

MUNICIPAL YEAR 2006/2007 REPORT NO. 9

MEETING TITLE AND DATE:

Cabinet- 14 June 2006
Environment, Parks & Leisure
Scrutiny Panel- 22 June 2006
Full Council- 28 June 2006

REPORT OF:

Environment, Parks & Leisure
Scrutiny Panel

Agenda – Part: 1	Item:
	Subject: Consideration of Application to become a Fairtrade Borough
	Wards: all
	Cabinet Members consulted: Councillor Rye, Councillor Lavender

Contact officer and telephone number:

Matt Clack (x4884)

Mike Ahuja (x5044)

E mail: matt.clack@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 Full Council on 28th September 2005 agreed that consideration be given to Enfield becoming a 'Fairtrade Borough'. This project was passed to the Environment, Parks & Amenities (EPA) Scrutiny Panel, who in turn set up a Scrutiny Working Group to review the various benefits and disadvantages of such a move.
- 1.2 The Working Group met three times, attended a local 'Fairtrade Fortnight' event and fully involved local representatives from the United Nations Association and the Civil Society Forum.
- 1.3 This report outlines the Working Group's findings, and offers recommendations to Full Council. If Council is minded to approve them a Steering Group would work towards Fairtrade Borough accreditation, as awarded by the Fairtrade Foundation.

2. RECOMMENDATIONS

- 2.1 That Full Council supports the initiative for Enfield to become a Fairtrade Borough;
- 2.2 That Full Council approve the necessary activities and initial and ongoing funding to achieve Fairtrade accreditation, and that the Environment, Parks & Leisure Scrutiny Panel receive and monitor an agreed Action Plan to achieve accreditation, reporting back to Cabinet as necessary;
- 2.3 That Cabinet offer consideration of where responsibility and coordination of application for accreditation would be best placed (see paragraph 4.5);
- 2.4 That a Fairtrade Steering Group be given authority by Council to oversee progress, and to offer a coordination role for the activities to be completed by the Council and the community groups involved; and
- 2.5 That the Fairtrade Steering Group report back to Full Council in 6 months on progress (the Working group will need to be disbanded and replaced with a group selected by Full Council).

3. BACKGROUND

- 3.1 Following a motion raised by Councillor Cole at Full Council On the 28th September 2005 the following was agreed:

“The Council resolves to ask the Overview and Scrutiny Committee to commission a scrutiny review to investigate the full implications of Enfield becoming a Fair Trade Council. Recommendations to then be made back to full Council as soon as possible.”

- 3.2 This motion was passed (via Overview & Scrutiny Committee) to the Environment, Parks & Amenities Scrutiny Panel, who agreed to set up a Working Group to ‘make the case’ for Fairtrade accreditation. The Working Group included councillors from the EPA Scrutiny Panel, Councillor Cole and members of interested community groups who had started work in raising local awareness of fair trade.

4. FINDINGS

Role of the Council in Fairtrade

- 4.1 The ‘Well-being’ section of the Local Government Act 2000 is dealt with in Paragraph 6.2. In addition is the 2000 United Nations Millennium Declaration, which included a goal to “ensure environmental sustainability”. This programme has been signed up to by the Local Government Association and the UK Local Government Alliance for International Development (a collection of key agencies and bodies within UK local government). In the joint LGIB/LGA publication ‘LGA international development strategy and policy’ it is stated that “Local government is the sphere of government closest to the people and is therefore best placed to target development activities towards those whose need is greatest”.

- 4.2 Enfield Council with its Community Leadership role can, if it chooses to do so, unite and guide interest in the most effective way possible. The Working Group involved co-optees from the United Nations Association, Civil Society Forum and United Churches of Palmers Green, all of whom represent a wider body of residents. An initial event held during Fairtrade Fortnight attracted around 50 residents, councillors and David Burrowes MP, with stalls organised by Marks and Spencers, Sainsburys, Oxfam and Traidcraft.

The request to begin the application to become a Fairtrade Borough was received, via the Opposition Group, from a collection of residents keenly interested in concepts of fair trade. A considerable number of local retailers already stock Fairtrade produce (the exact number will be calculated following approval, with the creation of a ‘Fairtrade Directory’).

4.3 Other Local Authorities

In the course of investigations just one local authority was found who had considered concepts of fair trade but rejected Council support. Elmbridge Borough Council’s Environmental Affairs OSC received a presentation from

their Environmental Forum and a report was presented to Full Council, but it was felt that the sort of expenditure being suggested was more than they currently wanted to spend. Several others (notably Havering and Hounslow) did receive early opposition but are now working towards accreditation.

As of 13/01/06 there were 150 Fairtrade areas in the UK, including 10 Boroughs (6 of which are in London).

