

RENFREWSHIRE COUNCIL

To: Council

On: 8 November 2007

Report
by
Chief Executive
Fairtrade – taking it forward

1. SUMMARY

- 1.1 Renfrewshire Council showed its continued support for Fairtrade most recently at their meeting on 28 June 2007 where a motion was unanimously agreed, congratulating Bishopton on achieving Fairtrade Village status and reaffirming the Council's commitment to Fairtrade and its intentions to develop the Fairtrade movement across Renfrewshire
- 1.2 Following the decision of the Council of its meeting on 28 June, this report outlines the current position of Fairtrade within Renfrewshire and the steps necessary to achieve Fairtrade Zone status for the whole of Renfrewshire. Appendix 2 contains the legal position regarding Fairtrade and ethical considerations in public procurement.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Council:
 - I. Resolves:
 - a. To encourage use of fairly traded goods, for example products carrying the Fairtrade mark, when catering for civic functions, internal and external Council meetings and Council led conferences and events.
 - b. To try wherever possible to include a fairly traded option in relevant tenders.
 - c. To delegate relevant officers and members to implement this resolution and to work towards achieving Fairtrade Zone status for Renfrewshire.
 - II. Establish a steering group to take forward the project to achieve Fairtrade status for Renfrewshire with representatives from Members and officers of the Council as well as representation from the Community as set out in section 5.7 of this report.
 - III. Note the financial and resource implications detailed in section 6. of the report.
 - IV. Approve the outline action plan set out in Appendix 1 to this report, noting the service responsibility assigned to key actions and tasking the steering group to further develop the action plan, applying sub actions and assigning timescales.
 - V. Request a further report detailing progress to be submitted to the Leadership Board in Spring 2008.
 - VI. Note the update on the legal position regarding Fairtrade and ethical considerations in public procurement attached as appendix 2.

3. FAIRTRADE

- 3.1 Fairtrade guarantees a better deal for third world producers. Fairtrade gives power back to both producers and consumers - producers get fair wages, good working conditions, help

with the development of products and marketing, while consumers are given the choice to make a difference by buying Fairtrade products whenever they can.

3.2 Fairtrade organisations and advocates share and support the following principles for trading relationships:

- **Creating opportunities for economically disadvantaged producers**
Fairtrade is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for producers who have been economically disadvantaged or marginalised by the conventional trading system.
- **Transparency and accountability**
Fairtrade involves developing transparent management and commercial relations to deal fairly and respectfully with trading partners.
- **Capacity building**
Fairtrade is a means to develop producers' independence. Fairtrade relationships provide continuity, during which producers and their marketing organisations can improve their management skills and their access to new markets.
- **Payment of a fair price**
A fair price in the regional or local context is one that has been agreed through dialogue and participation. It covers not only the costs of production but enables production which is socially just and environmentally sound. It provides fair pay to the producers and takes into account the principle of equal pay for equal work by women and men. Fairtraders ensure prompt payment to their partners and, whenever possible, help producers with access to pre-harvest or pre-production financing.
- **Gender equality**
Fairtrade means that women's work is properly valued and rewarded. Women are always paid for their contribution to the production process and are empowered in their organisations.
- **Working conditions**
Fairtrade means a safe and health working environment for producers. The participation of children (if any) does not adversely affect their well-being, security, educational requirements and need for play and conforms to the UN Convention on the Rights of the Child as well as the law and norms in the local context.
- **Environmental protection**
Fairtrade actively encourages better environmental practices and the application of responsible methods of production.

4. CURRENT POSITION

Paisley and Bishopton

- 4.1 Paisley was granted Fairtrade Town status in 2003. To achieve this, Paisley Fairtrade Partnership was set up, its membership comprising Renfrewshire Council, the Scottish Co-op, Rainbow Turtle - the Paisley based Fairtrade charity - and wide representation from the local community, unions, business and commerce, faith communities, education and community groups. The aim of Paisley Fairtrade Partnership is to develop and monitor Paisley's status as a Fairtrade town, acting in partnership with Rainbow Turtle.
- 4.2 Bishopton, more recently, in May of this year was awarded Fairtrade Village status. Bishopton Fairtrade Group was set up, again to co-ordinate the work towards their Fairtrade application and also to ensure the ongoing development and monitoring of the village's commitment to Fairtrade.
- 4.3 Renfrewshire Council has been supportive of the Fairtrade campaign for a number of years. Following on from the achievements of Paisley and Bishopton being awarded Fairtrade Town status, an opportunity has arisen to promote Fairtrade to the remaining communities

across Renfrewshire and take our commitment to Fairtrade one stage further by working towards Renfrewshire as a whole becoming a Fairtrade Zone.

