the economic profitability of the individual market traders. From this research, it is clear that the Southwark Rose Vouchers Project has played a significant role in absorbing the severe wider economic shocks to this community during this time. As a result, the project has become a predominant source for the market to attract new customers during this time and provided a substantial percentage of their income.



## 4. Measuring Alexandra Rose's Economic Impact

### Creating the tool: Methodology

#### Gross Value Added

The key concept that underpins this methodology is Gross Value Added (GVA). GVA is an economic productivity metric that measures the total contribution of an individual entity to an economy, producer, sector, or region. In this case, what is being measured is the Gross Value Added to the economy (UK) from indirect spending and indirect 'ripple effect' caused by Rose Vouchers. GVA is a relevant and useful metric since it is ultimately used to calculate a country's Gross Domestic Product (GDP). In order to capture the total Gross Value Added from Rose Voucher investment, data on the spending behaviour of both the beneficiaries and the market traders had to be collected.

#### Qualitative Research Methodology

The qualitative data used in this evaluation came from a combination of existing qualitative data conducted by Alexandra Rose Charity; an additional up-to-date qualitative survey co-written by Envoy and Alexandra Rose Charity and conducted by Alexandra Rose Charity; and also, from Envoy Partnership's research with the market traders. Further informal research was conducted with the Southwark Council Markets Team and with a member of a research organisation that has conducted thorough research into food prices and the regeneration of Southwark. A summary of this data is included below.

Table 1: Qualitative Research Summary

Stakeholder	Research Method	Conducted by	Date	Sample Size
Families receiving Rose Vouchers	Structured telephone Interviews	Alexandra Rose Charity	February 2021	118
Families receiving Rose Vouchers	Structured telephone interviews	Alexandra Rose Charity	March 2022	9
Southwark Market Traders	Semi-structured Interviews / Focus Groups (In-person)	Envoy Partnership	March 2022	8
Southwark Council	Semi-structured interview with a member of a Council-commissioned independent Research Organisation.	Envoy Partnership	June 2022	1
	Observations and informal discussions with Southwark Council Markets Team		May 2022	2

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## Families

The qualitative research with the families focused on any changes in spending habits as a direct result of receiving Rose Vouchers. The three key questions were:

1. *When families use the Rose Vouchers at the market, do they then spend additional cash at the fruit and veg stalls to top up their shop?*
2. *When families use the Rose Vouchers at the market, do they spend additional cash at other market stalls, e.g., meat, fish, electronics, clothing?*
3. *Now that families are using the Rose Vouchers, are they spending any additional money on health-related products? (As a result of changing attitudes to health eating and lifestyle)*

The purpose of these research questions is to shed light on whether Rose Vouchers are contributing further GVA to the local economy beyond the value of the voucher itself. The full qualitative questionnaire guide for the family research can be found in the appendix.

## Traders

The qualitative research with the traders focused on any changes in their purchasing and spending habits as a result of receiving Rose Vouchers. This included any spending changes related to business activities and also in their personal lives. It also aimed to understand an estimate of the trader's salary and how much Rose Vouchers make up as a percentage of their total revenue. All of these estimates were used to understand the indirect economic impact on the producer side. Some of the key questions included:

1. *Roughly, how much of your income do you think comes from the AR vouchers?*
2. *If the Rose Vouchers have helped your business to improve, how much more do you think you are spending on your stall per month?*
3. *Do you feel you have more of your own money to spend?*

This research was also used to compare and triangulate family data on spending estimates. Therefore, traders were also asked how much they feel families receiving Rose Vouchers spend in addition to their Rose Vouchers and whether they had gained any new customers through the project. Full discussion guides for the interviews with the traders can be found in the appendix.

## ONS Multipliers

Another component of the methodology is the use of economic multiplier ratios. In economics, a multiplier refers to an economic transaction's "knock on" effect. For example, if families receiving Rose Vouchers spend an additional £50 per month at a market stall, the impact on the market is £50 *plus* where that £50 is then spent across the wider supply chain to stimulate demand. For example, the trader may buy more from his supplier, or spend money on household items and transport, which will have a further economic impact, and so on. In terms of Gross Value Added, this means that the total output is, to some degree, greater than the initial direct investment. This "degree" is the multiplier ratio.

The multiplier ratios can be found in the Office of National Statistics input-output analytical tables (IOATs), which provide multiplier ratios for individual products as well as industries. The industry category relevant to this evaluation is Wholesale Trader Services. For this industry, the IOATs estimate a total multiplier ratio of 1.704. This means that for every £1 spent by consumers on wholesale trade products, an additional £0.704 is generated in broader demand and spending across the whole of the economy.

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## 5. Findings

### A. Southwark Trader Research Key Findings

This section outlines some of the key findings of the qualitative research with the Southwark Market traders.

#### 1. Rose Vouchers make up a significant proportion of the trader's revenue and are important for their businesses

Discussions with the traders revealed that the Rose Vouchers represent anywhere from 15-60% of their monthly income, depending on the trader and time period (some months being tougher than others). Traders explained that this figure (the relative proportion of their income) has been increasing recently, as their non-voucher sales are declining. This equated to approximately 2,000 Rose Vouchers per month, per trader.