4.4 **Anticipated Resources**

The Fairtrade Foundation have tightened their application rules recently, and expect clear evidence of extensive publicity and community involvement- though it would be feasible to complete awareness raising activities at an absolute minimum cost it is envisioned that a £10,000 publicity budget would offer optimum opportunities for success. This would be halved once accreditation had been achieved.

The further cost is that of the difference in prices between or current tea and coffee provided at meetings, and the Fairtrade alternative. Initial research suggested that this change would add 3p to a cup of coffee (equivalent to £3,438 per annum), though it is felt that Fairtrade tea and coffee can be procured cheaper than this, and ways of doing so (including joining in partnership with other local Fairtrade boroughs) need to be considered.

The initial and on-going costs will be met from existing resources, with the necessary publicity being generated via "Enfield Matters", the Council's website and press releases.

4.5 **Placement of named officer**

A final cost to be considered is that of a member of staff to act as a coordinator. This role is crucial in ensuring a smooth application process (just one local authority contacted did not have a Council officer responsible), and to complete tasks such as compiling the Directory of firms stocking Fairtrade goods. If it is not possible to find existing capacity for an Officer to devote 2 days a week to the application a new post may be needed. As with the publicity budget, following accreditation staffing hours could be halved, to deal with maintaining the status and offering a central point of contact

There are several potential teams within which they might be based:

- Corporate Policy: Richmond upon Thames
- Strategic Procurement: Islington
- Strategic Services: Redbridge
- Environmental Development: Lambeth

There is an example of a local authority who chose not to allocate an officer to the role, Kingston-upon-Thames, who instead named a member of the local Trade Justice Movement to coordinate their application. They have recently received their Fairtrade Borough accreditation, though the coordinator conceded that without the central post many of the corporate tasks were much harder to achieve.

5. ALTERNATIVE OPTIONS CONSIDERED

That the Council agree to support the concepts of fair trade without formally signing up to their objectives.

That the Council continue to operate as at present (though consideration will need to be given to the growing levels of support for the campaign from local residents).

5. REASONS FOR RECOMMENDATIONS

The Fairtrade Movement is a conscious effort made by individuals and organisations worldwide to try and redress the imbalance in international trade. Popularity of fairtrade concepts continues to grow in the UK, and there is a clear groundswell of popular support within Enfield. The London Borough of Enfield could offer great assistance in such a social initiative by:

- Coordinating and directing the various disparate groups involved
- Providing a champion role- fostering publicity, guiding queries and keeping residents informed of developments
- Ensuring that all energies and activities are used to best effect

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

6.1 Financial Implications

The estimated cost of the proposals described in this report are set out below. It is assumed that other staff related costs such as IT, accommodation and other office costs can met from within existing budgets

Cost	Pre-Accreditation ("one off costs") £	Ongoing £
Staffing Costs	12,550	6,380
Publicity	10,000	5,000
Total	22,550	11,380

There is no specific budget provision for these costs within existing approved estimates. It would therefore be necessary to allocate funding from contingent items for the "one off" costs – ongoing implications will need to be addressed through the review of the medium term financial plan.

In addition, the adoption of fairtrade principles is likely to have some impact on the Council's procurement arrangements from which significant savings are expected over the period of the existing medium term financial plan. The extent of such an impact cannot be quantified at this stage.

The initial and on-going costs will be met from existing resources, with the necessary publicity being generated via “Enfield Matters”, the Council’s website and press releases.

6.2 Legal Implications

Section 2 of the Local Government Act 2000 provides that local authorities have power to do anything they consider likely to promote or improve the social, economic or environmental well-being of their area or the persons resident therein. Therefore the Council has a discretionary power to pursue a course of action if it is considered likely to have social, economic or environmental advantages in the area. In exercising such a discretionary power, Members need to take into account all relevant (and no irrelevant) considerations. This will include the financial implications of the proposal. Therefore, in the context of the present report, Members will need to be satisfied that achieving Fair Trade status will lead to local social, environmental or economic benefits and is an effective use of public funds.

7. PERFORMANCE MANAGEMENT IMPLICATIONS

As a result of community interest, having been brought to the attention of individual Councillors, the London Borough of Enfield is now considering become a champion for Fairtrade- a social initiative that will highlight the Council and community’s commitment to trade equality.

By receiving the title of ‘Fairtrade Borough’ the Council’s reputation with local residents and other local authorities will be confirmed, showing an interest in global sustainability.

8. PUTTING ENFIELD FIRST

Aim 5e- Provide effective community leadership and increase public participation in the Council’s decision making process and local initiatives

Background Papers

- Fairtrade Working Group Research Paper (copies available in the Members Library, or by request from Matt Clack ext.4884)
- Fairtrade Town Goals & Action Plan- Fairtrade Foundation (Oct 2002)
<http://www.fairtrade.org.uk/downloads/pdf/fairtrade-towns.pdf>