- 4.4 Both existing Fairtrade campaigns depend heavily on the support of the local community, businesses, churches and organisations, and there is a wealth of knowledge and experience that should be utilised when aiming for Fairtrade Zone for Renfrewshire.

Internal Scoping exercise

- 4.5 In order to get a clearer view of the current position within Renfrewshire Council, Chief Executive's carried out an informal scoping exercise, contacting Procurement Officers within each service.
- 4.6 This exercise showed that some schools in Renfrewshire were already showing real commitment to Fairtrade, with some schools:
- stocking Fairtrade products in vending machines and tuck-shops
 - Enterprise groups selling Fairtrade products
 - using Fairtrade products at coffee mornings, parent conferences and PTA meetings
 - selling Fairtrade gifts in staff rooms during Fairtrade fortnight
- 4.7 Other than Education and Leisure, the Services currently actively using Fairtrade products are Environmental Services through their Catering Services (currently only to schools and Civic Catering) and Chief Executive's who provide Fairtrade coffee for visitors and staff. For all services that do not currently use Fairtrade a number of issues were raised:
- Lack of awareness about Fairtrade
 - Confusion about what is available through our Procurement systems
 - Perception of increased cost of Fairtrade
 - For staff tea/coffee often this is purchased privately by staff as part of their weekly shop etc.
- 4.8 The results of this exercise clearly showed that there was a lack of information on purchasing Fairtrade goods and a general perception that costs may prove prohibitive. This highlights an opportunity to educate our staff and Procurement Officers about the importance of Fairtrade and to efficiently source products to ensure choice and good value for money.

Benchmarking

- 4.9 Officers met with colleagues in East Dunbartonshire and East Renfrewshire, both areas which have recently achieved Fair Trade Zone for the whole local authority area. Whilst these Council areas experienced very different challenges, a number of common themes emerged from these meetings:
- 4.10 Support of the community – whilst the Council may co-ordinate and provide the administrative support for the drive for Fairtrade status, it must be recognised that there are many members of our community already involved in the Fairtrade movement, and they must be given the opportunity to be involved in the wider project.
- 4.11 Following on from this, it was suggested that to encourage the enthusiasm of the community, an 'interested persons' list should be set up, with contacts of residents who would be willing to participate in Fairtrade activities, such as leafleting, awareness events and presentations. It was also recommended that the campaign for Fairtrade Zone status is led by someone high-profile, such as the Leader, Deputy Leader, Provost or Deputy Provost to give the campaign the impetus necessary to succeed.

- 4.12 As also indicated in our scoping exercise, our neighbouring Councils also found that Council staff and businesses had perceptions about an increased cost when purchasing Fairtrade products. However, with the more readily available products such as coffee, the difference was negligible. Both Councils provided us with a list of the suppliers that they currently use, with recommended suppliers including – Green City, Brake Foods, Peros and Traidcraft.
- 4.13 Both Councils had very successful Fairtrade campaigns and used a number of imaginative ways to engage with their staff and local communities such as running competitions, giving presentations with taster sessions and having interesting and informative pages on their websites.
- 4.14 A final point that both Councils emphasised was that achieving Fairtrade Zone status was a lengthy process, it took both councils around eighteen months to submit their application, and in both cases it very much tended to rely on the enthusiasm of one or two people to continually drive the project forward.

5. HOW DO WE BECOME A FAIRTRADE ZONE?

- 5.1 Becoming a Fairtrade Zone is a process not a one-off event or a tick-box exercise, it is a long-term commitment which takes time, resources and cooperation to achieve. For Renfrewshire to become a Fairtrade Zone there is an in-depth application form which must be filled in. This form is based around 5 goals, each of which must be achieved, with evidence documented as part of the application. These five goals form the basis of the outline action plan (appendix 1). Progress reports on this action plan will be presented to the Leadership Board on a six-monthly basis.

5.2 Five Goals

5.3 Goal 1: Obtain Local Authority support for Fairtrade

Resolution and Political Support

The following resolution needs to be passed making a clear commitment to promote Fairtrade, to support local communities in promoting Fairtrade and for the Council to use Fairtrade tea and coffee across all Services.

This Council resolves:

- i. To encourage use of fairly traded goods, for example products carrying the Fairtrade Mark, when catering for civic functions, internal and external Council meetings and Council led conferences and events.
- ii. To try wherever possible to include a fairly traded option in relevant tenders.
- iii. To delegate relevant officers and members to implement this resolution and to work towards achieving Fairtrade Zone status for Renfrewshire.

