

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>GCA</p> <p>Christine Tacon (CT) <i>Only for Wm Morrison Supermarkets plc</i></p> <p>Angela Latta (AL)</p> <p>Helen Gordon-Lee (HGL)</p> <p>James Courtenay (JC) <i>Only for Co-operative Group Limited, Marks and Spencer plc, Iceland Foods Limited, and Asda Stores Limited</i></p> <p>Jenny Hendricks (JH)</p>	<p><u>8th September 2014</u></p> <ul style="list-style-type: none"> Co-operative Group Limited – Phil Willsmer and Bridget Groarke <p><u>10th September 2014</u></p> <ul style="list-style-type: none"> Marks and Spencer plc – Max Gillibrand and Rob Steadman Iceland Foods Limited – Jayne Burrell Asda Stores Limited – Alex Simpson <p><u>15th September 2014</u></p> <ul style="list-style-type: none"> Lidl UK GmbH – Patrik Bures Aldi Stores Limited – Jonathan Ward J Sainsbury plc – Susannah Hall and Dafydd Pugh <p><u>17th September 2014</u></p> <ul style="list-style-type: none"> Tesco plc – David Ward and Kay Majid Wm Morrison Supermarkets plc – Steven Butts, and Denise Harris <p><u>1st October 2014</u></p> <ul style="list-style-type: none"> Waitrose Limited – David Roberts and Damen Bennion
Key Points Raised	
<p>GCA update on progress</p> <p><i>Levy payment:</i> Invoices for the 2014/15 levy payment are in the process of being raised, and will be emailed to retailers in September.</p> <p><i>Survey next steps:</i> Following the retailer survey report from YouGov and the collective discussion meeting held in July (with CCOs, representatives from YouGov, the CMA and the BRC), the GCA has decided to focus on the key issues identified which directly relate to GCA activities only. An action plan will be produced and shared with CCOs by mid to late October. Retailers may want to take individual action in response to the survey results.</p> <p>The key issues/activities on which the GCA will focus are:</p> <ul style="list-style-type: none"> Reviewing best practice for managing the survey process. Working towards a higher response rate in 2015, the survey will be open for approximately 6 – 7 weeks, with the tender starting in January 2015, the contract being issued mid to late February, 	

and the final question set and survey launched mid April.

- Considering factors which may be deterring suppliers from approaching the GCA with information, such as fear of retribution. Work will be undertaken to understand the issues raised in more detail and take steps to address these factors, where possible.
- Providing assurance that any information passed on to the GCA will be followed up. This will include being transparent about any action taken.
- Further details from the YouGov survey on perceptions of retailer Code compliance are planned for publication. The GCA advised CCOs that it intended to release this information at a later date and is now working on the format and content of this communication. This will be shared with CCOs prior to publication in October.

AL explained that the GCA will keep the core question set from this year's survey, but to provide greater clarity and to better understand the rationale behind the answers, there will be supplementary questions. This will mean that the survey will be a bit longer. A re-contact group will test the questions ahead of the next survey. In terms of working with the GCA it would be helpful if retailers would consider passing the survey on to their suppliers. CCOs were asked to consider this on the retailers' behalf. The GCA will look at who to better target within each organisation to complete the survey and will ask retailers for their views, having listened to their concerns on the integrity of the responses received this year.

The GCA will launch the first issue of its quarterly newsletter in October. There will be a 'Meet the CCO' article in each edition, which will feature a CCO picture and 4 – 5 items. CCOs agreed to be featured. Instructions on how to register to receive the newsletter are on the GCA website.

Annual Compliance Reports:

All retailer Annual Compliance Reports were reviewed by the GCA, and CCOs will each receive a letter from the GCA providing (i) formal comments on their reports, (ii) any request for further information which may be required and (iii) points to consider for the next reporting cycle.

CCO progress report:

CCOs provided hard copies of their quarterly compliance progress reports, which covered the following areas in accordance with the agenda.

- Progress since the previous meeting on issues raised and kept under review by the GCA (in particular, the 'Top 5 issues');
- An update on the implementation of the retailers' commitment on 'Forensic Auditing' or, for those who had not made a commitment, an update on how they approached 'Forensic Auditing';
- Any training or compliance issues arising since the previous meeting;
- Any upcoming retailer-supplier initiatives that were likely to generate enquiries to the GCA; and
- Any Code-related issues that had been raised with the CCO since the previous meeting.

The reports were reviewed and discussed.

Points raised by the GCA:

Drop and Drive – The GCA is focusing on the difference between supplier delivery performance and retailer goods-in records, the resulting deductions made from invoices and the processes for raising queries about the deductions. At the next CCO group meeting, scheduled for November, 'Simply Supply Chain' (SSC), who have been working with a group of suppliers, will be presenting their proposal to improve delivery performance and reduce any delays in payment that subsequently arise. SSC will provide confidential statistical

information to each retailer about their delivery performance by depot. They will also provide an overview of the average performance figures comparatively across retailers, and offer a potential solution to delays in payments in this area.

The GCA is focusing more attention on forecasting methods, and will be writing to retailers requesting information on fresh/chilled produce, forecasting practice, forecasting accuracy, tolerance on forecasting, and how they each deal with penalties for delivery discrepancies. This feeds into the Joint Business Plan piece of work, understanding forecasting and clarifying collaboration. The information request would be made under the GCA's monitoring function.

Requests for lump sums – Retailers were asked about their policy on lump sum payments and how each retailer ensures that suppliers have fully understood from the outset what any agreed lump sum is for.

Packaging and design charges - There is continued interest in packaging and design charges, and the GCA is interested in understanding each retailer's approach and how suppliers are subsequently charged.

Forensic Auditing – A number of suppliers have complained that those retailers who signed up to the commitment have not yet implemented it. To address this and manage supplier expectations, the GCA will be writing to all retailers requesting that they inform their suppliers of their forensic auditing practice. For those who made the voluntary commitment, the statement should set out how and when it will be implemented. The GCA has requested that statements are made to suppliers in October with full implementation of the commitment by March 2015 at the latest.

Group Code Compliance Officer meeting: Agenda

A number of retailers expressed interest in one or more of the following for the CCO group meeting in November :

- A brief outline of the factors to consider when de-listing suppliers, in relation specifically to significant reduction in volume and reasonable notice, for discussion at the meeting with a view to the GCA publishing guidance before the end of the year.
- A discussion about sharing best practice on compliance training.

An update on the Top 5 issues will be top of the agenda and the GCA will also update retailers on any additional issues raised.

AOB:

The GCA plans to refresh retailers' CCO contact details on the website.