#### 2. Any additional revenue gained from Rose Vouchers is largely being invested back into the business to cover the cost of rising costs.

Despite bringing in c. £2,000 per month, the traders do not feel that this contributes significantly to their disposable income, explaining that it probably gives them around 5-10% more disposable income to spend on themselves and their family. Where possible they are keen to invest back into business assets, like gazebos or marketing material for their stall.

#### 3. Traders estimate that families who use Rose Vouchers spend additional cash with them approximately 30% of the time, and when they do, it is around £2 per shop.

Traders had relatively conservative estimates when evaluating their customers' spending habits. Their estimates were slightly lower than the qualitative data completed by the families themselves. One reason for this could be that families perceive additional cash spend as across several traders, since they shop around to find the best prices, and therefore each additional trader may only receive proportion of their additional spend.

#### 4. The East Street Traders all source their produce from New Spitalfields Market, and it has become too expensive to shop elsewhere.

The traders explained that in the past, they had sourced different produce from different suppliers to have more variation in their stall, for example, more exotic fruits. However, the rising costs have meant they are now forced to select the cheapest option, which is consistently New Spitalfields Market. This negatively impacts variety and quality. This information is also relevant to the economic modelling on the local economy and local supply chains. Had the traders been using traders from outside of London, the multiplier effect would have been less localised.

#### 5. The rapidly changing demographic and economic dynamic of Southwark causes significant challenges for the traders.

A major challenge for the traders has been the rapid regeneration of the Elephant and Castle area. The demolition of the Heygate estate in 2014, a social housing block just 10 minutes up the road, meant losing around 2,000-3,000 potential customers who made up their core market base. The new demographic starting to move into that area are more affluent and currently are far less likely to shop at East Street.

#### 6. Competition from local Supermarkets is rising.

Research from Rice Marketing has demonstrated that a basket of produce from East Street Market is, on average, 66% cheaper than the local Morrisons on Walworth Road. However, more recently, supermarkets have been engaging in "Wonky veg" schemes or selling lower quality produce than their usual standard to achieve lower prices. This was raised as a concern for traders in maintaining their competitive advantage.



## 7. Traders see Rose Vouchers as a project they have opted in to support, noting the admin time related to scanning vouchers

Traders revealed that, in many ways, they see the Rose Vouchers project as something they are supporting and taking part in for the purpose of supporting families with low incomes, not only as something good for their business. Traders often spoke with pride about how their customers are now less shy to reveal they are shopping with Rose Vouchers than they were at first.

That the project is a mutually supportive initiative can be seen in trader feedback on time investment. The voucher scanning system means that traders invest around 3-4 hours at the end of every month manually scanning their vouchers. This investment of time and labour is included in the calculator to acknowledge the contribution of the traders.

## 8. Price cards and price signalling are resources the traders value

A part of the economic success behind the Southwark Rose Vouchers Project is the Charity's investment in price cards, price signalling, and colourful branding. These provide clear product pricing to families and generate positive interest at each of the stalls. When traders use the price sticks regularly, the investment has significant positive outcomes, such as generating demand, visibility, and word-of-mouth awareness. The traders noted their appreciation for the resources and how it is helping the project succeed.

## B. Findings from Families Receiving Rose Vouchers

Existing qualitative data conducted by Alexandra Rose Charity revealed the following findings.

### 1. A small proportion of families had never shopped at local markets before receiving Rose Vouchers and the frequency of market shopping has increased.

In the most recent survey (2022), families were asked whether they shopped at the market before receiving Rose Vouchers. Roughly 1 in 4 families said they had never or rarely shopped at East Street Market before. Other families explained that they now shop more regularly at the market. In some cases, this was related to confidence surrounding what to ask for. Quotes from the families are included below:

*"I go more often to the market now, about 2-3 times a week. Best way to get fresh fruit and veg"*

*"Regularity of trips to the market has increased - now I make more of an effort to go. I'm not confident with cooking and shopping and I've only recently feeling confident shopping at other shops than supermarkets."*

### 2. Families spend an average of £39 per month at the market with the Rose Vouchers and around an additional £8 in cash.

Families receive an average of around 8-10 vouchers per week (£8-£10). This equates to an average monthly voucher spend of £39 per month, based on frequency of market shopping on average. When asked whether they spend additional cash on top of their vouchers, responses were mixed. On average, families spend additional cash on 1-2 shops per month; when they do, it is around £4.50.

### 3. Families spend an average of £16.50 at other market stalls during their shop, such as meat, fish, cleaning products, etc.

During their visit to East Street Market to use their Rose Vouchers, families also indicated that they went on to spend additional cash at other (non-fruit and veg stalls). Across these other stalls, families spend approximately £16.5 per shop or around £23.05 per month.

*"I buy fish, chicken, meat, yams from the market - cultural produce. I did also start buying and eating more chicken since receiving Rose Vouchers."*

### 4. As a result of Rose Vouchers, families are spending more money on health-related products, such as vitamins and, in some cases, affordable gym memberships.

In addition to increased spend at the market, families also revealed that they are spending more money on health-related products as a result of a healthier diet enabled by Rose Vouchers. This mainly included health products such as vitamins. On average, families spend an additional £10.38 per month on these items since receiving Rose Vouchers.