The Leader of the Council is a board member of Paisley Fairtrade Partnership and Councillor Iain Langlands is a member of the Bishopton Fairtrade Steering Group. Other local members should be encouraged to promote Fairtrade and attend events in their ward.

Schools

There is a great opportunity for working with our schools across Renfrewshire, building on some of the excellent work which schools already do to promote Fairtrade within their communities. The support of schools forms a vital part of our application for Fairtrade Zone status. There is a wealth of guidance available with advice packs on how to incorporate Fairtrade issues into the curriculum and examples of activities that school pupils can get involved in. It is anticipated that a good starting point for progressing this would be for a presentation to be made at the Head teacher's meetings. It is recommended that Education and Leisure Services should nominate a senior officer to be responsible for taking forward and promoting Fairtrade within schools.

Procurement

For the Council to use Fairtrade products across all services, suppliers will need to be sourced, and guidance and information given via the Corporate Procurement Unit. At present no information is collated at a central level about the use of Fairtrade products and limited guidance is currently available to Procurement Officers about Fairtrade.

Under EU tendering rules, we cannot specify 'Fairtrade' products as this refers to a trademark however as part of the Council's resolution we will commit to encouraging the use of 'fairly traded' products wherever possible.

We will investigate the best way to flag up Fairtrade suppliers and Fairtrade products through the existing PECOS systems, either by providing all Procurement Officers with a list of Fairtrade suppliers and goods, or by having an indicator on the system itself. It is also suggested that a senior officer within the Corporate Procurement Unit is tasked with investigating how we can promote the use of Fairtrade products through new procurement processes and to ensure that providers of Fairtrade products have the opportunity to join the existing Approved Restricted Lists of suppliers and any relevant tender.

Through our internal scoping exercise, it was clear that across the Council many employees have private collections for their tea and coffee and this is purchased by a nominated person, often as part of their regular shopping trip. Whilst our resolution obviously does not cover this kind of purchasing, we will endeavour through disseminating information and providing taster sessions (especially during Fairtrade fortnight) to encourage employees to choose Fairtrade products.

There are also vending machines in various Council buildings and there may be scope to stock Fairtrade products, this will be investigated further. It is also recommended that Commercial Operations nominate a senior officer to be responsible for taking forward this element of the project.

Administrative Support

The Council will need to provide administrative support for the project – for example providing the secretary to the steering group etc, giving presentations to external organisations and services in the Council

5.4 Goal 2: A range of Fairtrade products are readily available in shops and cafes

Local shops must be encouraged to increase the range of Fairtrade products available and we must seek to advise visitors that Fairtrade products are available locally. Our application will stipulate how many shops must stock Fairtrade products; if we do not achieve that number our application will not be successful (we will require one retail outlet per 5000 of the population and one catering outlet per 10,000 of the population).

The Steering Group will need to undertake an audit of local shops to determine which already stock Fairtrade products. To be included in our application the shop must stock at least two certified Fairtrade products. Where a shop only stocks one or no products, the Steering Group will be expected to work with the shop, provide advice and assisting in sourcing suppliers.

In general the Steering Group will need to devise a plan to inform and encourage local businesses to become Fairtrade suppliers. In addition they must ensure that the availability of Fairtrade products is widely publicised, through directories, posters and window stickers.

5.5 Goal 3: Fairtrade products are used by local businesses and community organisations

The Steering Group must seek to encourage more local businesses and organisations to use Fairtrade Products. It would be useful to utilize our links with Renfrewshire Chamber of Commerce and to try and gain their support.

Again another audit of businesses and community organisations will need to be carried out in order to establish the current position. This may also require awareness sessions for businesses and organisations, with further support offered.

Our application must also include a Flagship employer, a large local employer (not the Council) who have embraced Fairtrade, use their products and promote them in the workplace. Possible flagship employers could include HP, Rolls Royce, BAA, University of Paisley and Reid Kerr College.

It is recommended that a senior officer from the Economic Development service be tasked with promoting Fairtrade in the business community, encouraging shops and cafes to stock fairtrade products and participating also on the steering group.

5.6 Goal 4: Attract media coverage and popular support for Fairtrade

A record of all media coverage must be kept. The Council should use our Press and Marketing team to generate greater awareness of Fairtrade, and provide regular updates regarding the progress of our campaign to achieve Fairtrade Zone status for Renfrewshire.

