GCA takes action to improve audits for groceries suppliers and warns against fixed notices for delists

Mark White, the Groceries Code Adjudicator (GCA) today unveiled a best practice statement to respond to suppliers' concerns about the way the large supermarkets are carrying out audits.

At his first annual conference — held virtually because of the Covid pandemic — the GCA announced that all 13 Designated Retailers had signed up to the statement intended to promote better working practices by these businesses.

He said:

All 13 Designated Retailers have agreed that the statement sets the best practice benchmark to conducting audits in a transparent way to reduce the number of invalid claims.

Mr White told the conference that he had heard a series of concerns from suppliers about retrospective audit reviews, especially those related to promotional activity.

They are concerned about an apparent lack of data, or cherry picking of data, the time it takes to settle matters and, in some cases, attempts to link settlement of issues to current and future trading. Smaller suppliers can be disproportionately affected by such audits, which really concerns me.

The best practice statement is intended to promote better working practices by the Designated Retailers, in the spirit of continuous improvement. To that end, retailers should properly scrutinise claims before they make them; they should share with suppliers the data and documents that support a claim and claims should be concluded in a reasonable timeframe.

The settlement of claims must not be conflated with current or future trading. Where retailers use third parties to make claims, that should be clear to suppliers from the outset, and retailers should review how they work with the third party to ensure compliance with the Code.

The GCA also revealed he was receiving numerous queries about delisting as retailers were reviewing their ranges following the impact of Covid-19 and the change in shopper behaviour.

I have been monitoring the Designated Retailers' delisting processes to ensure that delisting decisions are properly governed to eliminate, for example, the use of 12 weeks as a fixed delist period. The concept of reasonable notice which Designated Retailers must give to suppliers whose products are being delisted is not susceptible to an arithmetical or artificial formula.

He warned:

If I am required to determine whether reasonable notice has been given to a supplier, I will review all the circumstances and I am not limited in what I can take into account in making that assessment. Every facet of the relationship — including the length of the relationship and its breadth and depth — will be important considerations.

Conference participants also heard the results of deep dive interviews covering suppliers' current concerns carried out for the GCA by YouGov. Among the themes identified was the number of inexperienced buyers joining the retailers.

Many suppliers YouGov spoke to were also concerned that among these new buyers there was a lack of knowledge about the Code. But there also seems to be a lack of knowledge about the category that they are working in, with suppliers spending a lot of time and effort educating the buyer, only to see the buyer move category just when the knowledge bank has grown.

Whether it is because of the pandemic or not, buyers seem not to be visiting the farm, the factory or the warehouse where they can better understand the challenges faced by the supply side.

I encourage retailers to not only train their buyers in the requirements of the Code but also in wider relationship building and in really understanding what they are asking suppliers to do. This should make their jobs both more challenging but also more interesting — and help to change the growing perception that buyers are automatons controlled by faceless senior management.

Responding to these concerns falls within my priority to drive forward a whole-house approach to Code compliance. I have already been discussing this priority with the senior leadership of the Retailers and I will now be expanding on these previous discussions.

In my view, the tone from the top is vital and I will be monitoring this carefully because many suppliers speaking to YouGov were convinced that those buyers they found a challenge were merely passing on messages crafted at the top of the business.

Mr White also said his message to the retailers was that they needed to maintain and enhance the progress made in recent years in building constructive relationships with suppliers.

That progress has benefitted all parts of the sector and made a real difference to consumers. During challenging times it has shown its worth. The sector obviously faces new challenges, and we still don't know if we are finally through the Covid woods. Constructive relationships must be for yesterday, today... and for tomorrow.

Notes to editors

Landmark report reveals harms associated with gambling estimated to cost society at least £1.27 billion a year

In 2019, the Department of Health and Social Care commissioned Public Health England (PHE) to undertake a review of the evidence on gambling harms. The review includes the most comprehensive estimate of the economic burden of gambling on society to date, revealing that the harms associated with gambling cost at least £1.27 billion in 2019 to 2020 in England alone. This analysis includes the first estimate of the economic cost of suicide (£619.2 million) and provides an updated cost of homelessness associated with harmful gambling (62.8 million).

Gambling related harms in the analysis range from financial such as bankruptcy and employment issues, to family issues, and health harms such as suicide.

The review also shows that people at risk of gambling harms are concentrated in areas of higher deprivation, such as the North of England, and may already be experiencing greater health inequalities. The review found a clear link between higher levels of alcohol consumption and harmful gambling, with only 35.4% of non-drinkers participating in gambling compared to 74.4% of those consuming over 50 units of alcohol (equivalent to 16 pints of beer or large glasses of wine) per week. Alcohol use in children and young people was also found to be a risk factor for subsequent harmful gambling.

The review also highlights the link between gambling and mental health issues. The report found that gambling can increase the likelihood of some people thinking about, attempting or dying from suicide. Evidence suggests

that people with gambling problems are at least twice as likely to die from suicide compared to the general population, with one overseas study showing that people with a gambling disorder had a 19 times increased risk of dying from suicide.

The review also found that gender and poor mental health were the strongest indicators of gambling related harm:

- men were 4.2 times more likely than women to be gambling at levels of elevated risk of harm
- people identified as having some mental health issues were twice as likely to participate in harmful gambling than people with no mental health issues
- those who indicated they had a mental health condition were 2.4 times more likely to be a gambler experiencing gambling-related harms

The evidence suggests that harmful gambling should be considered a public health issue because it is associated with harms to individuals, their families, close associates and wider society with an approach that focuses on prevention, early intervention and treatment. The new Office for Health Improvement and Disparities (OHID) will work closely with other government departments, including the Department for Digital, Culture, Media and Sport (DCMS) and key stakeholders to develop a workplan to address the knowledge gaps identified in this review, improve data collection, and deliver an effective response to gambling-related harm.

Rosanna O'Connor, Director of Alcohol, Drugs, Tobacco and Justice at PHE, said:

There is so much more at stake from gambling than just losing money — from the toll on mental health to the impact on those around the gambler.

The evidence is clear — harmful gambling is a public health issue and needs addressing on many fronts, with an emphasis on preventing these harms from occurring as well as with help readily accessible for those directly and indirectly affected by the wide ranging and long lasting negative impacts of gambling.

Minister for Mental Health, Gillian Keegan said:

Whilst the economic costs of harmful gambling are stark, the cost to individuals as a result of their addiction, and those around them, cannot be overstated.

We are working to protect vulnerable people from the damaging impacts gambling can have, including through specialist NHS gambling addiction clinics and investing at least an extra £2.3 billion a year by 2023 to 2024 to expand mental health services.

I encourage anyone who is struggling to reach out — support is there for you.

Gambling Minister Chris Philp said:

We are gathering all the necessary evidence to reset the balance between giving adults the freedom to choose how they gamble safely, with the right protections for those at risk of harm.

We are determined to protect vulnerable people from exploitation by aggressive advertising or unfair practices that entrench problem gambling.

Jim McManus, Vice President, Association of Directors of Public Health said:

This evidence review from PHE paints a stark picture of the avoidable harms from gambling to the economy, society and the individual. Again, we see that existing regional inequalities are exacerbated by these harms with those from poorer areas at higher risk from the negative impacts.

A public health approach, with cross-government support, properly funded, is essential to reducing harmful gambling and all the negative consequences highlighted by this research in relation to debt, relationships and jobs.

Tim Miller, executive director at the Gambling Commission said:

We are pleased to welcome this important independent report from Public Health England.

Protecting people from gambling harms is a priority for the Gambling Commission, and we take a public health approach to do so. Public Health England's work will help to support the continuing collaboration of a wide range of bodies under the National Strategy to Reduce Gambling Harms.

Faculty of Public Health President Professor Maggie Rae said:

Harmful gambling is a major public health issue which seriously impacts on health in a number of ways. As well as suicide and severe mental health problems, this report highlights harms caused by gambling including financial, employment, relationships, physical health, and criminal activity.

Gambling organisations are preying on people's addictions, and we

see that the burden of gambling harms is born by those already facing disadvantage, serving to widen existing health inequalities. This report is welcome as it highlights the wide range of harms caused by gambling, and calls for concerted action to tackle this major public health problem. This urgent call is especially timely as we have seen these problems exacerbated by the COVID-19 pandemic.

UK responds to Kyrgyz Foreign Minister at the OSCE, 30 September 2021

Madam Chair, May I take this opportunity to thank His Excellency Ruslan Kazakbaev for his presentation and welcome him to the Permanent Council.