## C. Southwark Council Research Findings

This research also considered the insights of stakeholders related to the council. The following findings were revealed during these semi-structured interviews, observations, and additional secondary research. Research into food prices, regeneration, and the changing demographic dynamic of Southwark presented some relevant findings:

### 1. Customers are not travelling as far and wide as they used to reach traditional markets.

Historically, people would make the journey to these markets due to the considerably cheaper prices. Today, the core customer base of East Street Market is made up of the immediate area. East Street Market is failing to attract new customers as the core customer base dwindle and age.

### 2. East Street Market is not accommodating the new demographic.

East Street Market currently operates at inconvenient times for young professionals, generally closing before 5pm or even 4pm on weekdays.

### 3. East Street Market does not provide the same variety as other shopping alternatives.

East Street Market is failing to provide many essential food items and 'street food' offer, making it a less attractive offer or destination than other alternatives.

### 4. The Elephant and Castle Shopping Centre closure may have encouraged supermarkets to cut their prices.

Research has shown that Elephant and Castle shopping centre was the cheapest place to purchase a standard food basket in Southwark in one central location before its demolition. Since its closure, the council have encouraged supermarkets to lower their prices to support families who are experiencing financial insecurity or are on low incomes in the area.



## D. Quantitative Data

It was concluded that conducting quantitative research with the market traders would not be appropriate for the following reasons: Firstly, asking the traders to fill out a survey with sensitive information, such as their salary and spending habits, may prompt tension and negatively impact the research as well as the relationship building work Alexandra Rose Charity has done with the traders so far. Furthermore, the data necessary for the tool are estimates, and had the exact data been requested and provided directly (for example: *How much more are you spending on produce per month due to Rose Voucher income?*), it is unlikely that it would have been more accurate than an informal conversation where we asked traders to roughly estimate income and spend in percentages and ranges, particularly given monthly fluctuations, and that every trader had different answers. For these reasons, we took estimates from the qualitative research to provide the numerical basis for the research and calculator. We triangulated this in the context of their cost estimates and voucher income. Similar qualitative data with numerical indications were available in the family surveys, which our economic model utilised.

In addition to this, readily available data from the comprehensive Alexandra Rose Charity raw data spreadsheets and 'Socialsuite CRM Dashboards' were analysed and extrapolated, where appropriate, to corroborate our findings and provide further numerical data for the tool.

Below is an itemised list of the estimates inferred from the qualitative data and the data used from Rose Vouchers dashboards.

Table 2: Quantitative Estimates taken from Qualitative Data

Family Spend - Qualitative Data	
Additional spend frequency (Times per month)	1.9
Family additional spend per shop (Fruit and Veg)	£4.60
Family additional spend per month (Fruit and Veg)	£8.95
Family additional spend per shop (Market - Other)	£16.50
Family additional spend per month (Market -Other)	£23.07
Family additional spend on health products per month (non-market)	£10.38
Traders – Qualitative Data	
Estimated voucher revenue as a proportion of income (%)	20%
Estimated time spent processing vouchers (Hours)	3.5
Monthly rent for the market stall (£)	£350



Table 3: ARC Dashboard Quantitative Data Used

Dashboard Quantitative Variables
Total Direct Investment (Total Vouchers Redeemed)
Additional Investment (E.g., operating costs)
Time period (Months)
Total number of traders
Total number of families supported

The data from Table 3 varies for each year and location. These quantitative estimates were then used to create the Economic Calculator. The layout and purpose of this tools, and a description of the inputs and results are outlined in the next section.



## 6. Economic Impact Calculator

The Alexandra Rose Charity (ARC) Economic Calculator estimates the economic impact of the Rose Vouchers Project on their partnering Traditional Retail Markets, as well as the economic impact on the wider local economy. The tool, based in Excel, requires some basic inputs from the Charity and returns two final results: Total Economic Gross Value Added and an Economic Return on Investment Ratio.

