

## Appendix 1 – Fairtrade Towns

### BROMSGROVE DISTRICT COUNCIL

### JOINT OVERVIEW & SCRUTINY BOARD

19TH JANUARY 2010

#### FAIRTRADE TOWNS

Responsible Portfolio Holder	Roger Hollingworth, Leader of the Council
Responsible Head of Service	Hugh Bennett, Assistant Chief Executive
Non-Key Decision	

#### 1. SUMMARY

- 1.1 This report follows a request seeking support for achieving Fairtrade Status for Bromsgrove town initially and then Bromsgrove District and to receive the petition from the Fairtrade Bromsgrove Steering Group.

#### 2. RECOMMENDATION

- 2.1 Members of the Joint Overview & Scrutiny Board are requested to consider the contents of this report (and appendices) on Fairtrade Status, in conjunction with the Petition received from the Fairtrade Bromsgrove Steering Group, to assist them in deciding how they wish to deal with this matter.

#### 3. BACKGROUND

- 3.1 Fairtrade ensures farmers and workers in developing countries obtain a fair price for their goods and labour. Producers registered with Fairtrade Labelling Organisations receive a minimum price that covers the cost of production and an extra premium that is invested in the local community. It enables communities to have some control over their own lives.
- 3.2 According to Oxfam two-thirds of the world's coffee growers live in absolute poverty. When prices collapse they can fall below the cost of production for many farmers. Fair trade buyers pay the "floor price" when world market prices are low, but pay the market rate when it rises above the "floor". A social premium is also paid, which is the extra money, on top of the guaranteed price, that goes to the producer community. The premium is small, perhaps 4% of the current fair trade price for coffee. Under fair trade rules the premium is saved or invested by the growers' co-operative and a collective decision is made how to use it. For the producers this small amount of money can go a long way. In Sri Lanka a tea co-operative uses

the premium for a vaccination programme, to build playgrounds and award scholarships so that more children can attend school. Pensioners, orphans and people with disabilities receive financial support. Windward Island banana growers invest in small loans for on-farm improvements and supporting health clinics. Tea pickers in Tanzania use theirs to build a maize mill, thus saving a 15km walk by local women. (The Fairtrade Foundation website <sup>1</sup> has comprehensive information, including short videos of communities benefitting.)

- 3.3 In an ideal world governments would provide for all their people in the areas of healthcare, education etc. and there would be little need for the social premium, but we know that this is impossible in the poorest areas of the world. African economies have, overall, been shrinking in the last 20 years whilst the developed world has become richer.
- 3.4 Fairtrade is usually associated with plantations such as tea, coffee, cocoa and bananas grown in developing countries, but it now encompasses a much expanded and very varied set of products, 3,000 in all, including cotton, fruits, juices and wines.
- 3.5 In the UK Fairtrade is a well recognised brand, with sales in 2008 up 43% compared with the previous year. Fairtrade is now mainstream and available in most supermarkets.
- 3.6 The Fairtrade mark is managed in the UK by the Fairtrade Foundation, a charity that is supported by Christian Aid, Oxfam, the Women's Institute and many others. To continue to raise the profile of Fairtrade and ensure Fairtrade produce is widely available, the Fairtrade Foundation has introduced the nationally recognised Fairtrade Town initiative.
- 3.7 To qualify as a Fairtrade Town (or district, in the case of Bromsgrove) the following five goals must be realised –
  1. Local council passes a resolution supporting Fairtrade, and agrees to serve Fairtrade products
  2. A range of Fairtrade products are available locally
  3. Schools, workplaces, places of worship and community organisations support Fairtrade and use Fairtrade products whenever possible
  4. Media coverage and events raise awareness and understanding of Fairtrade across the community.

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<sup>1</sup> Fairtrade website: <http://www.fairtrade.org.uk/>

5. A Fairtrade steering group representing different sectors is formed to co-ordinate action around the goals and develop them over the years.
- 3.8 By passing a resolution supporting Fairtrade, the Council would agree to serve Fairtrade products at its meetings and in its offices. The Fairtrade Foundation also recommends the following optional activities:
- Promoting Fairtrade through Council publications
  - Allocating Fairtrade responsibilities to a member of staff or committees
  - Erecting town signs declaring Fairtrade status, once awarded.
- 3.9 Gaining Fairtrade status is a process, enabling local and Council actions to develop over time.
- 3.10 A steering group has already been formed in Bromsgrove. Members have experience of gaining Fairtrade status, one involving Higher Education, others in local churches, a number of which have already gained the status. One member is experienced in working with councils and business, including Fairtrade in Oxford.
- 3.11 The steering group has established that Fairtrade products are available in local outlets, for example Morrisons, ASDA, Oxfam, the Co-ops shops in the District and some cafes. Schools are beginning to take note of Fairtrade too; Bromsgrove School has a Fairtrade café and North Bromsgrove High School has taken part in Fairtrade fortnight (first two weeks of March each year.)
- 3.12 It is becoming easier for more outlets to be recognised as Fairtrade supporters (a minimum of 2 products/outlet is required) with the recent announcement that Cadbury's Dairy Milk will be Fairtrade, and Tate and Lyle's entire range of sugars will be Fairtrade by the end of 2009.
- 3.13 Fair Trade sits alongside free trade, and working side by side they have the potential to alleviate poverty where it is most needed. The very recent Conservative Party green paper <sup>2</sup> specifically supporting Fairtrade. The Government also supports Fairtrade, Douglas Alexander noting in the run-up to Fairtrade fortnight "Helping people in the developing world to help themselves is the right thing to do." (February 2009). The Government's white paper (July 2009) also supports Fairtrade <sup>3</sup>.

