

Record of the Groceries Code Adjudicator (GCA) Quarterly Meetings with Code Compliance Officers (CCO)	
Location	Purpose of meeting
GCA, Victoria House, Southampton Row, London	Quarterly progress meetings
Attendees	
<p style="text-align: center;">GCA</p> <p style="text-align: center;">Christine Tacon (CT)</p> <p style="text-align: center;">Angela Latta (AL) only for Aldi Stores Limited</p> <p style="text-align: center;">Helen Gordon-Lee (HGL) except 9th June</p> <p style="text-align: center;">James Courtenay (JC) except Aldi Stores Limited</p> <p style="text-align: center;">Jenny Hendricks (JH) except Waitrose Limited & 16th June</p>	<p><u>2nd June 2014</u></p> <ul style="list-style-type: none"> • Tesco plc – David Ward and Kay Majid • Lidl UK GmbH – Patrik Bures <p><u>9th June 2014</u></p> <ul style="list-style-type: none"> • Asda Stores Limited – Alex Simpson and Mark McCombe • Wm Morrison Supermarkets plc – Steven Butts and Denise Harris <p><u>11th June 2014</u></p> <ul style="list-style-type: none"> • Marks and Spencer plc – Max Gillibrand and Rob Steadman • Waitrose Limited – David Roberts and Damen Bennion <p><u>16th June 2014</u></p> <ul style="list-style-type: none"> • Aldi Stores Limited – Jonathan Ward • Co-operative Group Limited – Phil Willsmer <p><u>30th June 2014</u></p> <ul style="list-style-type: none"> • J Sainsbury plc – Susannah Hall and Dafydd Pugh <p><u>21st July 2014</u></p> <ul style="list-style-type: none"> • Iceland Foods Limited – Jayne Burrell
Key Points Raised	
<p><i>NB: The ten 'June' quarterly meetings were held over a six week period, during which the GCA Conference took place. To ensure this record of meeting is comprehensible it is presented as though all meetings took place before the conference (as eight of the ten meetings did).</i></p> <p>GCA Update on Progress</p> <p><i>Scene Setter:</i></p> <p>CT has received a number of queries over the last quarter several of which highlight areas which are out of scope, e.g. Pricing and consumer issues with a retailer. These issues arouse considerable public interest, but cannot be addressed by the Groceries Code Adjudicator (GCA). CT will consider noting some of these in the GCA Annual Report.</p> <p>Operational matters that are currently under consideration:</p> <ul style="list-style-type: none"> • The GCA is awaiting an accounts direction from the Department for Business Innovation and Skills. 	

- The GCA is seeking direction on whether VAT is payable on secondment pay packages, if it is this would mean an effective 20% increase in costs to be absorbed by the GCA budget. Once direction has been received, the GCA annual budget may need to be reconsidered.

The GCA survey closed on 27th May, results are being analysed, and will be presented at the conference on the 23rd June. After analysis, results can be used to inform the structure of the survey next year, how an increased response rate can be achieved, and how we can work towards this with suppliers.

Levy Payment:

Invoices for 2014-15 levy payments are delayed pending the accounts direction and the finalisation of the accounts (as set out above).

GCA Conference on 23rd June 2014:

Preparations for the conference are being finalised, and bookings being steadily received. Code Compliance Officers were asked if they know of others within their organisation, or suppliers, who may find the conference useful, if so they should invite them to book online as there is capacity for around 200 delegates.

GCA issues and feedback

Update on Top 5 issues:

Forensic auditing – Discussions have been held with retailers following on from correspondence received. The majority of retailers have made a commitment to the GCA on this issue. At the forthcoming Annual Conference the GCA will announce the progress that has been made on this issue, detailing the commitment made by some of the retailers.

Drop and Drive – An independent consultant currently working with a number of suppliers on an approach of ‘good faith receiving’, has contacted the GCA. This is where an audit of deliveries takes place over a period of three months, after which an error rate is agreed with each supplier and suppliers then deduct this rate from all their invoices for the next three months. The audit service is paid for by the suppliers. This appears to be a solution which some suppliers are comfortable with, and are incentivised by. The advantage to retailers is that they would no longer have to allocate resource into looking at under/over deliveries. Whilst the issue of drop and drive is not necessarily directly linked to the Code (unless deductions are made without due process) this is a matter that has been raised repeatedly with the GCA. Therefore the GCA is looking to facilitate a presentation by the consultant representing this group of suppliers at the next group CCO meeting.

Work is still moving forward on the remaining Top 5 issues: forecasting, lump sums and packaging.

Line reduction policy:

Retailers are invited to share their policy on line reduction with the GCA if they have one, as CT has been become aware of potential issues e.g. suppliers being asked if there is a competitor line that they wish to nominate to be dropped and charges for exclusivity.

Third party suppliers:

The GCA is fact finding on a number of issues that CT has been made aware of via third party suppliers, several of whom have requested to meet with the GCA. These include:

- Lump sums being requested for inclusion in preferred supplier lists.
- Suppliers being asked to pay for all packaging charges in order to comply with EU

regulations.

- Audit services traceability (suppliers paying for a service which the retailer obtains for free).

Code Compliance Officer issues and feedback

GSCOP training:

At recent meetings with third party auditors, CT was made aware that some use the retailer's email address in their correspondence, giving the impression they are part of the retailer's business. If this is the case, she suggested that as best practice it would be appropriate for auditors to receive GSCOP training from the retailers, and in any case to satisfy themselves that the third parties have been trained adequately.

Group Code Compliance Officer meeting

The next CCO group meeting is now planned for November 2014, with group meetings to be scheduled every 6 months thereafter. A table of the planned annual GCA meetings with the CCO was passed on to the retailers, and dates for 2015 will be scheduled shortly.

	Annual Timetable			
Quarterly Meetings	March	June	September	December
Group Meetings (6 monthly)	November	May		
GCA Survey	April			
Conference (Yearly)	June			