South Tyneside Council

Cabinet

Date:14 April 2004

Fair Trade

Report of the Executive Director of Corporate Development

Cabinet Portfolio/Lead Member: Cllr. McAtominey

Purpose of Report

1. The purpose of the report is to outline the steps needed for the Council to become a Fair Trade Council, and the implications of doing this.

2. The report recommends that the Council passes a resolution supporting the principle of Fair Trade as a first step towards becoming a Fair Trade Council.

Performing Together Reference:	C38 Promote good citizenship in relation to the environment
Contact Officer:	Dylan Griffiths extn 7402

Introduction

3. Fair Trade guarantees a better deal for Third World producers. It does this by guaranteeing a stable price which covers production costs and a premium that can be used to reinvest in the business or in the wider community.

4. The Fair Trade Foundation manages the Fair Trade Mark in the United Kingdom. It has established a Fair Trade Town scheme whereby local authorities and areas can be recognised as Fair Trade areas and Councils. To date there are 31 Fair Trade towns, cities and authorities in the UK including Newcastle City Council and Morpeth District Council in the North East.

Existing Activity

5. Fair Trade products are already available in a number of local shops and South Tyneside Churches Together, an interdenominational coalition of churches in the borough, are encouraging the use of Fair Trade products. The Durham Diocese of the Church of England is working towards becoming a Fair Trade diocese in 2004 and the principle of Fair Trade has also received support from local MPs. Newcastle Fair Trade Partnership has expressed interest in working with South Tyneside and other authorities to promote Fair Trade across Tyneside. The North East Purchasing Organisation of local authorities is working to include Fair Trade products in its catalogue of goods offered to local authorities.

6. The North East can claim to be a leading Fair Trade region. Traidcraft, one of the leading Fair Trade companies with a turnover of over £12 million annually is based in Gateshead and Newcastle has won Fair Trade City status. Organisations interested in Fair Trade propose establishing a Regional Fair Trade Partnership.

Benefits for the Council

7. Becoming a Fair Trade Council will demonstrate the Council's commitment to corporate social responsibility and enhance its reputation regionally and nationally. It will demonstrate that the Council recognises that its actions have a wider economic, social and environmental impact and is determined to do more than just what is statutorily required of it. The North East Assembly's Integrated Regional Framework describes a region where 'global responsibilities are recognised' and the Department of Trade and Industry's statement on corporate social responsibility includes a commitment to address the international consequences of actions by organisations within the United Kingdom.

Process for gaining recognition as a Fair Trade Council/Area

8. For a Council to gain Fair Trade status it needs to:

    - pass a resolution supporting the principle of Fair Trade and agree to make Fair Trade or equivalent teas and coffees available at its meetings and in its offices and canteens (see appendix 1).
    - Commit itself to promoting awareness of Fair Trade locally on a regular basis through the Council newspaper and by other means
    - Give responsibility to promote Fair Trade to a member of staff or group
    - Erect street sign(s) declaring the area to be a Fair Trade area

9. For a geographical area to gain Fair Trade status there needs to be:
    - A range of (at least two) Fair Trade products available in local shops
    - Fair Trade products served in local cafes and catering establishments
    - Fair Trade products used in local work places and community organisations
    - Media coverage and popular support for Fair Trade generated locally
    - A local Fair Trade steering group convened to ensure continued action

Practical Implications

10. In practical terms this would require the Council to make Fair Trade teas and coffees available at Council, Cabinet, Committee and other meetings, and in the canteens at South Shields Town Hall and Middlefields. It is not necessary for the Council to offer only Fairtrade products, as long as customers have the ability to choose them if they wish.

11. The Council would need to examine its procurement policies to consider where suitable Fair Trade goods are available, and publicise its use of Fair Trade goods in the Council newspaper 'On View'. The promotion of Fair Trade goods could be undertaken in co-operation with other Tyneside authorities across the area which would facilitate the process for South Tyneside.

Financial Implications

12. There are likely to be some financial implications for the Council since Fair Trade products generally cost about 10 per cent more than

conventional products, although careful renegotiating of the contract can reduce this cost. However since the quantity of tea and coffee sold in staff canteens in the Town Hall and Middlefields is relatively small any such financial implications are likely to be minimal and could be met from within the overall budget of the Council.

Legal Implications

14. There are no legal implications, because in this instance it is proposed that the Council offer Fairtrade goods as an additional alternative to the existing products available. This is an issue of consumer choice, which it is legitimate for the Council to offer to members, staff and visitors.

Options to be considered

16. No options other than the recommendation are submitted for consideration.

Recommendations

17. It is recommended that the Council passes the resolution included in Appendix 1 and takes action to become a Fair Trade Council.

Reasons for Recommendations

18. Becoming a Fair Trade Council will be a first step to making South Tyneside a Fair Trade area and will demonstrate the Council's commitment to corporate social responsibility.

APPENDIX 1

Suggested Resolution

Resolved:

- This Council welcomes the fair trade campaign supported by organisations including Oxfam and Traidcraft, and hereby resolves:

- To investigate the Council's own purchasing policies those of its suppliers and contractors and implement fair trade where possible

- To purchase Fair Trade teas and coffees for its meetings and consider buying other Fair Trade products, such as those carrying the Fairtrade Mark, as they become available.

- To promote awareness of fair trade issues, and make publicity and educational information available to local people about the opportunities that fair trade provides to promote sustainable development.

- To promote fair trade issues and practices amongst local businesses and commercial and other organisations.

- To develop a strategy to make the Council a 'fair trade council'.

Fair Trade

The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:

Background Paper	File Ref:	File Location

Contact Officer: