

# Press release: Co-op Breached Code finds Groceries Code Adjudicator

Christine Tacon, the Groceries Code Adjudicator, has ordered the Co-op Group to introduce major changes to its governance, systems and processes after carrying out a formal investigation into the retailer.

She found the supermarket group had breached the Groceries Supply Code of Practice on two counts. The retailer failed to provide reasonable notice to suppliers of decisions to de-list products and varied supply agreements unilaterally and without reasonable notice in the way it applied two specific charges.

The GCA launched the investigation on 8 March 2018 after an 18-month period of significant engagement with Co-op during which the retailer accepted it was unable to get to the bottom of issues and could not demonstrate that it had taken remedial action in all the relevant circumstances.

In reaching her findings Ms Tacon interviewed a broad cross-section of Co-op suppliers as well as employees of the retailer and examined documents provided by the Co-op and suppliers.

She found that the retailer de-listed suppliers with no notice or short, fixed notice periods that were not reasonable in the circumstances. It applied standard notice periods which was contrary to the Code and her guidance which specify that notice of de-listing should be considered on a case-by-case basis.

The retailer's conduct in introducing depot quality control charges and benchmarking charges also breached the Code and the Adjudicator found this caused particular difficulties for suppliers with fixed-cost contracts as they would not be able to amend their cost prices to reflect the increased cost incurred when Co-op applied the charges.

There were weaknesses in training, policies and processes for buyers and the poor functioning of existing IT systems contributed to the retailer's Code breaches.

Ms Tacon said:

The practices and behaviours described in my report were widespread. Systems, processes, business practices and the ability of different parts of the retailer to affect suppliers' risks and costs of trading with the company all contributed to Co-op breaking the Code. At the core there was inadequate governance to oversee and manage Code compliance.

The clear conclusion is that Co-op needs to take a very different approach to Code compliance. I have made robust recommendations for

urgent action and I will be helping the retailer change its approach by monitoring closely how they implement those recommendations.

The Adjudicator has set down five recommendations for the Co-op to follow:

1. Co-op must have adequate governance to oversee and manage its compliance with the Code;
2. Legal, compliance and audit functions must have sufficient co-ordinated oversight of Co-op systems to ensure Code compliance;
3. Co-op IT systems must support Code compliance;
4. Co-op must adequately train on the Code all employees who make decisions which affect a supplier's commercial arrangements with it; and
5. Co-op must in any potential de-listing situation communicate with affected suppliers to enable the retailer to decide what is a significant reduction in volume and reasonable notice.

The Adjudicator will monitor Co-op's delivery against each of the recommendations and has requested an implementation plan within 4 weeks.

Ms Tacon said:

My recommendations are focused on remedying the root causes of the issues I found and the weaknesses in Co-op's systems and processes. They are a proportionate and effective measure to reduce the likelihood of future non-compliance by Co-op in these areas and I have decided not to use my fining powers in this instance.

Ultimately, I launched this investigation to help Co-op to get things right for the future. The Co-op will, however, pay the full cost of the investigation and my costs in overseeing the implementation of the recommendations.

Co-op has accepted that its focus at the time was on business recovery and it is clear that the Code was not embedded into its culture as it should have been. It mistakenly assumed that its brand values and desire to work in a certain way meant that it was likely to be acting in accordance with the Code and that if there were any issues with compliance, suppliers would have made the retailer aware of them.

Co-op's actions were not malicious, it has already repaid those suppliers it has identified as having had charges introduced without sufficient notice and is committed to working with me to change for the better.

This has been an important investigation because it firmly establishes the role of governance and corporate culture in ensuring Code compliance. The most improved retailers, as reported in my annual survey, have all started by accepting how important this is and working to develop a really joined-up approach to

compliance at every level in their respective businesses.

My interpretation of the key paragraphs of the Code will apply to all the regulated retailers and I will be talking to them about what this will mean for them. And can I remind suppliers that the [GCA annual survey is open](#) now and I urge them to complete it to inform my future work.

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[Read a full version of the Investigation report.](#)

For more information, please email [enquiries@groceriescode.gov.uk](mailto:enquiries@groceriescode.gov.uk) or call 020 3738 6537.

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## **News story: DBS email addresses have changed**

The Disclosure and Barring Service (DBS) published a [news story](#) back in September 2018 advising that all DBS email addresses were changing.

Alongside the Home Office, DBS have dropped 'GSI' from their email addresses. When contacting us, our email addresses will now end '@dbs.gov.uk'.