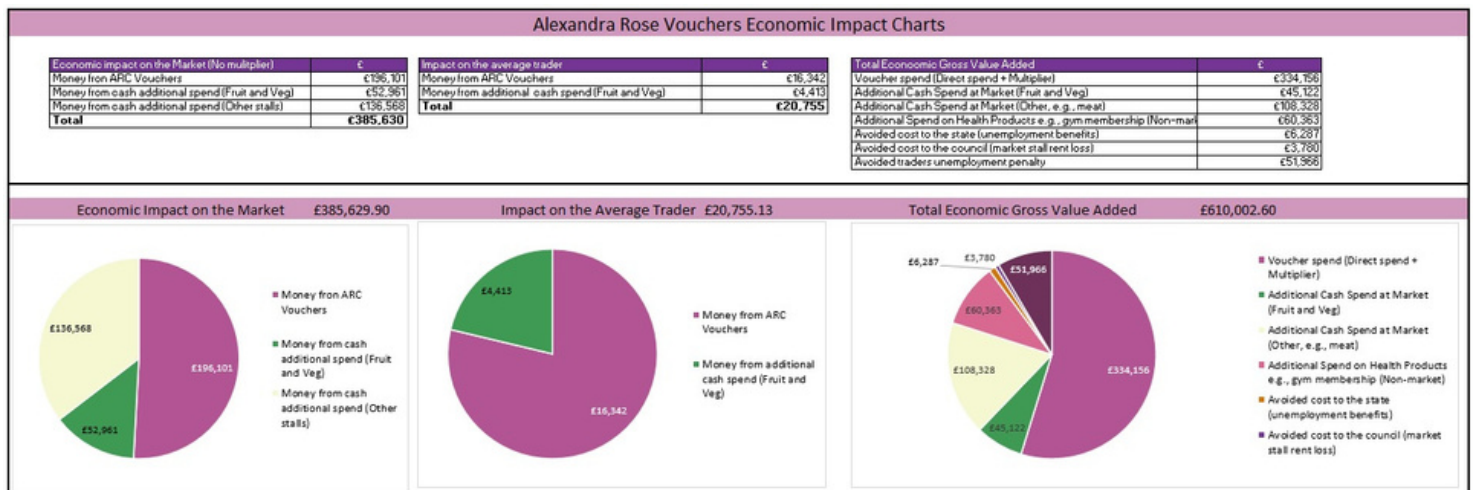
Figure 2: Calculator Dashboard Excerpt

Alexandra Rose Vouchers Economic Impact Calculator						
<b>Data Inputs</b>						
Inputs						
Total Direct Investment (Total Vouchers Redeemed)	£196,101.00	Alexandra Rose Charity		+ Envoy Partnership		
Additional Investment (E.g., operating costs)						
Time period (Months)	12					
Total number of traders	12					
Total number of families supported	759					
<b>Itemized Results</b>						
<b>Trader Income</b>						
Trader additional income from vouchers (All Traders)	£196,101.00	Multiplier	1.704	Indirect Affect	£138,055.10	Final result
Trader additional income from vouchers (Per Trader)	£16,341.75			Attr	1	
Trader additional income uplift non-vouchers, fruit & veg (All Traders)	£52,960.59		1.704	Leakage	0	
Trader additional income uplift non-vouchers, fruit & veg (Per Trader)	£4,413.38			DW	1	
Additional admin time investment per month processing vouchers (Traders)	£5,569.20					£5,569
Avoided Trader Unemployment and Future Salary Penalty	£51,965.86					£51,966
<b>Local Economy</b>						
Additional family spend at market (Other products)	£136,568.31		1.704		£96,144.09	£108,328
Additional family spend on health products (Non-market, e.g. vitamins)	£61,422.08		1.600		£81,940.99	£60,363
<b>Resource Savings to the State</b>						
Avoided market rent loss (due to unemployment)	£3,780.00					£3,780
Avoided DWP cost of UC (due to unemployment)	£6,287.40					£6,287
<b>Total Revenue and Savings (Excluding Vouchers and Multiplier Values)</b>						
	£312,984.24					
Total Investment (Financial)		£196,101				
Total Investment plus Trader admin/voucher processing time		£201,670				
Additional Economic Gross Value Added (Excluding Total financial investment)		£413,902				
Total Economic Gross Value Added		£610,003				
<b>Economic Return on Investment Ratio (compared to Total financial investment)</b>		<b>2.11</b>				

Note on terms: Attr = Attribution of result to the project. Leakage: how much of the money leaks out of the local economy and into the broader economy. DW = Deadweight loss. How much pricing challenges and affects engagement and spend.

The tool also generates charts, which reflect the economic impact on the market, the economic impact on the average market trader, and also a breakdown of how all the economic value is distributed. The data in the charts below is example data.

Figure 3: Charts Dashboard



The tool is based on qualitative research with the families and the traders. It works with quantitative data from the Alexandra Rose Charity database, combined with secondary data and economic modelling theory. This tool is a pilot based on research completed in Southwark, London, and as such, is based on several Southwark-specific assumptions. The model will work for other locations, but further qualitative data of the other market locations should be conducted and inputted into the tool to enhance accuracy.



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## Interpreting the Final Results

### 1. Total Economic Gross Value Added

Gross Value Added (GVA) is an economic productivity metric that measures the total contribution of an individual entity to an economy, producer, sector, or region. In this case, what is being measured is the Gross Value Added to the local economy (UK) in direct spending and indirect 'ripple effect' terms by the Rose Vouchers for Fruit and Veg Project, i.e., the direct investment in the markets. GVA is a relevant and useful metric since it is ultimately used to calculate a country's Gross Domestic Product (GDP). In order to capture the total Gross Value Added from the Rose Voucher investment, data on the spending behaviour of both the families receiving Rose Vouchers and the market traders had to be collected.

### 2. Economic Return on Investment Ratio

This is the indirect economic contribution returned from Alexandra Rose Charity's initial investment in the vouchers. E.g., for every £1 (or 1 Voucher) Alexandra Rose funded, c.£2-£2.50 of economic value is created. The initial investment is considered to be the total voucher spend, however, there is also an option to include additional input costs. This could include operational investment, such as the costs of pricing stickers and promotion material.

