

## For General Release

<b>REPORT TO:</b>	<b>FULL COUNCIL</b>
<b>AGENDA ITEM:</b>	<b>12</b>
<b>SUBJECT:</b>	<b>RETAINING CROYDON'S STATUS AS A FAIRTRADE BOROUGH</b>
<b>LEAD OFFICER:</b>	<b>Nathan Elvery, Interim Chief Executive</b>
<b>CABINET MEMBER:</b>	<b>Councillor Sara Bashford Cabinet Member for Corporate and Voluntary Services</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Fairtrade is a nationally recognised mark that promotes fairness and greater equity in international trade. Fairtrade supports the a responsible and sustainable approach to public sector procurement that promotes added social value in the purchase of goods.	
<b>FINANCIAL IMPACT</b> There are no financial implications as a result of this report or the renewed resolution.	
<b>KEY DECISION REFERENCE NO.:</b>	

### 1. RECOMMENDATIONS

- 1.1 The Council is asked to:-
- 1.2 Note the achievements of the Croydon Fairtrade Community Network and Croydon as a Fairtrade Town
- 1.3 Renew its support for Fairtrade by passing the proposed resolution at appendix A to this report.

### 2. EXECUTIVE SUMMARY

2.1 Fair Trade is a trading partnership based on the principles of ongoing dialogue, transparency and respect. Fairtrade seeks to secure greater equity in international trade and contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers.

2.2 Fairtrade has been supported in Britain by organisations such as Oxfam and Traidcraft for over 60 years. The Fairtrade Foundation was founded in 1994 as the UK national labelling organisation responsible for licensing use of the FAIRTRADE mark and promoting Fairtrade across the country. (The

FAIRTRADE mark is an international certification label that is awarded to products that meet specific independent standards set by the international Fairtrade labelling organisation.)

- 2.3 The borough achieved Fairtrade Town status in 2003, and since then the Croydon Fairtrade Network has been working to raise the profile of Fairtrade within the community.
- 2.4 As a part of the action plan to renew Croydon's status as a Fairtrade Town, the Council is asked to pass a new resolution supporting Fairtrade and to appoint a Fair Trade champion to work with the Network.

### **3. DETAIL**

3.1 Fairtrade continues to gain greater recognition in the UK and there are now over 4,500 products that have been licensed to carry the FAIRTRADE mark in this country with market sales growing at over 40% a year. Fairtrade products are now increasingly becoming a part of how Britons shop and do business. According to a study conducted in 2009, 72% of British adults now recognise the FAIRTRADE mark.

3.2 Fairtrade Towns have played an important role in driving the movement and raising the profile of the FAIRTRADE mark at a local level. A Fairtrade Town is a community that:

- Supports Fairtrade and deepens understanding of the benefits Fairtrade brings
- Takes action by choosing Fairtrade products whenever possible and encourages others to do likewise
- Achieves and continues to take action on the five Fairtrade Town goals set by the Fairtrade Foundation (see paragraph 3.4).

3.3 The Croydon Fairtrade Network:

Since 2003, the Croydon Community Fairtrade Network has continued to co-ordinate events and initiatives to support Fairtrade across the borough. The network is formed of six core members who, on a voluntary basis, work to raise the profile of Fairtrade through promotional activities and events. Events that have taken place in the past include:

- Stall in Whitgift Centre during Fairtrade Fortnight;
- Stall at Croydon Green Fair;
- Stall at Heathfield Ecology Centre event;
- Fairtrade Fashion Show in Whitgift Centre;
- Annual stalls in Whitgift Centre;
- Fairtrade Cotton event in Clocktower;
- Visit by Divine Cocoa farmers to businesses, colleges, schools and churches in Croydon.

The Fairtrade label is now widely recognised and the full range of Fairtrade products is available from most food retailers across the borough. In May 2013 the Fairtrade Community Network are planning to hold an event celebrating the 10<sup>th</sup> anniversary of Croydon becoming a Fairtrade borough.

### **3.4 The Council's role in supporting Fairtrade**

The Council has taken the lead in supporting Fairtrade in the borough. In 2003, Croydon became the first London borough to achieve Fairtrade Town status. As such the Council committed to meeting the five Fairtrade Town goals set out below:

- The Council passed a resolution to support Fairtrade, including agreement to serve Fairtrade products (for example, in meetings, offices and canteens);
- Fairtrade products are available from a range of local retail outlets
- Local workplaces and community organisations support and use Fairtrade products;
- Events are regularly held to raise awareness of Fairtrade along with media coverage;
- A local Fairtrade steering group (the Croydon Fairtrade Network) was established to ensure the campaign remains sustainable.

