



Groceries Code
Adjudicator

News from the Adjudicator

Edition 13

Welcome from the Groceries Code Adjudicator



I hope you all had a wonderful summer.

We have continued to be busy at the Groceries Code Adjudicator and I recently published a [Code clarification case study](#) in relation to variation of supply agreements. The points of clarification arose from Asda Stores Limited implementation of its Project Renewal in early 2016 which was designed to deliver cost price savings and range reduction and resulted in variation of supply agreements and behaviour contrary to the overarching principle of fair dealing. Please take the time to read it as it contains important clarifications which will be useful to retailers and suppliers alike. Note in particular the comment:

“Initiatives which are in breach of the Code can be halted quickly and rectified promptly if referred to the GCA by suppliers and others. In this situation specifically, GCA progress in understanding and reaching a view about what happened was slower ... because suppliers did not provide information promptly or in sufficient numbers.”

I have a statutory duty of confidentiality so you can be assured that conversations with me will be treated appropriately.

Related to this, I cannot emphasise enough how important it is that suppliers are trained in the Code. My last annual survey showed that suppliers who were trained in the Code felt more confident raising issues with the GCA and taking up matters directly with the retailer themselves. The statistics show that those who are not trained in the Code feel much less confident to raise issues. You may find the [directory of training organisations](#) helpful.

I recently heard from a few suppliers that some retailers' buyers communicate with suppliers by text message or other online messaging services. Sometimes this has real practical benefits, for example in arranging a meeting, however it is not an appropriate form of communication for anything to do with supply agreements or variations of them, which have to be recorded in writing. I have reminded retailers of the need to be careful that important communications with suppliers are properly documented.

Retailers have continued to make progress on the issue of drop and drive after I escalated my concerns about the potential for breaches of the Code with them earlier this year. Many retailers are implementing new processes as a result, ranging from good faith receiving initiatives to systems which enable electronic proof of delivery notes to be issued quicker. Please listen to retailers about what they are doing in this area and engage with them. Supplier feedback to me has been that these systems are delivering benefits in terms of greater certainty on payments and better supply chain management.

At my annual conference in June, I moved the issue of forecasting to be one of my current Top 5 issues as it remains of concern to suppliers. I also added the issue of promotions as I want to learn more about supplier experiences of how these are run by retailers so I can satisfy myself that practices are in line with the Code, particularly in relation to forecasting. I want to find out more from you about these issues, along with delay in payments which year on year remains the number one issue reported to me by suppliers. I am therefore running a short [survey](#) via YouGov to gather more detailed feedback from suppliers. You can complete this anonymously if you wish but the more detail and examples I have the better I can understand your issues. Rest assured that all information will be treated in confidence.

I wanted to take this opportunity to remind you that I meet with each of the retailer Code Compliance Officers (CCOs) on an individual basis four times a year. I also meet with the Chairs of their audit committees or equivalent bodies and Chief Executives from time to time. The [minutes](#) of the quarterly meetings with CCOs are published and contain important updates on the issues I am working on with retailers.

As I reported in my last newsletter, my annual survey is showing that the GCA is having an impact on retailer behaviour and suppliers have reported that they experience fewer Code-related issues. I am currently advertising two vacancies in my office for a [Policy Manager](#) and a [Policy and Operations Officer](#) so if you would like to come and help us continue to make a difference then please apply.

Christine Tacon.

Christine Tacon

Top 5 issues

Delay in payments, forecasting and promotions are current issues where the GCA wants to learn more about supplier experiences and a [short survey](#) is currently open to gather views.

The GCA is also monitoring the issues of **payments for better positioning** and **pay to stay** which the last annual survey showed were less of a concern for suppliers. However, the GCA would like to hear whether suppliers are still encountering behaviour from retailers in these areas which could be contrary to the Code. Please email enquiries@gca.gsi.gov.uk with any feedback.

The feedback you provide is invaluable and the GCA would like to discuss these issues in more detail with suppliers. The GCA will be holding a supplier feedback session in Manchester in November 2017, details of which are below.

Meet the CCO

Helen Charnley, CCO for J Sainsbury's plc has answered News from the Adjudicator's questions about her role at the retailer. Read [here](#) how she is adapting to her new role.

Contact details: Helen.Charnley@sainsburys.co.uk

J Sainsbury plc

Inviting the GCA to supplier events

The Adjudicator Christine Tacon is keen to attend as many supplier events as her diary allows. If your organisation is planning an event and would like to invite her to explain her work and priorities please contact enquiries@gca.gsi.gov.uk. Please note that she will ask for the ability to hold private meetings, typically 10 minutes each, with suppliers who want to speak to her. It would be helpful if you could provide full details of the event including timing and location as well as the audience involved.

Supplier feedback session – Manchester 20 November 2017



Following a breakfast welcome, Christine will give a short presentation of recent developments before hosting roundtable discussions on her Top 5 issues. To register your interest contact enquiries@gca.gsi.gov.uk.

Meeting for trade associations – London 27 November 2017



Christine will be hosting a meeting for trade associations to hear feedback on the main issues their members are encountering and to give an update on work. To register your interest contact enquiries@gca.gsi.gov.uk.