

The Co-op to cut 400 jobs and blames 'soaring inflation'

Supermarket chain The Co-op is axing 400 jobs at its head office in Manchester after blaming soaring inflation and difficult trading conditions for its poor financial performance.

The company has said that supply chain chaos, higher staff wages, and record food prices have slashed its annual profits in half. The retailer's underlying profit fell by 57% to £100m in 2021.

The Co-op, which owns a funeral service and an insurance provider, employs more than 63,000 people across the country.

"At our last set of annual results, we shared that as part of our strategy, making our Co-op more efficient and cost-effective was a priority," a Co-op spokesman told The Grocer magazine, who first reported the job cuts.

"The tough trading environment, including rising inflation, means we have taken the difficult decision to bring forward some of the changes we had planned for 2023," they said.

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"These changes, designed to simplify our approach to business, will sadly mean a number of colleagues in central functions will leave the business."

"There are no changes to customer-facing roles in our food stores and funeral homes and, where possible, we will reduce roles by not filling vacancies and through preferences to exit. We make these changes with a heavy heart, but it is the right thing to do for the long-term health of our Co-op and for all of our members."

The Co-op will also close open job vacancies, redeploy workers

within the business, and creating new positions as part of the restructure, The Grocer reported.

Most supermarkets have struggled with falling profits this year after the pandemic saw the grocers' earnings shoot up.

In June, Morrisons warned of a "very fragile and difficult consumer environment" as it reported a fall in sales over the past three months.

The supermarket group said like-for-like sales, excluding fuel and VAT, fell 6.4% in the 13 weeks to 1 May, blaming inflation and "increasingly subdued consumer confidence".

Total revenues for the company were up 2.6% to £4.6bn compared to the same quarter last year, helped by a 54% jump in fuel sales as prices soared.