## Local Economy

This section describes the economic impact of the Rose Vouchers included in the tool and this study. The tool calculates several areas of spend by families at the market beyond the value they spend in Rose Vouchers. This is based on the assumption, evidenced in the research with families and traders, that when families travel to the market to spend their Rose Vouchers, they also spend more on other products. As a result, Rose Vouchers are responsible for some additional spend at the market as an incentive for more market shopping. Research into the amount and frequency that families engage in additional spend on top of their Rose Vouchers has been conducted through qualitative surveys with the families.

Additional spend has been categorised into three groups:

### Additional Spend – Trader Fruit and Vegetables

This is the amount that families spent extra (cash on top of their Rose Vouchers) with fruit and veg traders. This is a calculation based on how often (Twice a month, Once a week, etc.) and how much (£10, £5, £2, etc) families report they spend on fruit and veg using cash.

### Additional Spend – Other Market items

This is any additional spend at other stalls (not fruit and veg) within the market (Other). This could be meat, fish, or other household items, such as clothes. It was calculated in a similar way to additional fruit and veg spend.

### Additional Spend – Health Products

The calculation also takes into account additional spend to the economy generated by families as a result of changes to their lifestyle habits and spend around health eating. For example, if families have reported spending more on health-related purchases, such as gym memberships, or vitamins, this has been included in the economic impact. It was calculated in a similar way to additional fruit and veg spend.



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## Resource Savings to the State and Traders

This section describes the logic behind the economic impact of Rose Vouchers on the UK government and the State. These are classified as resource savings, or “avoided costs”, and includes, for example, keeping market traders in employment: the avoided cost is the State does not have to financially support the trader via Universal Credit.

### Avoided cost to the Department of Work and Pensions (DWP) (Due to unemployment)

In the case of Southwark, approximately 30% of traders felt that without Rose Vouchers, they would go out of business and face unemployment. Assuming an unemployment period of 6 months, this would then cost the State to support the unemployed traders through Universal Credit.

### Avoided Market Rent Loss (Due to unemployment)

If some of the traders became unemployed, there would also be a temporary loss in rent for their market stall. It has been assumed that there would be a 3-month gap to fill the market stall. This, therefore, represents another avoided cost to the state.

## Avoided Trader Wage and Unemployment Penalty

This is an avoided cost for the market traders. The wage and unemployment penalty captures the additional cost that unemployed people face when attempting to re-enter the workforce beyond just their nominal salary loss. Existing research (inflation-adjusted for this study) into this issue has indicated that for one year of unemployment, a person is:

- Less able to command the average market wage, and instead earn £1,770 less per year.<sup>11</sup>
- More likely to face further unemployment of approximately 1.3 months per year in the following two and a half years in the future (again resulting in reduced potential salary earnings).<sup>12</sup>

Further information about the tool, and how to use it is included in a separate document created by Envoy Partnership: *Economic Impact Calculator Guide*.

<sup>11</sup> Gregg and Tominey (2004) page 18 of Prince's Trust / LSE: The Cost of Exclusion; AND ACEVO (2012) Youth Unemployment the crisis we can't afford

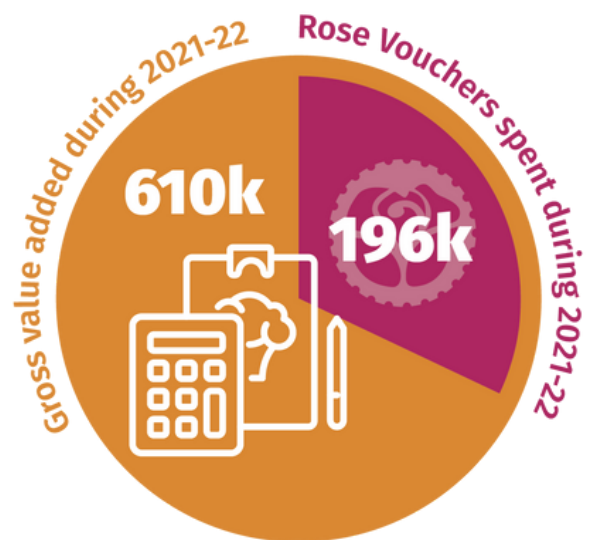
<sup>12</sup> NB We have assumed 50% assumption of the five-year time period claimed by Arulampalam, W., Booth, A. and Taylor, M. (2000), in 'Unemployment persistence', Oxford Economic Papers, 52, pp. 24-50 (from David G. Blanchflower and David Bell, 'Young People and Recession. A lost generation?', Dartmouth College Working Paper, June 2010)



## 7. Economic Impact Final Results

Our research found that in the year 2021-2022, the Southwark Rose Vouchers Project generated a total economic gross value added of approximately £610,003 for the local economy, including £196,101 direct investment into the market via Rose Vouchers.

The additional economic value added is £413,902.



This represents an economic return on investment ratio of approximately £1: £3.11.

This means that for every £1 spent by Alexandra Rose Charity on Rose Vouchers, an additional £2-2.50 was created for the local economy.<sup>13</sup>

Notably, this is without taking into account the savings and health and social benefits to the beneficiary families.