There is clearly scope to use the internet to promote our campaign – both Bishopton and Paisley have Fairtrade websites providing information about Fairtrade and updates on local events, both should be prominently linked to the Council's website.

In addition, to promote Fairtrade and to publicise what is currently available the Council could produce a Fairtrade Guide in association with the New Consumer magazine, both East Dunbartonshire and East Renfrewshire Councils have done this. The guide is a colourful and informative document, with generic information about Fairtrade which would be mixed with additional Renfrewshire-specific information. The cost for 30,000 copies of the 12-page guide is £4,000. Different quantities are available. The guide could possibly highlight the current success of Paisley and Bishopton in attaining Fairtrade status and best practice examples currently being adopted by some schools.

The directories would be ready in time for Fairtrade Fortnight which takes place between 25 February 2008 and 9 March 2008. This fortnight is an excellent opportunity to boost awareness about our Fairtrade campaign, and a number of high-profile events should be organised across Renfrewshire such as coffee mornings, taster sessions and competitions for Fairtrade hampers.

It is recommended that the Principal, Corporate Policy in Chief Executive's service be responsible for taking forward this element of the plan.

5.7 Goal 5: Local steering group is convened to ensure progress and continued commitment to Fairtrade status

In Renfrewshire we already have an active Fairtrade movement and creating a Steering Group to work towards Fairtrade Zone status for Renfrewshire will build on our existing partnerships.

We would suggest inviting membership from across Renfrewshire's community on the Steering Group. In particular the following groups should be represented: churches, representatives from Paisley and Bishopton Fairtrade steering groups, Rainbow Turtle,

Renfrewshire Chamber of Commerce, school pupils. It is also recommended that this is chaired by a senior elected members.

In addition, the senior officers nominated by Council services with an involvement in Fairtrade will be represented – Corporate Policy, Communications and Marketing, Economic Development, Procurement, Education and Leisure Services and Commercial Operations. The attached action plan would form the basis of the agenda of the Steering Group who will develop sub actions and timescales and monitor progress at regular meetings.

Should the Steering Group become over dominated by Council officers, an officer working party could be formed to look at the issues which the Council has specific responsibility for and then report back to the main Steering Group.

6.0 SUMMARY OF FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 With the Council co-ordinating this project, expenditure will be required for key promotional materials, the Directory, posters, window stickers etc. These costs can be met from within the existing Chief Executive's services publicity budget.

The estimated costs associated with the campaign would be:

5000 window stickers	£ 500
5000 promotional posters	£ 500
10 professional photo-shoots	£1,500
Fairtrade Directory, 30,000 copies	£4,000
Promotional items (such as competition prizes, taster sessions, samples, coffee mornings, promotional banners) -	£1,000
Total	£7,500

- 6.2 There will be resource implications in staff time to carry out the audits, awareness and educational presentations and providing administrative support to the Steering Group, all of which can be met from existing resources. There will also need to be a continued support from the Council and local members in each area, to promote Fairtrade events.
- 6.3 Overall the Council must provide support to communities, organisations and businesses where required. To carry out the many actions required to achieve Fairtrade Zone status for Renfrewshire we would try to tap into local expertise and enthusiasm wherever possible to share the workload but following the experiences of our neighbouring Councils, Renfrewshire Council must be willing to step in where necessary to ensure the success of the initiative and continue to drive forward the Fairtrade agenda.
- 6.4 Furthermore, one year on from Fairtrade Status being achieved, a second application must be submitted to the Fairtrade Foundation showing how there has been continued commitment and increased participation in the Fairtrade movement. This is then repeated every second year.

Chief Executive

If you would like further information on the content of this report, please contact Oliver Reid, Principal Corporate Policy, 0141 840 3298.

