



Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

SIGNED OFF BY	Director of Place
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TO	Executive
DATE	Thursday, 27 February 2020
EXECUTIVE MEMBER	Portfolio Holder for Place and Economic Prosperity

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards);

SUBJECT	Motion from Council: Fairtrade
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RECOMMENDATIONS

That:

- (i) The Council supports Fairtrade and welcomes initiatives by local communities in the borough to encourage the use of Fairtrade goods, including by seeking to achieve Fairtrade Town status**
- (ii) The Council offers Fairtrade refreshment options within Council offices where possible, and explores opportunities to offer such products at other Council venues**
- (iii) The Head of Legal and Governance be requested – in consultation with the relevant Executive member – to consider enhancing references to social value within the Council’s procurement documentation**

REASONS FOR RECOMMENDATIONS

To confirm the Council’s support for Fairtrade and ethical sourcing, and its support for local communities pursuing local initiatives to encourage the use of Fairtrade products.

EXECUTIVE SUMMARY

At its meeting on 31 October 2019, the Council resolved to refer a motion to the Executive for consideration. The motion, moved by Councillor Ritter, called on the Council to commit to a number of activities in respect of Fairtrade.

Fair trade - in general terms - seeks to assist producers in developing countries through the payment of higher prices and support for improved social and environmental standards. The Fairtrade Foundation in the UK is an independent non-profit organisation which promotes fair trade in the UK and awards 'Fairtrade Town' status.

This report considers the actions available to the Council in relation to Fairtrade. It concludes that the Council should support local communities that wish to pursue Fairtrade Town status; however it also notes that this will need to be balanced against delivery of other agreed Council priorities as set out in the new corporate plan. There will be some limited financial implications associated with the recommendation in this report to Fairtrade refreshment options at Council offices.

The report also recommends that – more generally – consideration should be given to enhancing social value considerations within the Council's procurement documentation. This will help embed not only consideration of Fairtrade options but also other ethical sourcing options.

The Executive has the powers to agree the recommendations.

STATUTORY POWERS

1. The Council has wide ranging powers to promote the economic, environmental and social well-being of the borough. These powers are derived from the Local Government Act 2000. Local authorities also have a best value duty to consider overall value, including economic, environmental and social value in relation to service provision. Social value is about seeking to maximise additional benefits that can be created by procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves.

BACKGROUND

2. At the Council meeting of 31 October 2019, Cllr Ritter moved a motion in respect of Fairtrade. The motion was seconded by Cllr Essex. The full text of the motion is available on the Council website¹. The motion called on the Council to:

“resolve to:

- *Commit to achieve 'Fairtrade Town' status, through support for the local Fairtrade steering group working on achieving this status for Reigate and in due course Redhill, Horley and Banstead, to achieve the status of a Fairtrade borough*
- *Actively promote Fairtrade locally, through support for local groups and churches, in the media including social media, and events, including during Fairtrade Fortnight*
- *Support local Fairtrade Schools, colleges and actively promote Fairtrade teaching materials in local schools and educational institutions*
- *Celebrate businesses already selling Fairtrade products and incentivising more of them to champion Fairtrade in the local community*

¹ <https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?CId=136&MId=1416&Ver=4>

- *Review its procurement policy, including its catering and refreshments offer, to ensure that Fairtrade produce is chosen wherever possible, and that Fairtrade considerations are included as a preference in any contracts going out to tender.”*

3. In accordance with Council Procedure Rule 2.17.3, the motion was referred to the Executive for consideration.

KEY INFORMATION

Introduction to Fairtrade

4. Fair trade - in general terms - seeks to assist producers in developing countries through the payment of higher prices and support for improved social and environmental standards.
5. The Fairtrade Foundation in the UK is an independent non-profit organisation which promotes fair trade in the UK. Its work includes licencing use of the Fairtrade logo and promoting Fairtrade products and public awareness.

Corporate priorities

6. Supporting ethical or fair trade is not explicitly included as a priority or commitment in Reigate & Banstead 2025, the Council’s new corporate plan for the period 2020-2025. There are a number of relevant considerations within the plan, however:
 - a. A commitment to acting in environmentally responsible and sustainable way
 - b. A commitment to helping residents and businesses make a positive difference in our communities
 - c. A commitment to operating in a financially efficient and sustainable way.

‘Fairtrade Town’ status

7. The motion requests that the Council commit to achieve ‘Fairtrade Town’ status for Reigate and in due course Redhill, Horley and Banstead.
8. Fairtrade Town status is something that is awarded by the Fairtrade Foundation in response to applications from local communities. It is understood that a small group of local residents and business owners in Reigate have formed a steering group and are actively considering applying for Fairtrade status for the town.
9. In order to achieve ‘Fairtrade Town’ status, the steering group will need to demonstrate that a number of ‘goals’ have been achieved².
10. Thus, if local towns (such as Reigate) wish to apply for Fairtrade Town status they will need support from this Council; specifically:
 - a. A statement of support for Fairtrade and a commitment to use Fairtrade products wherever possible
 - b. The Council to take practical action in relation to this; and
 - c. A named Council representative on the Fairtrade steering group
11. In relation to the use of Fairtrade products by the Council:

² See <https://www.fairtrade.org.uk/get%20involved//In-your-community/Towns/Applying-for-Fairtrade-Town-Status>

- a. **Offices:** At the moment, Fairtrade decaffeinated tea is provided across Council offices but other tea, coffee and hot chocolate choices are not Fairtrade branded. Information on consumption, along with cost information from our current suppliers, suggests that moving to Fairtrade tea, coffee and hot chocolate (excluding free/paid drinks vending machines) would command a cost premium of one quarter to one third of current costs.
- b. **Other Council venues:** The Council also provides catering at the Harlequin Theatre, and from Spring 2020 will be bringing its community centres (including associated catering) in house. Future catering arrangements could include the serving of Fairtrade products at these locations as well; however as above, these are likely to come with an associated additional cost.