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<sup>2</sup> One World Conservatism, A conservative Policy for International Development (page 57)  
<http://www.conservatives.com/~media/Files/Green%20Papers/OneWorldConservatism.ashx?dl>

<sup>3</sup> DfID: Eliminating World Poverty. <http://www.dfid.gov.uk>

- 3.14 We are motivated too by the potential benefits to the people of Bromsgrove. By supporting Fairtrade status the Council will be affirming and encouraging the role of local groups, so enhancing Bromsgrove's 'social capital'. Bromsgrove is a more varied town than might first appear. Fairtrade involves a range of people and so brings the community together, so contributing to One Community. Fairtrade status can be instrumental in improving Bromsgrove's own economy. It can be linked to supporting local producers at the Farmer's Market and street market and be the focus of events and other initiatives that may attract shoppers into the town. As a number of local groups are already on board, these benefits can be gained with comparatively little work by the Council and with limited cost as the process recognises that any changes will be incremental. However, it will require the formal and enthusiastic commitment of the Council and the involvement of an officer or a councillor on the steering group.
- 3.15 It is anticipated that it will take a minimum of two years to gain Fairtrade status, proving during this time that Bromsgrove deserves the Fairtrade trademark. The steering group's current membership of five is enough to carry the initiative through the beginning of the campaign and, with the knowledge of Council support, the group will extend its membership to include representatives from the wide geographical area of the District to include Council, school, and retail and churches membership ("Churches Together in Bromsgrove" have recently written to the Council asking that their support for this report be registered). The two year period should allow the Council time to meet the first Fairtrade goal and for the steering group to work by gaining evidence, monitoring progress and directing activities towards the award of Fairtrade status.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Fairtrade tea, coffee, juices and sugar prices are comparable to those of other quality brands that may be served at Council meetings. It should not have material implications for Council budgets. The Council may have to consider its current sourcing of refreshments to ensure that a submission to the Fairtrade Foundation is likely to succeed. It may be possible to work with other Fairtrade councils in the area to keep costs at a minimum. Droitwich, Worcester, Stratford-upon Avon, Stourport-upon-Severn and Evesham are some of the towns already with Fairtrade status and Redditch has been working towards it for two years.
- 4.2 The Council would be expected to support the steering group with press releases, advertising and promotion through current Council literature including on its website. The steering group is seeking minimal funding e.g. to be able to buy a stall for promoting Fairtrade during Fairtrade fortnight and at appropriate venues and event throughout the District. The Steering Group has applied for a small one off grant through our community grant scheme, which is supported by the Equalities and Diversity Forum.

4.3 There may be some costs associated with putting up signage or a plaque if we achieve Fairtrade status.

## **5. LEGAL IMPLICATIONS**

5.1 There are no legal implications.

## **6. COUNCIL OBJECTIVES**

6.1 Fairtrade is consistent with One Community and with our equalities value. The Equalities and Diversity Forum would like to support Fairtrade as part of their work on the Gambia link and Black History Month.

## **7. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS**

7.1 The main risks associated with the details included in this report are:

- Non Delivery through lack of support.
- Poor public perception if not approved.

7.2 These risks are being managed as follows:

- *Non Delivery of Fairtrade Status and Poor Public Perception:*

Risk Register: Corporate Communications, Policy and Performance.

Key Objective Ref No: 17.1

Key Objective: Delivery of Fairtrade Status

## **8. CUSTOMER IMPLICATIONS**

8.1 This report does relate directly to customer service.

## **9. EQUALITIES AND DIVERSITY IMPLICATIONS**

9.1 The Equalities and Diversity Forum supports this bid.

## **10. VALUE FOR MONEY IMPLICATIONS**

10.1 Not applicable.

## **11. CLIMATE CHANGE AND CARBON IMPLICATIONS**

11.1 Fairtrade products will invariably come from the developing countries and this therefore means transport from overseas which will have an adverse impact on CO2 emissions.

## **12. OTHER IMPLICATIONS**

Please include the following table and spell out any particular implications in the relevant box. If there are no implications under a particular heading, please state 'None':-

Procurement Issues: Some minor impact on the Council's procurement.
Personnel: None.
Governance/Performance Management: None.
Community Safety including Section 17 of Crime and Disorder Act 1998: None.
Policy: Possible development of a Fairtrade policy.
Biodiversity: None.

### 13. **OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	Yes.
Chief Executive	At CMT.
Executive Director - Partnerships and Projects	At CMT.
Executive Director - Services	At CMT.
Assistant Chief Executive	N/a
Head of Service	At CMT.
Head of Financial Services	At CMT.
Head of Legal, Equalities & Democratic Services	At CMT.
Head of Organisational Development & HR	At CMT.
Corporate Procurement Team	N/a

### 14. **WARDS AFFECTED**

Initially all wards that are within the Bromsgrove town boundary and eventually all wards across the District.

**15. APPENDICES**

Appendix 1 – The Fairtrade Town: Action Guide

**16. BACKGROUND PAPERS**

Not applicable.

**CONTACT OFFICER**

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