

reminded the Consortium that the Company had answered some of the questions during the meeting held on 19th December 2013. AH confirmed that many of the Consortium's questions about the commercial process had been answered during that meeting.

2.2 KH stated that the Consortium had some outstanding questions that it wanted answering before it would continue with the consultation process. Those outstanding questions included:-

2.2.1 TG and the role of Deputy Convenor. JC had been happy to point out at the previous meeting that the Company was only having 3 days off over Christmas / New Year, so the Consortium was expecting an answer. JC replied that the Company was not in a position to give the Consortium an answer at the meeting. The Company had taken advice and the advice was that the Company should not give the Consortium an answer on 8th January 2013 because the matter was being considered under a formal process. JC added that she was aware that TG had appealed against being made redundant, and that she understood that his appeal had been heard during the morning of 8th January 2013. As part of his appeal, TG had raised a number of issues in relation to his employment position and the Company would not have any further informal discussions with the Consortium about the matter until a decision had been reached on TG's appeal. In addition to that, during the meeting on 19th December 2012, TG and Union representatives had threatened legal action on the matter. AH confirmed that the Company would write to the Consortium with a formal response. JN asked the Company to confirm that it had taken legal advice. AH confirmed that they had done that. LW asked who was giving the Company legal advice. AH replied that it was the Company's employment lawyer, and the external firm retained by the Company for those purposes. JC reminded the Consortium that the Company had received a significant number of claims in the last few weeks and in terms of that the Company had to make sure that it was taking appropriate steps; in this matter it meant the Company was not in a position to discuss it while it was in a formal process. GW said that he was not going to comment on that matter because TG was not one of his members. GW continued, saying that KH had made a point that the Consortium had been promised an answer. Questions had been submitted at the previous meeting. It would not be possible to hold meetings as often as possible if the Consortium asked questions at one meeting, and they didn't get the answer until after the next meeting. GW stated that he appreciated that during stage 1, answers had to be run past DWP before Remploy was allowed to issue them, but the Consortium could not have a situation where information was being provided after a meeting took place because that would not be in the spirit of consultation. If a discussion could not be held at the meeting, then the Consortium may not be engaged in meaningful consultation. GW asked if the Company would agree that answers to questions would be given at least a couple of days before any meeting, and not the day before when

**Company to
action**

<p>people were travelling. If that happened, it would let the Consortium discuss the answers during their pre-meeting. AH replied that GW had made a valid point. AH continued, stating that he felt that he had shown at the last meeting when the Company talked about the commercial process in some detail, that the Company was trying to be as helpful as possible by answering questions even though they may not have access to all the facts at that time. It was done to try and give a response at the meeting and a timely response. In relation to the specific issue – about TG and a deputy convenor role - there was a development at the meeting and a development since that meeting on 19th December 2012, and as JC had said, the Company was taking advice on the matter and would then respond appropriately. AH stated that he believed that all the other questions were being answered as quickly as AH could clear them. AH advised the Consortium that although JC had not taken all the holiday period off, he had only returned to work on 7th January 2013 and that was why there were questions that he had yet to review. AH repeated that the Company tried to respond to questions as quickly as it could, and that had been demonstrated in stage 1. The Company was making that commitment again to the Consortium. In addition, a log was kept of all questions and responses so the Company would track the progress being made. JC added that in stage 1, when the Consortium challenged a response the Company came back to the Consortium. The issue with the matter concerning TG and a deputy convenor role was that it involved personal circumstances regarding TG’s employment. GW pointed out that he had not specifically addressed TG’s circumstances. JC acknowledged that GW had not specifically referred to that matter, but added that she felt GW had been alluding to it. KH said that the Consortium would talk through the matter when there was an adjournment later during the meeting.</p> <p>3. Questions arising on documents issued 19th December 2012</p> <p>3.1 AH asked if the Consortium had any questions on the documents issued on 19th December 2012</p> <p>3.2 KH stated that the Consortium had a concern about the HR1 appendix. Blackburn, Sheffield and Neath were listed in the appendix as locations where redundancies may be made, but the Company had not provided site information sheets for them. The commercial process did not refer to them, either – Furniture was totally missing from the commercial process. The Consortium did not have the full basic information – how could the Consortium consult with the Company when the Company was not giving the Consortium the information. AH replied that the Furniture business and sites was going to go through a managed sale process which meant that advisors would be brought in to assist in the sale. This was because it was a complicated business to take to market and there needed to be a lot of explanation given about the losses currently made by the business. The information on the Furniture business will be sent to the Consortium shortly. And information about the managed sale process will also be</p>	<p style="text-align: center;">Consortium to action</p>
---	--

given to the Consortium once it has been finalised. AH confirmed that employees in the Furniture business had been placed at risk of redundancy, and that the managed sale process was the Company's attempt to mitigate job losses. KH asked what was different between how the Company was dealing with the Furniture business and with the automotive business. AH replied that although employees in the automotive business had not been placed at risk of redundancy, the business would go through a managed sale process with advisors being appointed.