<sup>13</sup> A range is more reflective than an exact amount since all calculations have a degree of sensitivity when tested against a number of impact factors and approximations

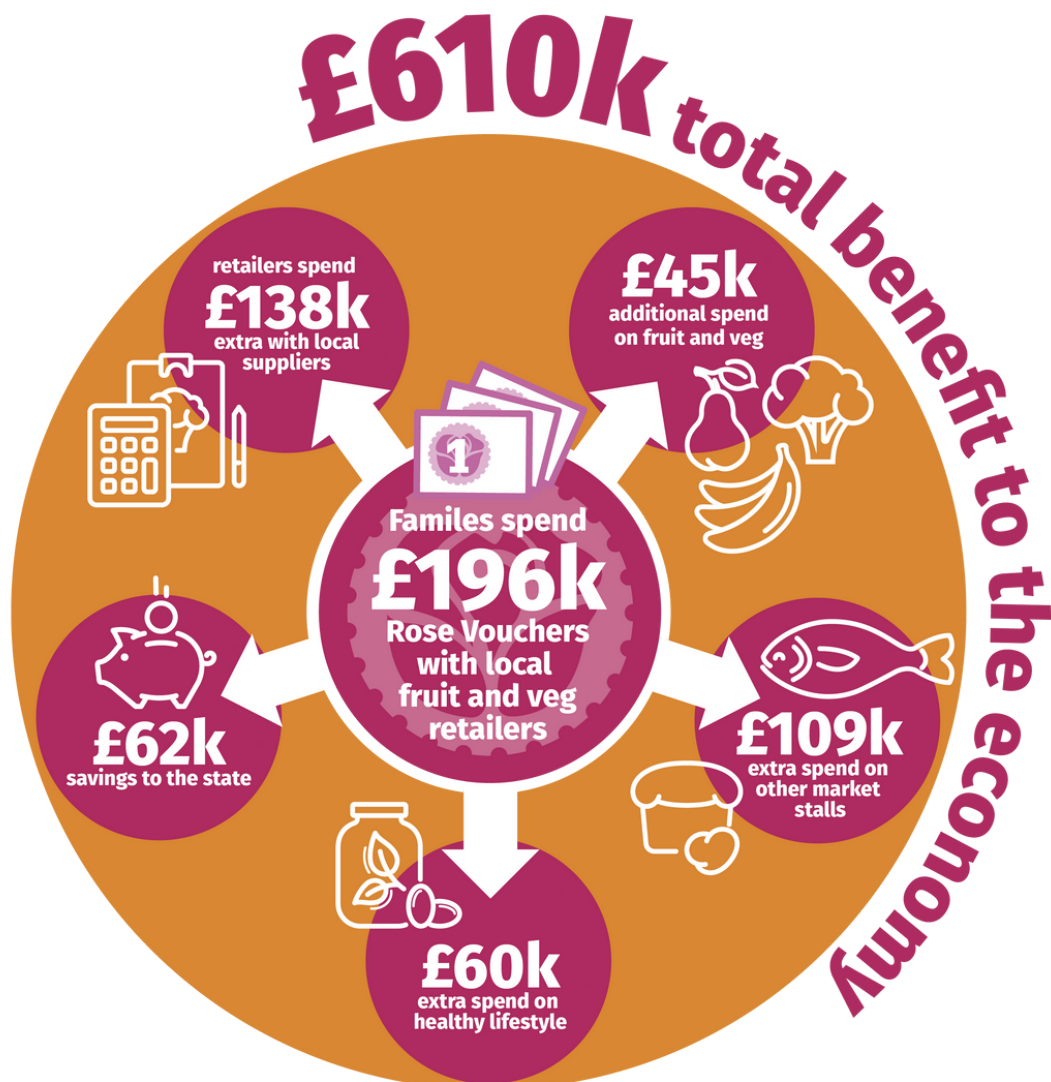
The gross value added contributes to a range of different stakeholders and industries. The distribution of this value is illustrated below.

The most significant value is created by directly contributing to market trader income, accentuated by the economic multiplier effect. Additional value was also created indirectly through additional cash spent by the families when using their vouchers; cash they might have not spent had the Rose Vouchers not encouraged them to travel to the market and covered a portion of their shop.

This, too, has an attached multiplier ratio to capture indirect and ripple effects in wider demand. Another significant area of value created through Rose Vouchers is the resource savings achieved by supporting market traders to stay employed.

This study estimates that without Rose Vouchers, the traders in East Street Market would face a future earnings loss of approximately £43,305 between them. In addition, the council would have likely faced a £6,300 cost due to the lost rent that would follow, had some of the market stalls gone out of business. The State would have otherwise had to cover approximately £5,239 (through DWP Universal Credit) to temporarily support those potentially unemployed traders for an assumed 3-6 month unemployment period.

Other smaller value areas included families increasing their spending on health-related products as a result of adopting a healthier diet, and additional spend, beyond their Rose Vouchers at the market, either at the fruit and veg stalls that accept Rose Vouchers, or at other stalls in the market.





## Discussion

Traditional Retail Markets have faced serious decline over the past decade. Literature on this topic often suggests they now face a decision between gentrification and collapse.<sup>14</sup> The near collapse of East Street Market is particularly stark given its proximity to the thriving Mercato Metropolitan food market, a sustainable community market just 2 kilometres up the road towards Elephant and Castle.