Appendix 1 Draft Action Plan

Action	Recommended Lead Service
Goal 1: Local Council passes a resolution supporting Fairtrade, and agrees to serve Fairtrade coffee and tea at its meetings and in its offices and canteens	
Political support – Council agrees to pass resolution	
Political support – representatives from Council on local and national forums	
Procurement suppliers - advice is given to services when purchasing tea and coffee etc. A clear list of Fairtrade suppliers and products is provided to departments.	Corporate Procurement Unit.
Procurement to try wherever possible to include a fairly traded option in relevant tenders.	Corporate Procurement Unit.
Meetings with the public and external bodies serve Fairtrade.	Chief Executive's
Audit of Council Offices to scope opportunities for offering Fairtrade alternatives	Chief Executive's
Encourage school tuck shops to stock Fairtrade products	Education and Leisure
Encourage new Social Work café to stock Fairtrade products	Social Work and Commercial operations
Goal 2: A range of (at least two) Fairtrade products are readily available in the area's shops. Fairtrade products are served in local cafés/catering establishments.	
Carry out an audit of shops and cafes across Renfrewshire ensuring Braehead and the Airport are targeted	Economic Development
Audit of historic facilities e.g. Abbey	Economic Development
Provide advice and assistance to shops and cafes with an interest in extending their Fairtrade range	Economic Development
Publicise which retail outlets stock Fairtrade products, through window stickers, posters and the Directory	Chief Executive's
Goal 3: Fairtrade products are used by a number of local work places (estate agents, hairdressers etc) and community organisations (churches, schools etc)	
Link with major employers such as Paisley University, Reid Kerr College, Rolls Royce, HP, BAA, and identify a Flagship employer	Economic Development
Offer advice and support to local work places and community groups to promote Fairtrade products	Economic Development
Encourage schools across Renfrewshire to go for Fairtrade status	Education and Leisure
Goal 4: Attract media coverage and popular support for the campaign.	
Ensure widespread press coverage about the campaign and events	Chief Executive's
Utilise the Council and partners' websites, ensure information on Fairtrade is on the front page of Council's website.	Chief Executive's
Provide information through the Renfrewshire magazine	Chief Executive's
Set up an e-newsletter on Fairtrade activities.	Chief Executive's
Carry out a number of promotional activities e.g. competitions	Chief Executive's
Fairtrade Guide for Renfrewshire	Chief Executive's
Goal 5: A local Fairtrade steering group is convened to ensure continued commitment to its Fairtrade Town status.	
Set up a Renfrewshire steering group with representatives from across Renfrewshire	Chief Executive's
Possibly set up an Officer's working group to progress Council-specific actions.	Chief Executive's

Appendix 2 Update on the Legal Position Regarding Fair Trade and Ethical Considerations in Public Procurement

Current Guidance Documents

In February 2006, the Office of Government Commerce (OGC) issued a detailed guidance document entitled "Social issues in purchasing". The guidance explains how social issues can legitimately be incorporated into public sector purchasing. In addition to this, on 8 October 2007, the Scottish Procurement Directorate of the Scottish Government issued a guidance note entitled "Social Issues in Public Procurement". Both of these documents refer to, and must be considered alongside the EU Procurement Rules and, in particular, the Interpretative Communication from the EU Commission on the possibilities of integrating social considerations into public procurement.

Contract Award Criteria

Under the EU Public Procurement Rules, any award criteria for a contract must be linked directly to the subject matter of the contract and not to any wider "social" considerations. The guidance documents clarify that tenders must be evaluated on the basis of criteria linked directly to the goods themselves, such as price and quality, rather than any social considerations that underlie their production. For example, the Council could not insist on fair trade coffee only as "fair trade" does not define the end product in terms of its characteristics or performance as is required by the EU Procurement Rules.

"Non Commercial Considerations"

In addition, the Council is subject to section 17 of the Local Government Act 1988. Under this section, the Council is excluded from taking account of what are called "non commercial considerations" during the tender process. However, section 7 of the Local Government in Scotland Act 2003 relaxed this exclusion to some extent and it does not apply -

".. where the local authority reasonably seeks to ensure that a contractor with the authority will perform the contractor's obligations under the contract in a way which will not prevent the authority from securing best value or hinder it from doing so.."

Therefore, although the Council cannot exclude a tenderer or refuse to award the contract to them on the basis that they are unable or unwilling to supply fair trade goods, where the Council can demonstrate that it would be best value to do so, it can invite tenderers to include fair trade options.

Use of the Term "Fairtrade"

It must be noted that, under the EU Procurement Rules, it is forbidden to specify a trademark. Therefore reference should be made to "fair trade" or "fairly traded" rather than "Fairtrade". If the term "Fairtrade" is used as an example, the tender must state "Fairtrade or equivalent."

Conclusion

Within the procurement process, therefore, there is some scope for the Council to pursue fair trade options. For example, advertisements and tender documents can state that the Council would welcome fair trade options. Tenders received would require to be evaluated in the normal way on the basis of value for money and if the winning tenderer is able to supply fair trade options, the Council would be able to purchase these as it wished.

It should be noted that the requirement to comply with the EU Procurement Rules does not apply to situations where staff or members of the public buy goods direct from the contractor. Consequently, there could be scope for fair trade products to be included in canteens and vending machine.