- 3.3 LW asked when the Company intended to talk to the Consortium about which factories would close and which would stay open. AH replied that 15 of the remaining factories had been put at risk of redundancy. LW responded that, according to the KPMG report, one of the Furniture factories would stay open when the management recommendations went through. AH stated that there were no such management recommendations. All three factories in the Furniture business were at risk and if they were not bought they would all close. The KPMG report said that there was a restructure option that the buyers may want to look at and that option could make the Furniture business viable. If anyone looked at the data, they would see that they would have to do something to stem the losses. LW read from the KPMG report page 36, left hand side "Despite the current loss making position of Furniture, based on Management's potential restructure option delivering operating profits the business has been categorised as Potentially Viable." AH replied that management had a view about what could be done with the Furniture business, but Furniture was being offered to the market place and any buyer would have to confirm their own views about what they would do with the business – which may include restructuring if they wanted to do that. AH stated that no proposal had been made by the Company to restructure the Furniture business and that Remploy had no intention of restructuring any business prior to sale or closure. The Company was saying that management had identified a way of making the Furniture business viable but Remploy would not be doing any restructuring before any sale. KPMG had been appointed as the managed sale advisors so they could explain to potential bidders that there was an option if they wanted to go down that route. JC reminded the Consortium that there was an opportunity for KPMG to come to a future meeting, and that would give the Consortium the opportunity to ask their questions directly to KPMG. KH said that the KPMG recommendations were based on what management had told them. KH asked whether those recommendations were just fantasy. AH replied that everyone who knew Furniture knew that it was really busy over the summer, but much quieter over the winter. The Company did not know what sort of buyer would come along. It could be someone who could put more volumes in to the factories in the winter. Or someone who had all their own sales and marketing, in which case they could restructure for that. The Company was saying that it would not second guess the market and what the market wanted. The Company would take the business to market and let potential buyers know that in order to make it viable without putting additional business in then they would have to reduce the cost base and that the management had a view

on how that could be done but the Company did not know if it was really viable. The market would decide. KH said that there was some logic in what AH had said.

- 3.4 KH continued, saying that the same approach was being taken with automotive because the KPMG report said that there was a restructure analysis going forward that would be based on significantly reducing the cost base. That meant employees. But the Company was telling the Consortium that there would be no redundancies in automotive, because employees in automotive had not been placed at risk of redundancy. AH confirmed that automotive employees had not been placed at risk of redundancy. The automotive business overall made a loss but when Automotive Textiles was taken out, the rest of automotive made a profit. Automotive Textiles was a separate business, and that was why employees at the Huddersfield site had been placed at risk of redundancy. KH acknowledged that Huddersfield was not part of the automotive section in the KPMG report. CA drew the Consortium's attention to page 30 of the KPMG report, and that reference was made there to a management assessment that a stronger financial position could be achieved through reductions in business office and central costs. KH responded that the union members in the automotive business office thought they were safe because they had not been placed at risk – those people were being given misleading hope for their future. AH pointed out that there was no proposal to reduce the costs in that part of the business. Because central costs were done through a recharge it could be possible to reduce those costs by taking that work internally and that could make the business more financially viable. KH repeated that those business office employees had been given reassurances that they were not at risk. AH pointed out that the KPMG report referred to changes. KH stated that the report referred to reductions and that meant job losses. AH repeated that changes could mean taking central finance in to the business and that could reduce costs. JC reminded the Consortium that they had an opportunity to talk to KPMG about the report at a future meeting.
- 3.5 JN stated that KPMG had completed an analysis, but when the businesses were put out to the market it would be the buyers who would decide what they would do. The buyers wouldn't care what KPMG said, it was only mad people like those in Remploy who hired expensive consultants to tell them what they already knew. It would not be KPMG who would decide what would happen in the future. JC said that JN was right; the Consortium was asking the Company to clarify what the reductions would be and the Company was saying that KPMG had all the underlying information.
- 3.6 KH said that the Consortium needed to know what would happen to those sites that had been put at risk. Would it be like stage 1 where if they were bought there were reductions and the buyer would be given a golden tab if they made redundancies? What would happen to automotive because that was not in the same commercial process? If someone came and said they would pay £20m for automotive and they wouldn't do due diligence but a couple of months later they made changes because they already had all the background resources. Would the business office people then be

