

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	County Council
Date:	16 September 2010
Title:	Policy & Resources Select Committee Consideration of Motion relating to Fairtrade
Reference:	2010
Report From:	Policy & Resources Select Committee

Contact name: Marie Mannveille, Scrutiny Officer

Tel: 01962 845018

Email: marie.mannveille@hants.gov.uk

1. Executive Summary

1.1. Cllr Buckley proposed a Motion at the County Council meeting held on 20 May 2010 regarding Fairtrade, calling on the County Council to take the necessary remaining steps to enable Hampshire to become the first Fairtrade County in South East England. The Motion was referred for consideration to the Policy & Resources Select Committee. The Policy & Resources Select Committee considered this issue at their meeting held on 22 July 2010. This report provides the views of the Policy & Resources Select Committee, for consideration by County Council.

2. Consideration at 22 July Policy & Resources Select Committee

2.1. Members of Policy & Resources Select Committee considered the referred Motion at the meeting on 22 July in conjunction with a written report prepared jointly by Property Business and Regulatory Services and the Environment Department, available here:

http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitems/summary.htm?pref=Y&tab=1&item_ID=1849&cancel=n . Relevant officers were in attendance to answer questions.

2.2. As requested by County Council, the Policy & Resources Select Committee gave consideration to three particular aspects of the motion:

2.3. **1) Seek to confirm that, as far as is practicable, the beneficiaries of the Fairtrade initiatives currently supported by the County Council are those for whom the benefits are intended**

The Select Committee heard that there is ample evidence the Fairtrade programme had made a sustained difference to many workers and their communities. The Fairtrade Foundation had recently received the Queen's Award for Enterprise (Sustainable Development), which demonstrated that

Fairtrade was now recognised as making a tangible difference to the livelihood of people within some of the world's poorest regions. Therefore, the committee is satisfied on this point.

2.4 2) Seek to confirm that the measures required for the County Council to achieve Fairtrade County status would not be to the detriment of Hampshire producers of goods and services

It was suggested in the report considered that Fairtrade County status could be achieved with minimal further steps (see 3 below), however Members were concerned that the requirement to promote Fairtrade could be to the detriment of local producers. The report highlighted that the County Council's current position is to take an even handed approach to promoting a range of produce, supporting a number of worthy causes including Fairtrade, Rainforest Alliance, Red Tractor and Hampshire Fare.

The committee did not come to a conclusion on this point.

2.5 3) Seek to confirm that Fairtrade measures already adopted by the County Council, or those additional measures that would be required to be adopted to achieve Fairtrade accredited status, provide appropriate value for money.

It was noted that the report suggested the fair-trade products the County Council currently procures provide value for money, as the additional cost compared to other products was minimal, and given the County Council's commitment to Fairtrade principles this could be considered good value for money. The Director of Property Business and Regulatory Services provided examples to support this point, for example that the switch to fair-trade orange juice was cost neutral. However Members were concerned, given the current economic climate, that fair-trade items may cost more than alternatives, and could not come to a conclusion regarding value for money without further detail.

3. Requirements of Fairtrade County Status

3.1 To support an application for Fairtrade County Status various criteria need to be met and approved by the Fairtrade Foundation. A Local council needs to pass a resolution supporting Fairtrade and to serve Fairtrade tea and coffee at its meetings and in its offices and canteens. Hampshire County Council meets this criteria, and this can continue to be met with current procurement levels. It was reported at the meeting that Hampshire County Council is currently the largest purchaser of fair-trade items among English local authorities¹.

3.2 In addition, a range of (at least two) Fairtrade products needs to be readily available in the area's shops and local cafés/catering establishments, and be used by a number of local work places and community organisations,

¹ Subsequently, Officers have confirmed that the County Council spends approximately £360,000 a year on fair-trade items, and that Northumberland County Council has attained Fairtrade County Status with annual Fairtrade Expenditure (as advised to Hampshire) of £50,000

including a flagship employer. According to Cllr Buckley's motion, 46% of the Hampshire population currently reside in areas where this is the case. It is understood that Basingstoke and Eastleigh are working on this in their areas, therefore it is likely that the 50% of the population required will be met shortly, without any further action from the County Council.

- 3.3 It is also a requirement that those applying for Fairtrade County status seek to attract media coverage and popular support for the campaign. This has not yet been undertaken. Consideration would need to be given to the extent of activity required. It is likely this could be supported from within existing resources, however it would still require officer time. Promotion of Fairtrade could conflict with the County Council's current policy to take a balanced approach to a range of worthy causes.
- 3.4 A local Fairtrade Steering Group would also need to be convened to ensure continued commitment to Fairtrade area status. The model suggests the steering group should involve representatives from a local authority, local campaign groups, schools, faiths and businesses. The model constitution for a Fairtrade Steering Group indicates that members should be encouraged to make a voluntary annual subscription. Such a group has not yet been established. An officer commitment of perhaps 20 days annually is anticipated in relation to this group. The likely scale of financial contribution expected is unknown.
- 3.5 Fairtrade County Status would not apply to the County Council but to Hampshire as an area. An application for Fairtrade County Status therefore does not need to be led by the County Council, it could be promoted by a second tier local authority or local interest group. Policy & Resources Select Committee members are of the view that should Hampshire County wish to go forward for Fairtrade County status, the County Council would not need to lead the required steering group, although the County Council would wish to be a part of such a group.

4. Recommendation(s)

- 4.1. Therefore, in response to the motion put to County Council in May, which calls on Hampshire County Council to take the necessary remaining steps to become the first Fairtrade County in South East England, the Policy & Resources Select Committee recommends the following:
 - Further steps towards an application for Fairtrade County Status should not be taken by the County Council until the following have been considered:
 - details of fair-trade products currently procured, including prices compared to alternatives, the proportion of spend on these products, and the proportion of spend on products from local producers (to inform Members consideration of the value for money of fair-trade products, and the extent to which fair-trade products compete with locally produced items)
 - whether support to a Fairtrade Steering Group and media promotion of the fair-trade status campaign represent value for money, in the current economic climate

- the options for action open to the County Council to demonstrate community leadership and encourage equal support for a range of worthy causes such as local producers and other ethical brands
- Should an application for Fairtrade County Status be promoted by another organisation, Hampshire County Council provide support to that as appropriate, if it is satisfied that:
 - the support required from the County Council represents value for money
 - the County Council can continue to support local producers and other ethical brands fairly

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u> Notice of Motion	<u>Reference</u> 1653	<u>Date</u> 20 May 2010
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. The report promotes treating potential suppliers fairly, and supporting suppliers who have appropriate conditions for their workers.

2. Impact on Crime and Disorder:

- 2.1. Not applicable.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

Considering products from local producers encourages a reduced carbon footprint in relation to transport costs for goods supplied.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

A balanced approach to procurement would be flexible, and would encourage consideration of a broad range of potential suppliers. If climate change has an impact on where products can be sourced, this could be taken into account in procurement decisions.