3.5 The Council, as a key commissioner of services, has the ability to ensure a responsible approach to procurement. This approach seeks to ensure that the authority uses its influence to ensure wider social and environmental benefits are achieved through procurement and contracting. As such, the council's approach to Fairtrade in procurement is outlined in a policy statement which sets out the following series of actions:-

- To promote awareness of Fairtrade issues and the opportunities for supporting Fairtrade in the area. The council has initially concentrated on making council employees, the public and local businesses aware of the Councils policy on Fairtrade;
- To encourage the use of Fairtrade goods, for example products carrying the Fairtrade Mark, when catering for Council meetings and functions.
- To encourage the use of Fairtrade goods in other council contracts including staff catering, wherever possible;
- To ensure that Fairtrade products are available for both staff and the public to purchase in council run/owned establishments. These products should be offered as a choice along side non-Fairtrade products with information to inform purchasing decisions;
- To request that wholesalers supplying the council stock Fairtrade products in addition to their other brands.

### **3.6 Renewing Croydon's Fairtrade borough status**

The Croydon Community Fairtrade Network is seeking renewal of the borough's status as a Fairtrade Town. The renewal action plan includes the need for the Council to pass a new resolution supporting Fairtrade and also that a named champion is appointed. It is proposed that Councillor Richard Chatterjee assume the role of Fairtrade champion. Corporately, he will be supported in this role by Sarah Ireland, director of Strategy, Commissioning, Procurement and Performance, who will help ensure that the council continues to lead by example and that Fairtrade considerations are reflected in the Council's commissioning activity.

A proposed resolution for agreement is at Appendix A to this report.

#### **4. CONSULTATION**

- 4.1 The Croydon Fairtrade Community Network works closely with local businesses and communities to promote Fairtrade and its principles. Through ongoing publicity and engagement events, the Network is in continuous dialogue with Croydon residents and businesses. Fairtrade provides an opportunity for the local authority to work in genuine partnership with a range of community organisations and representatives, opening new channels of communication and creating real community engagement.

#### **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 5.1 There are no financial implications as a consequence of this report or the renewed resolution.

There are no financial implications arising from this report.

(Approved by: Dianne Ellender, Department Head of Finance)

#### **6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

- 6.1 The Council Solicitor comments that there are no legal implications arising from this report.

(Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer)

#### **7. HUMAN RESOURCES IMPACT**

- 7.1 There are no human resource implications as a result of this report.

(Approved by: Heather Daley on behalf of the Director of Workforce, Equality & Community Relations)

#### **8. EQUALITIES IMPACT**

- 8.1 Supporting Fairtrade is one, simple way to take action towards more sustainable developmental patterns, giving producers in developing countries the trade terms they need to create a more sustainable future through our everyday procurement choices.

#### **9. ENVIRONMENTAL IMPACT**

- 9.1 No environmental impact identified.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

10.1 No impact identified.

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

11.1 The public sector is the single largest purchaser in the UK with an annual procurement budget of around £160bn. By choosing Fairtrade options when possible the public sector can make a significant difference to the lives of producers and their families overseas through their procurement policies alone. Over 450 local authorities have already ensured that their purchase power leads to real benefits for producers overseas.

## **12. OPTIONS CONSIDERED AND REJECTED**

12.1 Discontinue support for Fairtrade and the Croydon Fairtrade Community Network which would result in the borough losing its Fairtrade status.

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### **CONTACT OFFICER:**

Sarah Ireland, Director of Strategy, Commissioning, Procurement and Performance,  
extn: 60270

### **BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972**

Appendix A – Proposed resolution supporting Fairtrade  
Appendix B - Croydon's Fairtrade procurement policy

## Draft resolution

The London Borough of Croydon renews its support for Fairtrade. As an important consumer and opinion leader the Council supports a strategy to facilitate the promotion and purchase of foods with the FAIRTRADE Mark as part of our commitment to the Fairtrade procurement policy.