Kyrgyzstan is an important partner to the UK across a number of issues. As you mentioned here today, a current shared priority is action on climate change, and we look forward to continuing to work with the government as we approach COP26 in Glasgow. In the run up to this, we were pleased to hear of the newly-established State Committee on Ecology and Climate, which will play an important role in the climate change agenda in Kyrgyzstan.

We agree that the independence, autonomy and support for OSCE institutions is crucial for them to be able to discharge their essential functions and support States in meeting their OSCE commitments.

To this end, the UK welcomes the Kyrgyz Republic's willingness to work with ODIHR in its ambition to strengthen democracy and the rule of law. And we welcome the support the Government of Kyrgyzstan has given to the Programme Office in Bishkek and the continuation of this productive relationship.

We welcome the work of the Programme Office on the safety of journalists and protection of media outlets. Independent media is just one part of the democratic institutions and civil society that can contribute to healthy public debate and engagement, and so we welcome the work the Office has also done to support civil society organisations more broadly in Kyrgyzstan. We urge the government to ensure that any new legislation does not impact negatively on Kyrgyzstan's vibrant civil society.

As I said to the Permanent Council earlier this year, we urge the Government of Kyrgyzstan to address the recommendations made by ODIHR and the Venice Commission in their report on constitutional reform in Kyrgyzstan. The OSCE Programme Office in Bishkek could assist in following up on these recommendations.

As a long-standing partner of Kyrgyzstan in working to achieve its ambition

of stronger democracy and rule of law, the UK stands ready to support the government in meeting its related OSCE obligations. The upcoming Parliamentary elections in November present an excellent opportunity for the Government of Kyrgyzstan to demonstrate its commitment to agreed OSCE principles. And I welcome your comments here on ensuring "full and unhindered access for ODIHR."

Beyond the field mission, I am pleased that the OSCE Academy has been able to continue its operation despite the COVID-19 pandemic, and I wish the Academy every continued success.

Finally, in light of recent events in Afghanistan, we would be interested in hearing more about how the OSCE and the Kyrgyz government might work together to strengthen regional security. Thank you once again Foreign Minister and thank you Chair

Chancellor praises workers as Plan for Jobs enters next stage

- Chancellor hails UK workforce as Government's Plan for Jobs enters the next stage.
- As furlough winds down flagship schemes such as the super-deduction, Kickstart scheme and traineeships continue.
- Rishi Sunak will call on UK firms to take advantage of support during a visit to a Legal and General modular homes factory and housing site in Yorkshire.

The change comes as latest figures show more employees on payrolls than before the pandemic, underlying wages increasing strongly and the OECD predicting the UK to see the fastest growth in the G7 this year and next.

Having protected over 11.6 million jobs during the toughest times of the pandemic, the furlough scheme closes today after gradually winding down as the economy began to recover. With the majority of Covid restrictions removed and the economy open again, the Government is focused on investing in jobs and skills — with the Plan for Jobs continuing to fuel the economy's bounceback by supporting employers across the UK to create new jobs, and workers to boost their skills.

During a visit to Legal and General's modular factory in Yorkshire, the Chancellor will double-down on his call for firms to make the most of billions in further support on offer, including the super-deduction — the biggest business tax break in modern British history — the Kickstart Scheme, apprenticeships and traineeships.

Chancellor of the Exchequer, Rishi Sunak said:

I am immensely proud of the furlough scheme, and even more proud of UK workers and businesses whose resolve has seen us through an immensely difficult time. With the recovery well underway, and more than 1 million job vacancies, now is the right time for the scheme to draw to a close.

But that in no way means the end of our support. Our Plan for Jobs is helping people into work and making sure they have the skills needed for the jobs of the future.

Whilst some other countries ended their economy-wide support schemes earlier in the year, our Coronavirus Job Retention Scheme and Self-Employment Income Support Scheme continued into the Autumn. Over 18 months on from its launch and with over £68 billion spent on the scheme, today marks the final day of the furlough scheme which has been instrumental in protecting workers and incomes from the worst of the crisis. The Resolution Foundation said this week that the furlough scheme has "prevented catastrophic rises in unemployment", and there are now almost 2 million fewer people forecast to be out of work than was feared at the height of the pandemic

While emergency support draws to a close, the Government will continue to maximise employment across the country, create high quality, productive jobs, and deliver the skills that people, businesses and the economy need to thrive.

