Edition 23: News from the Adjudicator

Welcome from the Groceries Code Adjudicator

The relationship between the UK's regulated retailers and their direct suppliers is entering a new era created by or, in some cases, brought forward by, Covid-19 and at this very challenging time I am delighted to introduce myself as the new Groceries Code Adjudicator.

A great deal of progress has been made since the Groceries Supply Code of Practice was introduced and my thanks go to Christine Tacon for the immense role she played in achieving real change in the sector.

However, there is still more to do and the pandemic has created huge economic challenges that will undoubtedly have an impact on the large supermarkets and their direct suppliers. I want to bring my commercial and legal experience to ensure the retailers continue to comply with the Code and build constructive relationships with their suppliers.

I enjoyed a long career in industries selling products and services in highly competitive, price-sensitive markets. Notably, I worked for the world's largest foodservice business. As a result I have a strong understanding of the food supply chain and recognise the fine balance that exists between suppliers and their customers as well as the wide disparity between the size of some parties to the buy/sell relationship.

For the past three months I have been the Deputy Groceries Code Adjudicator and using the time to meet the retailers' Code Compliance Officers (CCOs), CEOs and Audit Committee Chairs, suppliers and trade associations. I have already held more than 40 meetings. I have been particularly encouraging all CCOs to ensure that suppliers understand the role the CCOs can play in resolving any issues they may have with the retailers. Throughout this period my GCA team has been providing excellent support. You can meet the team below.

My approach

My approach will be very much "open door". As soon as conditions allow I intend to get out and meet suppliers at as many events and opportunities as possible. I want suppliers to recognise that I am there to support them and — vitally important — that they can always trust me to preserve confidentiality. That will be central to all engagement I have with suppliers because I understand that concerns about retaliation can be very real.

I also intend to build on the collaborative approach that Christine Tacon had with the retailers and drive forward the whole-house approach to compliance including training within each of the retailers. My objective is that I will never have to arbitrate a dispute or carry out an investigation — but if I have to, I will.

My clear message is that the Code is there to support suppliers and can be used to level up the very uneven playing field on which suppliers — particularly smaller suppliers — often find themselves operating. This year an important focus for me will be to understand why so many suppliers — just over a third — still reported Code-related issues in the 2020 GCA survey.

The Code: Know it, Use it, Grow your business

In all my discussions and meetings I will be encouraging suppliers to maintain a constructive relationship with buyers so that the retailer is aware of their business and decisions can be taken jointly, and on a "no-surprises" basis, as far as possible. I will be continuing to encourage them to Know the Code and Be Code Confident but to use it wisely. This way suppliers can grow their businesses.

My advice will be not to continuously drop the Code into conversations and negotiations or as a throwaway when the going gets tough — but to use it when it is needed; for example when a retailer makes a proposal that is clearly contrary to the Code. I expect the retailers to respond positively if this happens. If this does not happen, please let me or your trade association know. Details of how to contact the GCA are given below.

It is clear that the sector is changing in response to the pressures created by Covid-19 with, for example, some retailers extending more favourable payment terms to smaller suppliers originally introduced at the start of the pandemic. Also, while promotions may become less common (or are converting into everyday low pricing strategies) making forecasting somewhat easier, retailers are looking carefully at their ranges, their routes to market and their pricing propositions to consumers.

As the sector changes so will my focus — issues such as funding the costs of a promotion may give way to more considerations of dealing in good faith, delisting and delays in payment as range reviews are conducted and Good Faith Receiving becomes more commonplace.

We are entering a new phase of relationships and I want the retailers to know that I will be closely following how they operate in the new "normal" as we adapt to the conditions created by Covid-19. I urge suppliers to let me know, confidentially, of any issues of concern — if I do not know I will not be able to help.

Mark White

Meet the team

Mark White will be supported by a small team ensuring smooth running of the GCA office, finances, governance, events, communications and projects. Meet the team below.

Alice Ellison - Head of Office

Alice joined the GCA Team over the summer on secondment from the Department of Business, Energy and Industrial Strategy (BEIS). She is responsible for overall running of the GCA office and Team and her previous roles include working as Head of Environment for the British Retail Consortium.

Jilly Cole - Policy Manager

Jilly has been with the GCA Team since January 2018 and is on secondment from the Housing Ombudsman Service. Jilly's projects include the annual GCA survey of suppliers and analysis of the Annual Compliance Reports provided by Designated Retailers.

Louisa Briki - Operations Manager

Louisa started with the Team in July on secondment from BEIS. Louisa leads on finance, governance and HR issues and is responsible for ensuring that the GCA publishes its annual reports and accounts.

We will be joined soon by a Deputy Operations Manager who will look after the GCA website and the GCA conference.

2021 survey

Mark White is keen to have early information about what suppliers think and the behaviour they experience from retailers. There will also be an opportunity for suppliers to provide positive feedback and compliment their retailers. The GCA is currently planning the next annual survey. This will be launched in January — earlier than previous years. Look out for information on how to complete.

Once again YouGov will conduct the survey for the GCA so suppliers can be completely confident that their information is being handled confidentially. For 2021 YouGov has been asked to carry out interviews with a number of suppliers to explore some areas in more detail.

Code Confident pack

The GCA has published (electronically) a handy 'pocket guide' to the Code. It contains a copy of the Code together with other useful information such as retailer CCO contact details and a collection of GCA publications about the Code. Visit the GCA website to download the Code Confident pack today.

Twitter feed — <u>UKGCA</u>. Mark White has uploaded an introductory video on the <u>GCA YouTube channel</u> and new videos will be uploaded as created. Please subscribe to see the latest additions.

If you would like to get in touch with the GCA and his team to tell him about your experiences, please email Enquiries@GroceriesCode.gov.uk or call 020 7215 6537.