

## September 2017 Quarterly CCO meetings

<b>Record of the Groceries Code Adjudicator (GCA) Quarterly Meetings with Code Compliance Officers (CCO)</b>	
<b>Location</b>	<b>Purpose of meeting</b>
GCA, Victoria House, Southampton Row, London	Quarterly progress meetings
<b>Attendees</b>	
<b>GCA</b> Christine Tacon (the GCA)  Helen Gordon-Lee (HGL)  Matthew Sabourin (MS)	<p><b><u>6 September 2017</u></b></p> <ul style="list-style-type: none"> <li>• Asda Stores Limited – Sarah Dickson and Ashley Sheppard</li> <li>• Iceland Foods Limited – Jennifer Barnett</li> <li>• Lidl UK GmbH – Sophie Wettlaufer and Dirk Kahl</li> </ul> <p><b><u>11 September 2017</u></b></p> <ul style="list-style-type: none"> <li>• J Sainsbury plc – Helen Charnley and Dafydd Pugh</li> <li>• Marks and Spencer plc – Max Gillibrand and Robert Steadman</li> <li>• Waitrose Limited – George Leicester-Thackara, Sarah Tomsett and Catherine Hasler</li> </ul> <p><b><u>13 September 2017</u></b></p> <ul style="list-style-type: none"> <li>• Wm Morrison Supermarkets plc – Steven Butts, Denise Harris and Andrew Clappen</li> <li>• Tesco plc – David Ward and Rebecca Law</li> <li>• Aldi Stores Limited – Chris Young</li> </ul> <p><b><u>18 September 2017</u></b></p> <ul style="list-style-type: none"> <li>• Co-operative Group Limited – Saleem Chowdhery, John Leyden and Peter Fenton</li> </ul>
<b>Key Points Raised</b>	
<p><u>Issues from the previous set of minutes</u></p> <p>There was an update on any issues arising out of the previous set of minutes.</p> <p><u>Top 5 issue (current): Delay in payments (specifically drop and drive)</u></p> <p>The GCA had assessed all retailer responses to her letters of 30 May 2017, which had set out her view on their progress in actively managing the risk of breaches of the Code under paragraph 5 (No delay in payments) arising from the practice of drop and drive.</p> <p>The GCA was satisfied that based on the information provided by retailers and the evidence received from suppliers that all but one of the retailers that carries out drop and drive appears to have adequate systems and processes in place to minimise the risk of delay in payments arising. However the GCA expected all retailers to continue to focus on this issue.</p>	

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### Top 5 issue (current): Delay in payments (more generally)

The GCA reminded all retailers that as reported in the GCA annual survey, supplier perception of delay in payments by retailers remains the highest reported concern. The GCA asked retailers to continue to consider this issue, noting that she had clearly set out her interpretation of the Code on delay in payments in the report of the investigation into Tesco plc.

The GCA highlighted an example reported by suppliers that delays in being paid could arise because of the period of time taken for retailers to issue proof of delivery notes and because some retailers had scheduled payment runs on specified days only. The combined effect of this could cause suppliers to be paid later than the agreed payment terms. The GCA asked retailers to consider this as an example where suppliers might encounter delay in payments.

### Top 5 issue (current): Forecasting

The GCA had written to retailers with feedback on her view on their progress in following the published best practice statement on forecasting and set out, in general, the issues that suppliers had reported to her. Retailers agreed to provide this by 31 October 2017.

### Top 5 issue (current): Promotions

The GCA had written to retailers asking for more information about their practices in relation to running promotions. Retailers agreed to provide this by 31 October 2017.

### Top 5 issue (monitored): Payments for better positioning of goods

The GCA would carry out formal monitoring of retailer progress on this issue in February 2018. In the meantime she asked for any updates from retailers, particularly in relation to positioning of products online.

### Top 5 issue (monitored): Pay to stay

The GCA had moved this issue to the monitored category at the annual conference in June 2017. The GCA would continue to hear what suppliers had to report on this issue and in the meantime asked retailers for any updates.

### Annual survey 2017

The GCA asked retailers to set out any changes they were making as a result of supplier perceptions reported in the last annual survey and provided retailers with some context to assist them in interpreting the statistical significance of the breakdown of issues by retailer by category.

### Other issues in the retailer's quarterly report to the GCA

The GCA discussed any other issues covered in the retailer's quarterly report to the GCA.

### Issues raised by direct suppliers

The GCA highlighted any issues being raised by direct suppliers.

### Any other business

Code clarification case study: The GCA checked that retailers had received the recent code

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clarification case study, relating to Asda Stores Limited, and answered questions where they arose.

BEIS statutory review of the GCA: The GCA noted that this had been published.

Annual Compliance Reports: The GCA asked whether retailers had any comments on the feedback she had provided on their annual compliance reports.

Meetings with Chairs of retailer audit committees: The GCA reminded Code Compliance Officers that she was meeting with the Chairs of retailer audit committees in October 2017.