This includes:

- the £2bn Kickstart Scheme which has so far placed 76,900 young people at risk of long-term unemployment into jobs
- the Sector-Based Work Academy Programme which has helped 65,000 jobseekers to date exceeding initial targets
- continued support for employers to take on apprentices, with the government offering a newly-improved Apprenticeship Levy transfers system which will help smaller employers to fund their apprenticeship training, and a £7 million fund to support the creation of new flexi-job apprenticeships to unlock more opportunities in freelance and creative sectors
- the Government's pioneering Lifetime Skills Guarantee will continue to transform the skills system so everyone, no matter their background, can gain the skills needed to progress in work at any stage of their lives through various programmes including 'skills bootcamps' and funding for adults to access free Level 3 courses.

That is just one element of support to boost the economy and support living standards. The Recovery Loan scheme, a reduced 12.5% VAT rate in the hospitality and tourism sectors and ongoing business rates relief are helping businesses to bounce back, and the energy price cap, maintaining the recent rise in Local Housing Allowance and increases in the National Living Wage are

supporting families.

Today, the Chancellor will visit Legal and General's modular homes factory and housing development in Yorkshire to see some of the Plan for Jobs in action. The super-deduction has allowed them to expand their factory capacity and has supported over 1900 jobs across the UK, including 400 new jobs. The Chancellor will meet apprentices and an employee who has secured a placement with Legal and General through the Kickstart scheme.

Further information:

- Up to the end of July, a total of 11.6 million jobs have been furloughed and 1.3 million employers have benefitted from the scheme. As the economy has reopened thanks to the success of the government's vaccine programme, the number of people still using the furlough scheme has fallen consistently at the end of July, 1.6 million people remained on furlough compared to nearly 9 million at the scheme's peak.
- Since the start of the scheme a cumulative amount of £68.5 billion has been claimed. This is across all claims submitted to HMRC by 16 August 2021. This does not include claims submitted for August and September and therefore does not represent the final cost of the scheme
- Over £27 billion has been spent on the self-employed through five Self-Employment Income Support Scheme grants, supporting nearly three million self-employed individuals throughout the pandemic.

Fishing industry in 2020 statistics published

The Marine Management Organisation (MMO) has published its annual UK Sea Fisheries Statistics 2020. The publication is a summary of:

- The UK fishing fleet
- Its activity at sea
- Landings how much fish they catch and land
- Effort how long they spend at sea
- Trade

Fleet

The number of total UK fishers decreased by 6% in 2020 compared to 2019. This amounted to about 700 fewer jobs in the catching sector. The decrease was likely driven by the continuing Covid-19 pandemic. Over the past decade however, the number of fishers working on UK vessels has been stable at around 12,000.

Landings

In 2020, UK vessels landed 623 thousand tonnes of fish into the UK and abroad with a value of £831 million. Compared to 2019, this is a slight increase in the quantity of sea fish landed and a 16% decrease in value landed.

The value of pelagic landings between 2019 and 2020 increased by 14%. The increase in quantity and value landed is driven by an increase in quotas for key pelagic species. Shellfish landings decreased by 18% while their value decreased by 33%. The price per tonne fetched for shellfish species decreased considerably more than demersal and pelagic species, down 20% compared to 8% for both demersal and pelagic species.

Trade

The UK is a net importer of fish, with imports exceeding exports. The UK's trade gap in 2020 for sea fish is 248,000 tonnes. Compared to 2019, imports were down by 7%, leading to narrowing of the crude trade gap which decreased by 8% compared to 2019.

In 2020, the UK imported 672,000 of fish, with a value of £3,206 million and exported 423,000 of fish, with a value of £1,627 million. Salmon was most exported, and tuna was the most imported fish by quantity.

View the <u>full report</u>, <u>tables and underlying datasets</u>

Notes to editors:

The Marine Management Organisation (MMO) regulates the seas around England, including the management of fisheries.

The MMO has the difficult balancing task of ensuring that stocks are managed throughout the year to maximise fishing opportunities for the UK industry, while ensuring that stocks are not overfished and the UK government and taxpayer does not have to pay steep penalties.

We are continually working with the fishing industry to improve day-to-day management with accurate catch limits and forecasts that secure longer fisheries, while safeguarding the welfare of fish stocks. Further information is available from our <u>website</u>

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