The primary purpose of the Southwark Rose Vouchers Projects is to support families with low incomes to access fresh fruit and veg at local providers. But beyond this, the project has developed into an important source of economic support for East Street Market and the surrounding local economy. The unprecedented economic shock of the Covid-19 Pandemic, combined with the consequent Cost of Living Crisis, has created a severely challenging economic environment for traditional retail markets. Rose Vouchers have been absorbing the shock of these crises for the traders and playing a vital role in easing pressure on the market during turbulent times.

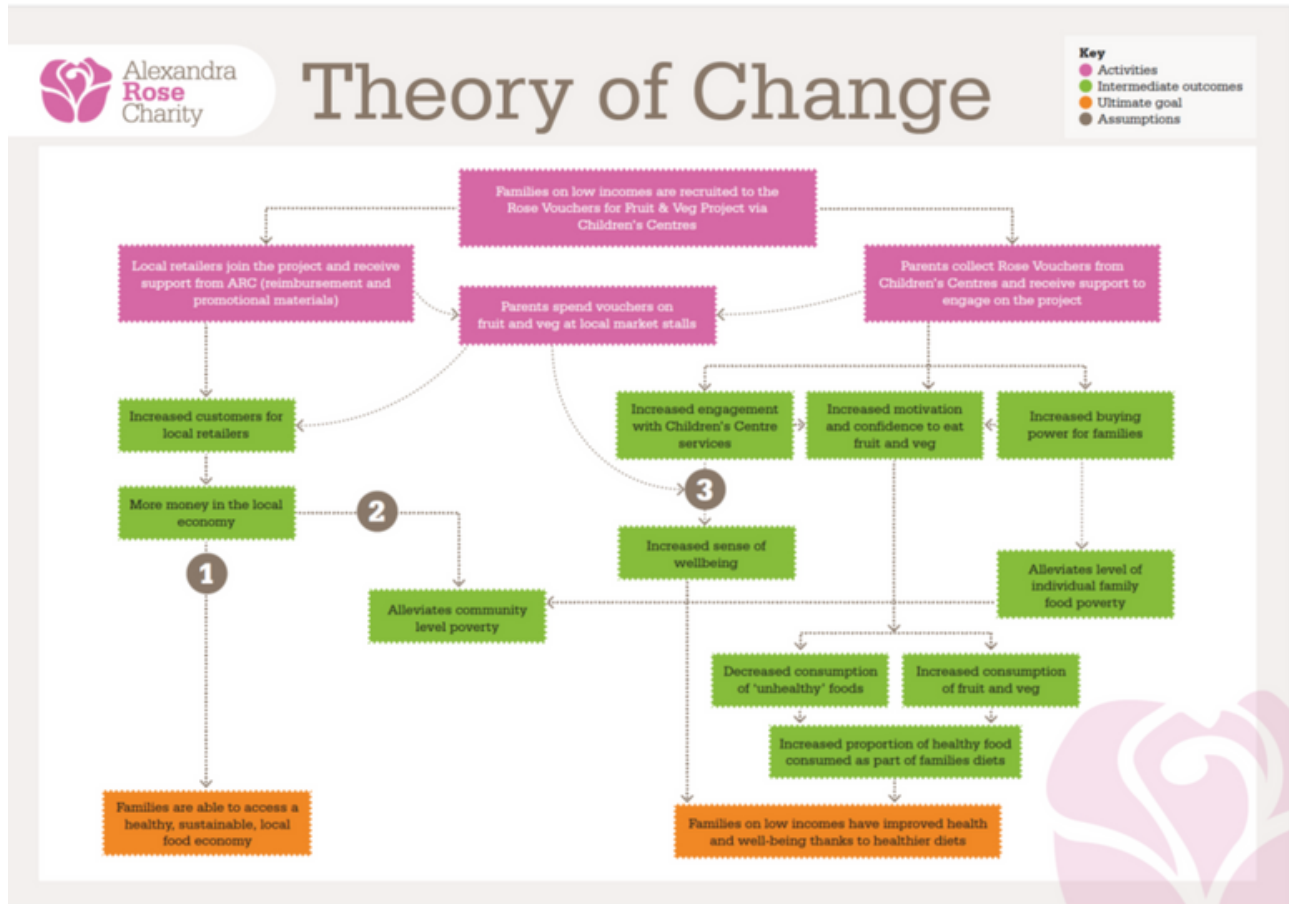
Traders are anxious about the sustainability of their businesses and do not want to be dependent on Rose Vouchers. However, the reliable stream of consumer traffic Rose Vouchers brings to the market is an important and consistent support for the livelihood of the traders. Consequently, the Southwark Rose Vouchers for Fruit and Veg Project has made its own contribution to the local economy, mostly through the small increase in footfall to the market that the project brings, and the economic multiplier effect of the investment into the market.

This study evaluates the Rose Vouchers Project through an exclusively economic lens. It does not account for the Social Value brought to the families (the primary beneficiaries) or indeed any Social Value for wider stakeholders created through the existence of the market, e.g., the sense of community for marginalised groups. It has not accounted for any substitutability or double-counting of impact potentially created by any other voucher scheme that may be operating. However, we are aware that the government's Healthy Start scheme for particularly young infants may require further research in this case.



