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Redundancy Policy

Reviewed: 18 March 2021

It is our intention to manage our business in a manner which results in secure employment for our employees. We will always try to avoid the need for compulsory redundancies but sometimes these may be necessary. The pattern or volume of our business or methods of working may change and requirements for employees may reduce.

The purpose of this policy is to ensure that, whenever reduction in employee numbers may become necessary:

- we communicate clearly with all affected employees and ensure that they are treated fairly.
- we try to find ways of avoiding compulsory redundancies.
- we consult with employees and/or employee representatives; and
- any selection for compulsory redundancy is undertaken fairly and reasonably.

AVOIDING COMPULSORY REDUNDANCIES

Where we are proposing to make redundancies we will enter into consultation with all affected employees on an individual basis, and/or employee representatives.

In the first instance we will consider steps that might, depending on the circumstances, be taken to avoid the need for compulsory redundancies. Examples of such steps include:

- Reviewing the use of agency staff, self-employed contractors and consultants.
- Restricting recruitment in affected categories of employee and in those areas into which affected employees might be redeployed.
- Reducing overtime in affected departments to that needed to meet contractual commitments or provide essential services.
- Freezing salaries for a specified period.
- Considering the introduction of short-time working, job-sharing or other flexible working arrangements, where these are practicable.
- Identifying suitable alternative work that might be offered to potentially redundant employees.
- Inviting applications for early retirement or voluntary redundancy. In all cases the acceptance of a volunteer for redundancy will be a matter of our discretion and we reserve the right not to offer voluntary redundancy terms or to refuse an application where it is not in the interests of our business to do so.
- Any measures adopted must not adversely affect our business and our ability to serve our customers.









MAKING COMPULSORY REDUNDANCIES

When it is not possible to avoid making compulsory redundancies, all affected employees and, where appropriate, recognised trade unions and/or employee representatives will be advised that compulsory redundancies cannot be avoided. They will be consulted on the procedure that will then be followed and the criteria that will be applied.

The criteria used to select those employees who will potentially be made redundant will be objective, transparent and fair and based on the skills required to meet our existing and anticipated business needs.

Those employees who have been provisionally selected for redundancy will be consulted individually. Where selection for redundancy is confirmed, employees selected for redundancy will be given notice of termination of employment in accordance with their contracts and written confirmation of any payments that they will receive. Employees will be given the opportunity to appeal against this decision.

We will continue to seek alternative employment for redundant employees and inform them of any vacancies that we have until their termination dates. The manner in which redundant employees will be invited to apply for and be interviewed for vacancies will depend on the circumstances existing at the time. In appropriate case, we may offer alternative employment subject to the satisfactory completion of a trial period.

Where we are unable to offer alternative employment we will assist employees look for work with other employers. Employees under notice of redundancy may be entitled to take a reasonable amount of time off work to look for alternative employment or to arrange training for future employment.

LARGE-SCALE REDUNDANCIES

If circumstances force us to consider terminating the employment of over 20 people (whether or not we are able to transfer them to other work within the company or an associated company under a new contract of employment) within a 90-day period¹, we are legally obliged to conduct a wider consultation exercise. This must begin at least 30 days before the first compulsory redundancies would take effect and at least 90 days before the first redundancies would take effect if the company was considering making 100+ people redundant. At the same time as we commence this consultation, we are separately obliged to notify the Department for Business Enterprise and Regulatory Reform of the proposed redundancies, using a special form known as form HR1.

In such cases, we must enter into consultation with representatives of the affected employees (which includes not only those employees who are potentially at risk of redundancy, but also those employees whose work may be affected as a result of these dismissals). We shall therefore consult employee representatives elected for the purposes of this consultation.









ELECTING EMPLOYEE REPRESENTATIVES WHERE NONE ARE PRESENTLY IN PLACE

If there are no existing employee representatives who are authorised to conduct consultation on behalf of the workforce, we must allow our employees to elect their own representatives for the purpose of this consultation.

It is for the company to decide how many employee representatives are needed effectively to represent all the classes of employees who may be affected by the proposed redundancies, having regard to both the numbers and classes of affected employees, including whether employees should be elected to represent the workforce as a whole, or whether they should simply represent particular classes of affected employees. The company decides how long the elected representatives should "hold office", provided it is long enough to enable them to complete the consultation process for which they are elected.

We shall take such steps as are reasonably practical to ensure that the election is fair. In relation to the conduct of the election:

- Only affected employees may be candidates for election.
- No affected employee shall be unreasonably excluded from standing as a candidate, nor shall we subject any employee who stands as a candidate to any detriment as a result of their being a candidate.
- All affected employees as at the date of the election may vote in the election.
- Affected employees may vote for as many candidates as there are representatives to be elected to represent the class of employees to which they belong.
- Employees should be entitled to vote in a secret ballot.
- Votes will be counted accurately.
- Where an employee representative is duly elected but ceases to act as such, we shall hold a fresh election to elect another representative in his/her place.

COLLECTIVE CONSULTATION

The consultation process cannot begin until:

- The employees' representatives are in place; and
- The employees' representatives have been provided with certain information about the redundancy process in a single document.

This information is:

- The reason(s) for the proposed redundancies.
- The numbers and descriptions of the employees or groups of employees who are at risk of redundancy, (i.e. x employees with a particular job description or title, employed at a particular site).
- The total number of employees with the same job description as those at risk.
- Our proposed method of selecting the x employees we need to lay off from the total number of employees answering to that job description (i.e. our proposed redundancy selection matrix).
- The proposed method of dismissing those employees, including the timetable for information, consultation, selection and finally dismissal; and
- The redundancy payments we would propose to make to any employees who were to be made compulsorily redundant.









Whilst we are not legally obliged to do so, we shall supply a copy of this document to every employee at risk of redundancy, so that these employees are better placed to discuss these issues with their representatives before the representatives begin consultation with us. The purpose of this consultation is for the company and the employees' representatives to try to reach agreement about the following:

- Ways to avoid compulsory redundancies.
- Ways to reduce the number of compulsory redundancies; and
- Ways to mitigate the consequences of those dismissals.

We shall meet with the employee representatives and hear representations from the employee representatives in relation to these issues. We shall respond to those representations. Where we cannot agree to the employee representatives' proposals, we shall state our reasons for doing so. We shall ensure that all such consultation meetings are properly minuted. Consultation has to be real two-way discussion process, but it is not a form of joint decision-making. If no agreement can be reached on the relevant issues then the final say remains with the company.

Once we have determined the number of employees we shall have to make redundant, the pools of employees from which the employees to be made redundant will be selected, and the matrix that we shall use to select those employees for redundancy, we shall go on to consult those employees at risk of redundancy individually, in exactly the same way as we would in cases of small-scale redundancy.

However, individual employees cannot reasonably expect us to reconsider proposals (i.e. as to the content of the redundancy selection matrix) on which we have already reached agreement with the employees' representatives.

After consultation we shall then hold redundancy selection meetings with those individual employees who remain at risk of redundancy.