For the past few months, all emails to the old email addresses were automatically re-routed to our new however this will stop as of 31 March 2019, so people should make sure they have updated their contact lists.

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## **Press release: Science Minister announces funding for cyber security and screen entertainment projects in Bristol**

Chris Skidmore announces that projects in the South West focusing on cyber security, screen entertainment and environmental science will receive up to £50,000 government funding.

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## Press release: Science Minister announces funding for cyber security and screen entertainment projects in Bristol

- New Industrial Strategy funding for projects to support next generation of cyber security products and media services to market in Bristol
- Science Minister Chris Skidmore has today visited the Bristol Robotics Lab at the University of the West of England to see the Industrial Strategy in action and how their cutting edge work supports the Grand Challenges
- the activities demonstrate how the modern Industrial Strategy is bringing jobs, opportunity and prosperity to all regions of the UK

In a boost for Bristol, Science Minister Chris Skidmore has announced that 3 ambitious research projects will receive up to £50,000 each in new government investment, building on the city's thriving cybersecurity and entertainment industries, and the South West's globally recognised strengths in environmental science.

The projects, 2 of which are being led by the University of Bristol and the third by the University of Exeter, have been awarded the early-stage funding from UKRI's [Strength in Places Fund](#), announced as part of the modern Industrial Strategy in 2017.

A total of 24 projects across the UK have initially been awarded up to £50,000 to develop their innovations, with 4 to 8 of the strongest set to receive between £10 million and £50 million each later in the year to carry out their projects.

Led by the University of Bristol, the 'Cyber Wales and West' project is looking to create a new cyber hotspot that will push the boundaries of innovation where academic talent and test-bed platforms will attract leading UK cyber businesses. The partnership between academia and industry will support business growth in the area, provide skills training and build on the city's reputation of thriving cyber businesses and academic talent. The industry focused Test Bed will allow rigorous testing for real time virtualisation, bringing together physical and virtual environments, enabling experts to identify the appropriate computer parts and networks to protect.

A second project being led by the University of Bristol is looking at how to enhance Bristol and Bath's enviable reputation for screen-based media by creating a vibrant creative cluster. The project 'My World' will seek to address current challenges faced by growing immersive formats of screen

entertainment to address innovation and perceptual issues that are currently stalling further investment in the sector. It will focus on the relationships between content creation, delivery and consumption.

Meanwhile, the University of Exeter is looking to establish an 'Environmental Intelligence Accelerator', working with a number of partners including the Met Office and Plymouth Marine Laboratory to make environmental data more accessible for decision-making. Addressing the global move to low-carbon economies and a changing climate, governments and businesses are in demand of environmentally-related information to inform their operations – from mitigating damage to property by natural hazards to reducing the negative impact on the environment by reducing pollutants. The project will seek input from partners around the world to address challenges in developing Environmental Intelligence Solutions and support private sector entrepreneurs test environmental sensors in the South West.

Science and Innovation Minister Chris Skidmore said:

From enhancing home screen entertainment to developing innovative solutions for fighting cyber-crime, Bristol has much to be proud of, and these shortlisted projects have the potential to revolutionise their respective industries.

We are committed to building on our world-leading reputation in science, research and innovation, and that is why we announced the Strength in Places Fund in our modern Industrial Strategy to boost productivity and create the high-skilled jobs of the future all around the UK.

Announced in the modern [Industrial Strategy](#) in November 2017, the Strength in Places Fund will benefit all nations and regions of the UK by enabling them to tap into the world-class research and innovation skills base that is spread right across the country. The fund brings together research organisations, businesses, and local leadership on projects that will lead to significant economic impact, high-value job creation and regional growth.

The announcement comes as Science Minister Chris Skidmore visits Bristol Robotics Lab where he has seen first-hand the important work being done to address the Industrial Strategy's [Grand Challenges](#). This has included learning about the role robots can play in addressing care solutions to support independent living, using medical robotics to provide precise and accurate sensing in surgery and advancing unmanned air vehicles such as drones. The visit follows the recent announcement that the Minister will be convening an industry group of robotics leaders to enhance the sector in the UK.

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# **Press release: Report 02/2019: Self-detrainment of passengers onto lines that were still open to traffic and electrically live at Lewisham**

RAIB has today released its report into the self-detrainment of passengers onto lines that were still open to traffic and electrically live at Lewisham, 2 March 2018.