



Cabinet

12th March 2007

ANIMAL FRIENDLY PURCHASING

1. Purpose of the Report

- 1.1 To inform the Cabinet of a request for resources by the Chair of the Animal Friendly Working Group.

2. Report

- 2.1 On 3rd April 2006, the Cabinet approved the direction of travel for a new policy which "will ensure that the Council's purchasing precludes any future animal testing by suppliers and therefore contributes to the end of animal testing". They had considered a report by the Animal Friendly Working Party comprising:

- Councillor Sandringham (Chair)
- Councillor Grant
- Councillor Mugglestone
- Andy Keeling, then Service Director Resources, R&C
- Geoff Organ, Resources
- Richard Downing, R&C

- 2.2 This would put the Council at the forefront of this issue. In moving towards the new policy, these practical issues arise:

- (1) Suppliers, with few exceptions, have no systems for identifying which of their products are free from animal testing at all points of the supply chain which leads to their creation. Many are assembled from a range of constituents, often sourced from more than one country.
- (2) If a supplier claimed a product free of animal testing, there is no system for verifying the claim. In practice this would require an international regime, at least at EU level, since the supply chain is global. The only significant existing systems are the British Union for the Abolition of Vivisection's (BUAV's) Humane Products Standard and its Humane Cosmetics Standard. These involve approval of companies who sell or manufacture cosmetics, toiletries and cleaning products. They are aimed at the companies and do not verify individual products.

- (3) The Council purchases the majority of the relevant products through ESPO. The new policy would therefore need to be operated by ESPO or the Council establish its own purchasing arrangements.
- (4) Significant time is involved in working with suppliers to get them to the point of being able to comply with the Council's ambitious requirements. The process of promoting the concept, and winning hearts and minds, is also time-consuming.

2.3 ESPO has supported the Council's request to join this initiative and have attempted to gain far wider support from cleaning material suppliers, as well as from other central buying consortia. In addition, ESPO's pre-tender questionnaire now asks Suppliers for details of any products or ingredients which have been tested on animals. Whilst responses are, perhaps inevitably, slow, it is this kind of wider application of purchasing power that will have real impact in due course.

2.4 Additional work by the Council would require more resources. Work is in any event increasing to transform procurement and deliver savings targets as part of the Business Improvement Programme, as well as responding to other policies such as sustainability, fair trade, local buying and Halal accreditation. No additional post for this was included in the recent budget proposals adopted by the Council.

2.5 Notwithstanding this, the Chair of the Working Group has asked the Cabinet to consider the following proposal:

"In April this year the Cabinet adopted an Animal Friendly Purchasing Policy. Research indicates that Leicester Council is the first Local Authority to develop such a policy and Leicester is now regarded as a "Beacon" in this area. Already we have had five Local Authorities approach us stating their interest in following suit, to whom we have given guidance and support. Grounded in the Council's successful EMAS policy this is a high profile ethical issue and one Leicester can be proud to lead the way on.

A Working Party led by Cllr Sandringham has been working on the issue of policy implementation since April and has concluded that in order to progress this policy it is necessary to appoint an "Ethical & Sustainable Procurement Officer." Whilst the Working Group sees that the initial focus of this post would be the implementation of the Animal Friendly Purchasing Policy it is intended that this post also deal with other ethical and sustainability issues e.g. developing local supply links, reducing transport miles & packaging etc.

The Working Group therefore presents the following recommendation to Cabinet:

- (1) To use £5k from corporate reserves this year to enable the immediate recruitment to this post.
- (2) To support £35k p.a. in 2007/08 budget (£17.5k R&C reserves, £17.5k corporate reserves) to pay for this post for that year.
- (3) To support a growth bid coming forward in the 2008/9 budget strategy process to support this post on an on going basis, if it has been able to demonstrate its success.

To locate this post in the Environment Team in Regeneration & Culture to enable it to be embedded into the European procurement project and other sustainability work carried out by that team."

3. Legal & Financial Implications

Financial (Mark Noble)

- 3.1 The Council set its general fund budget on 21st February, and this proposal would amend the detailed budget agreed.
- 3.2 The post would cost £35,000 per annum, which would be added to the budget of the Regeneration and Culture Department. Normally it is expected that, once the budget is complete, departments meet the cost of changes by finding compensating savings.
- 3.3 If the Cabinet is persuaded that there are exceptional reasons for treating this proposal differently, the funds in 2007/08 would be found from reserves. As the spending is continual, it would add to the budget gap of £1.3m in 2008/09 which needs to be dealt with as part of next year's budget process.
- 3.4 Animal friendly procurement may, in respect of some commodities, cost more than ordinary procurement. It is not possible to confirm or quantify this at this stage.

Legal (Rebecca Jenkyn)

- 3.4 Advice has been given to the effect that the Council can have such an Animal Friendly Policy and that there should not be any limit on the Council buying what it likes. However in saying that there are two risks that the Council is then open to:
 - The risk of non compliance with the Local Government Act 1988 which is reproduced below and,
 - The risk of creating a discriminatory Specification against Member States by specifying certain standards so that the products cannot be tested on animals or only tested in a particular way. In all other respects the products available from Suppliers represent Value for Money and are the product of a perfectly lawful activity.
- 3.5 "17.1 LGA 1988 states that it is the duty of every public authority to which this section applies, in exercising, in relation to its public supply or works contracts, any proposed or any subsisting such contract, as the case may be, any function regulated by this section to exercise that function without reference to matters which are non-commercial for the purposes of this section.....

(5) The following matters are non-commercial matters as regards the public supply or works contracts or a public authority, any proposed or any subsisting contract, as the case may be, that is to say:

 - (f) Any political, industrial, or sectarian affiliations or interests of contractors or their directors, partners or employees.
 - (g) Financial support or lack of financial support by contractors for any institution to or from which the authority gives or withholds support."
- 3.6 If we are exercising a function as described in section 17 LGA 1988 which is either:
 - Approving contractor to go on a Select List or

- Deciding who to invite to tender or
- Accepting tenders or
- Awarding the contract or
- Approving use of subcontractors.

Then in doing so the Council cannot take into account points (f) and (g) above. If you therefore are aware by virtue of having included the question within a PQQ for example, that the proposed contractor has links with an Animal testing company then that does not mean you are able to exclude them from the tender process or choose not to contract with them or their sub-contractors – that would be in breach of Section 17, LGA 1988. Great care needs to be taken that decisions are not seen as political affiliation.

- 3.7 The policy work would benefit from including an analysis of the environmental and social benefits of adopting such a policy and if this can be demonstrated then there will be the possibility of using similar justifications for the policy as in the Eco Purchasing policy and others.

4. Recommendation

That the Cabinet consider the request of the Chair of the Working Group.

5. REPORT AUTHOR

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Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)