## ii. Appendix

### Alexandra Rose Charity's Theory of Change





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## ii. Appendix

### Alexandra Rose Families Discussion Guide

#### Family Spending and Food waste survey

Rose Vouchers weekly amount:

Which markets / areas do the family shop at:

1. How many adults are in your home (including yourself? How many children?

#### Part 1: Spending at the Market

2. Before you had Rose Vouchers, did you shop at the market?

- No – I never used the market
- Yes – Less than once a month
- Yes – Every Month
- Yes – Every Week

3. Where did you used to food shop before Rose Vouchers? / Where would you have spent your money if the vouchers project was not available?

- Small Supermarket (e.g. Tesco Express, Sainsbury Local)
- Large Supermarket (e.g. big ASDA, LIDL)
- Corner Shop (e.g. Nisa, Premier, Costcutter)
- Local Street Market
- Independent Food Shops (e.g. local Butcher, Greengrocer)
- Food Pantry / Food Co-operative
- Food Bank / Food Parcels
- Online Delivery

4. Do you ever spend extra money at the market (more than your Rose Vouchers)? How often?

- No – Rarely or never
- Yes – Less than once a month
- Yes – Every Month
- Yes – Every Week

5. How much extra do you spend on fruit and veg at the market?

- Nothing
- Less than £1
- £1 – £2
- £2 – 5
- £5 – 10
- £10-15
- £15-£20
- £20 or more

6. How much extra do you spend on other products at the market? (Clothes, mobile phone, other foods, etc.)

- Nothing
- Less than £1
- £1 – £2
- £2 – 5
- £5 – 10
- £10-15
- £15-£20
- £20 or more

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## Part 2: Food storage

7. How many individual meals the food from the Rose Vouchers contributes to per week (approx)?
8. To what extent have the vouchers on fruit and veg impacted your other food shopping choices outside of the market? Do you eat more or less of some food items? i.e. on other healthy produce or drinks, and how much?
9. To what extent have the Rose Vouchers on fruit and veg changed some of the activities you do? e.g. exercise, adventure play, sports activities?

## Part 3: Food waste

10. How often do you find some of your fruit and veg goes to waste?
- Every Week
  - Every Two weeks
  - Once a month
  - Less than once a month
  - Rarely or never, we eat or store it all
11. On an average week, what kinds of fruit go to waste?
12. On an average week, what kinds of vegetables go to waste?
13. Why do your fruit and vegetables go to waste? (Tick all that apply)
- Fruit and veg has gone bad
  - It is difficult to eat the number of fruit or veg in the offers on the market
  - I struggle with ideas of how to store and prepare fruit for a longer time period
  - I struggle with ideas of how to store and prepare vegetables for a longer time period
  - I do not have enough room to store leftovers in my kitchen (fridge, freezer space)
  - I do not have the equipment to store leftovers (fridge, freezer, storage boxes)
  - I do not have enough room to batch cook
  - I do not have the equipment to batch cook (stove, big pots and pans, fridge freezer)
  - The saved leftovers were not used in time
  - The children did not want to finish their food
  - We did not want to eat the meal again (e.g., I tried something new, and we didn't like it)
  - None of my fruit and vegetables go to waste
  - Other (please state):
14. What would help you waste fewer fruit and veg?
15. Any further comments or suggestions?

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## Trader Discussion Guide

### Impact on business

1. Roughly how much of your income do you think comes from Rose Vouchers?
  - Half? 20%, 70%?
2. How often do families spend money on top of their Rose Vouchers?
  - Rarely, sometimes, often, always?
3. For each visit/shop, how much extra money do they spend at the stall, *not* with the vouchers?
  - £0-2, £2-5, £5-7, £7-10, £10-12, £12-15, £15 or more?

### Impact on supply chain

4. Roughly how much of your revenue is spent on suppliers and wholesalers?
5. If Rose Vouchers have helped your business to improve, how much more (% or £) do you think your stall is now spending PER MONTH on:
  - i. Local suppliers in or near the borough [£ / %] \_\_\_\_\_ (or no change?)
  - ii. Suppliers from Greater London area [£ / %] \_\_\_\_\_ (or no change?)
  - iii. Suppliers from the rest of the UK [£ / %] \_\_\_\_\_ (or no change?)
  - iv. Suppliers from outside the UK [£ / %] \_\_\_\_\_ (or no change?)
6. Have Rose Vouchers had an impact on what items you stock at the stall?

### Impact on customer base

7. Do you feel that you have gained any additional customers because of Rose Vouchers? Roughly how many additional customers per month are regular?
  - For example, word of mouth to other families, or customers who see that the stall accepts Rose Vouchers and therefore choose to shop there to support them (who don't have vouchers themselves).

### Household spending changes

8. Do you feel you have more of your own money to spend, than if there were no Rose Vouchers? Could you guess a range:
  - 10% more or less
  - 10-20% more
  - 20-30% more
  - Over 30% more
9. Is there anything else we should know about the impact of Rose Vouchers on your business? E.g., how would business be if there was no Rose Vouchers project?

## Find out more



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