### Aim

To be recognised by the residents and business community of the London Borough of Croydon, suppliers, employees and other local authorities, as a town that actively supports and promotes Fairtrade and to increase the sale of products with the FAIRTRADE Mark.

The London Borough of Croydon resolves to contribute to the campaign to increase sales of products with the FAIRTRADE Mark by striving to achieve Fairtrade status as detailed in the Fairtrade Foundation's Fairtrade Towns Initiative.

The initiative involves a commitment to:

- Widely offer FAIRTRADE Marked food and drink options internally and make them available for internal meetings
- Promote the FAIRTRADE Mark using Fairtrade Foundation materials in refreshment areas and promoting the Fairtrade Towns initiative in internal communications and external newsletters
- Use influence to encourage local retailers to provide Fairtrade options for residents
- Use influence to encourage local business to offer Fairtrade options to their staff and promote the FAIRTRADE Mark internally
- To actively support the principles of Fairtrade by -
  - Appointing a Fairtrade Champion who would meet regularly with the Croydon Community Fairtrade Network.
  - Undertaking awareness raising activity such as publicity and events in partnership with the Croydon Community Fairtrade Network.

## **Croydon's Procurement approach to....**

### **Fairtrade**

#### **Introduction**

International trade may seem a remote issue, but when commodity prices fall dramatically it has a catastrophic impact on the lives of millions of small scale producers, forcing many into crippling debt and countless others to lose their land and their homes.

Development agencies recognised the important role that consumers could play to improve the situation for producers. By buying direct from farmers at better prices, helping to strengthen their organisations and marketing their produce directly through their own one world shops and catalogues, the charities offered consumers the opportunity to buy products which were bought on the basis of a fair trade.

#### **Fairtrade Scheme**

The Fairtrade Foundation, run the international standard setting and monitoring body 'Fairtrade Labelling Organisations International' (FLO). This international body incorporates various stakeholders including elected producers and commercial representatives. It sets standards and ensures regular international auditing.

Producers registered with FLO receive a minimum price that covers the cost of production and an extra premium that is invested in the local community.

#### **Commodities covered by the Fairtrade mark:**

Bananas	Cocoa	Coffee
Cotton	Dried Fruit	Fresh Fruit & Fresh Vegetables
Honey	Juices	Nuts/Oil Seeds and Purees
Quinoa	Rice	Spices
Sugar	Tea	Wine

#### **Requirements and Standards**

As Fairtrade is also about development. The generic standards distinguish between minimum requirement which producers must meet to be certified Fairtrade. Process requirements also encourage producer organisations to continuously improve working conditions and product quality, to increase their environmental stability of their activities and to invest in the development of their organisations and the welfare of their producers / workers.

Trading standards stipulate that traders must:

- Pay a price to producers that covers the costs of sustainable production and living;
- Pay a 'premium' that producers can invest in development;
- Make partial advance payments when requested by producers;
- Sign contracts that allow for long-term planning and sustainable production practices.

## Appendix B – updated Procurement policy

### **Fairtrade and Procurement Laws**

There is no conflict of interest between Fair Trade and the law's governing procurement. Councils can develop purchasing policies based on a balance between quality, corporate policies, and cost.

### **How can we make a difference?**

The total quantity of, for instance, coffee, bought within a single council can be three tonnes annually. It is calculated that local authorities account for 10-12% of GDP. We can play a key role in 'market transformation' by creating a sustainable business environment within the community. The sheer size of this council's consumption makes us a major player within the market. We hope that via our policies, we will provide clear signal and leadership to local business who may be encouraged to adopt more sustainable practices.

### **What we will do**

We welcome the Fairtrade campaign supported by organisations including Oxfam and Christian Aid, and have already agreed:

- **To promote awareness of Fairtrade issues and the opportunities for supporting Fairtrade in the area. It would initially concentrate on making council employees, the public and local businesses aware of the Councils policy on Fairtrade.**
- **To encourage the use of Fairtrade goods, for example products carrying the Fairtrade Mark, when catering for Council meetings and functions.**
- **To encourage the use of Fairtrade goods in other council contracts including staff catering, wherever possible.**
- **To ensure that Fairtrade products are available for both staff and the public to purchase in council run / owned establishments. These products should be offered as a choice along side non-Fairtrade products with information to inform purchasing decisions.**
- **To request that wholesalers supplying the council stock Fairtrade products in addition to their other brands.**