Other support and promotion

12. The motion also suggests other ways in which the Council could actively support and promote Fairtrade, including through its media activity, and working with schools and businesses.
13. Responsibility for schools and education falls outside the Borough Council's remit. It is therefore not possible for the Council to support this element of the motion.
14. Whilst supporting Fairtrade is not identified as a priority in the Council's corporate plan, the Council could choose to take an active role in promoting Fairtrade locally (for example in some of the ways suggested in the motion). This would, however, either require additional resources or diversion of existing resources from delivering other corporate priorities. The alternative would be for local communities which are interested in Fairtrade to undertake their own activities to promote Fairtrade. This is an approach envisaged by the Fairtrade Foundation, which has published a range of information to enable local communities to do this, including to prepare local action plans.

Procurement

15. The motion also suggests that the Council review its procurement policy to ensure that Fairtrade produce is chosen wherever possible.
16. In taking procurement decisions, the Council can consider only matters that are relevant to what is proposed to be procured, and the extent to which it is proportionate to take those matters into account. The Council must also consider how what is proposed to be procured might improve the economic, social and environmental wellbeing of the borough.
17. It would not therefore be appropriate to amend procurement policy to reflect the motion wording; but it would be possible to take fair trade issues into consideration in relevant tenders.
18. The Council's procurement documentation already includes consideration of social value and explains that preference will be given to suppliers who can demonstrate their commitment to social value. It would also be appropriate to consider whether the reference to social value should be expanded upon in a broader way (for example to also take into account wider sustainable procurement considerations such as support for local suppliers).

Conclusions and recommendations

19. Based on the above assessment, it is considered that it would be appropriate for the Council to support local communities that wish to pursue Fairtrade Town status, however this will need to be balanced against delivery of the agreed Council priorities as set out in the new corporate plan.
20. The following actions are therefore recommended:
 - a. That the Executive confirms that Reigate & Banstead Borough Council supports Fairtrade and welcomes initiatives by local communities in the borough to encourage the use of Fairtrade goods, including by seeking to achieve Fairtrade Town status
 - b. That the Council offers Fairtrade refreshment options within Council offices where possible and explores opportunities to offer such products at other Council venues.
21. To implement (b) it is proposed that a range of Fairtrade products be trialled initially across Council offices with a view to then phasing these in. In relation to other Council venues, further work will need to be undertaken to understand cost, quality and feasibility.
22. More generally, it is recommended that the Head of Legal be requested – in consultation with the relevant Portfolio Holder - to consider enhancing references to social value within the Council's procurement documentation.

OPTIONS

23. The following options are available to the Executive:
 - a. Option 1: Support the motion as presented to Full Council in October 2019. This option is not recommended, as (i) it goes above and beyond what the Council is able to do; and (ii) the resources required to fully implement the motion would be considerable and require staff or funding to be diverted from the delivery of agreed corporate priorities.
 - b. Option 2: Support the recommendations set out in this report. This option is recommended as it allows the Council to record its support for Fairtrade and commit to use Fairtrade products where possible. In this way, local communities interested in pursuing Fairtrade Town status can be reassured of the Council's backing.
 - c. Option 3: Do not support a motion in respect of Fairtrade. This option is not recommended. The Council has a responsibility to support and promote sustainable development and consider social value, and whilst the amended motion will have some limited cost implications these are considered acceptable.

LEGAL IMPLICATIONS

24. There are no direct legal implications arising from recommendation (i) or (ii).
25. In relation to recommendation (iii) the Head of Legal has oversight of the Council's procurement framework. The Council's approach to procurement is shaped by (and must be consistent with) the Public Services (Social Value) Act 2012, which requires

public authorities to have regard to economic, social and environmental wellbeing in connection with public service contracts.

FINANCIAL IMPLICATIONS

26. Recommendation (ii) commits the Council to offering Fairtrade refreshment products in Council offices and exploring opportunities to offer Fairtrade products at other Council venues. As noted earlier in this report, Fairtrade products generally come at a cost premium. There will therefore be some limited revenue budget implications associated with the Council supporting this motion; these would need to be absorbed within existing revenue budgets.

EQUALITIES IMPLICATIONS

27. We have a statutory duty to consider and demonstrate equality issues in all of our decisions.
28. In the most general terms, the Council supporting Fairtrade and other ethical sourcing (as per recommendations (i) and (iii)) will have positive equality implications globally, but also potentially locally through the use of local suppliers. No equality implications have been identified with respect of recommendation (ii).

COMMUNICATION IMPLICATIONS

29. Internal communications activity (and external where appropriate) will be carried out in respect of recommendation (ii).

RISK MANAGEMENT CONSIDERATIONS

30. No risks have been identified associated with the recommended actions.

CONSULTATION

31. Executive members have been informally consulted in the preparation of this report.

POLICY FRAMEWORK

32. As outlined earlier in this report, supporting ethical or fair trade is not explicitly included as a priority or commitment in Reigate & Banstead 2025, the Council's new corporate plan for the period 2020-2025. There are a number of relevant considerations within the plan, however, including:
 - a. A commitment to acting in environmentally responsible and sustainable way
 - b. A commitment to helping residents and businesses make a positive difference in our communities

BACKGROUND PAPERS

1. Motion to Full Council, 31 October 2019 - <https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?CId=136&MId=1416&Ver=4>

2. Reigate & Banstead 2025: Our Five Year Plan – www.reigate-banstead.gov.uk/rbbc2025