<p>covered by the agreement or just under TUPE. That was something the Consortium needed to know. AH replied that he didn't know but that he would find out and come back to the Consortium. KH commented that he hoped that the automotive business would be bought and that there would be no job losses, but if something happened a few months afterwards, would the employees be under the same guarantee as other parts of the business. The Consortium needed to know what would happen, and that the automotive employees would not be at a disadvantage because they were going through a different commercial process. AH confirmed that the Company would raise that with the Government on behalf of the Consortium.</p>	<p>Question to be logged</p>
<p>3.7 IC said that the KPMG report was based on management plans, and for packaging there was quite clearly a restructuring plan, as stated on page 26 of KPMG's report. On behalf of the Consortium, JN asked for the Consortium to be given details of what information had been given by the Company to KPMG. KH added that the Consortium wanted to have details of the information used by KPMG to form their views for every business where that management information was referred to in the KPMG report. JN clarified that the Consortium viewed this as both a question and a request for information.</p>	<p>Question to be logged</p>
<p>3.8 LW asked how the Company intended dealing with CCTV and pointed out that the commercial process did not refer to CCTV. AH replied that the CCTV business was close to break-even overall and the Company believed that there was the potential for the business to be sold as a going concern which means the company would mitigate job losses. The Company intends CCTV to go down the managed sale route and for KPMG to promote it to interests in the market and sell it as a going concern. The detail of how it will be put to market will be available shortly and the Company would share that with the Consortium.</p>	<p>Company to action</p>
<p>3.9 KH said that the Consortium had been talking with the Company about how the Unions would ensure that people were represented in the process. 90% of employees in factories were union members, and the unions allowed the small number that were not in one of the unions to attend their briefing sessions. With CCTV it was difficult to get union people in to the sites. When they wanted to meet with people they had to book a room outside the secure rooms and those meetings had to take place after shifts had ended. JS was in a unique situation because he could go and talk to the CCTV unions members without disturbing them. That was why the Unions had said that JS needed to be released for union duties. JS had worked out how he could do that if he spent 35 – 40% of his contracted hours in his CCTV role and the rest of his time on union duties. The Consortium asked for a list of all the sites and contact details for the sites so JS knew who he needed to speak to for each site so he could set things up in advance and make the most of his time during visits to the different parts of the country. KH said that the Consortium believed that CCTV was a business that someone would buy. KH stated that he had already had a couple of Councils saying that if the contracts came up for tender while the process was going on, they might not want to give the</p>	<p>Question to be logged</p>

contract to Remploy because they didn't know who the future owner might be – but equally they had researched the other companies in the market and did not like them. JC said that the only problem the Company had when the Consortium requested JS's release during the meeting held on 19th December 2012 was the amount of overtime JS was doing and that the Unions had said JS was working his normal shift and then working significant additional hours for union duties. JS would need to keep to his contracted hours. JS said that was true that he had been working his normal shift and then working significant additional hours for union duties. Another employee had started in the last week, and the result of that was that JS could spend 30% of his contracted working for Remploy and the remaining 70% on union duties. JS stated that he had sent an email to the CCTV managers but that he had not yet received a reply from Darren Colfer or Richard Williams. JS stated that his proposal required all the CCTV managers to work together for it to be possible within his contracted hours. D Hollingworth had agreed to JS's proposal. JS said that he had written an informal newsletter, focused on TUPE, but D Hollingworth had said that JS had to get senior management agreement before he could send it out. The Unions said that it should not be necessary for JS to get senior management agreement before issuing a union newsletter. JC commented that it was standard practice to let managers know before communications were put out on a site. JN proposed that JS could have newsletter put on union noticeboards without needing senior management approval in advance. LW suggested that if management were going to vet what the Unions put out, then the Unions should start vetting Company communications. JN commented that he thought LW was being a bit facetious, and that there should be an agreement that union noticeboards were not controlled by management. AH agreed that union noticeboards were not controlled by management, adding that he thought everything had been agreed and had not realised that it was only partly done. JC said that the Company had to stress that JS must monitor his hours because doing 20 – 30 additional hours was not good for his health. KH commented that Union representatives had always done some of their union activities in their own time. JC replied that some people did extra hours but she had understood JS to say at the last meeting that he was doing up to another week's work on union duties – that must not continue and there must be a better balance. JS responded that there was another employee now so it should be possible.

3.10 KH said that the HR policies looked pretty much the same as the ones used in stage 1. The policy that the Consortium had not signed off was redundancy payments, where the Consortium's view was that the Accord had been amended by custom and practice in 2008 and 2011, and it was that redundancy package that the Consortium expected to be applied.

3.11 LW stated that the first question to be asked was what the Company was going to do to mitigate job losses in the sites that have been placed at risk of redundancy. AH replied that the commercial process was the Company's key mitigation approach, as it was in stage 1. One of the things proposed for the commercial process this time was that the sale process and the asset purchase process should be run at the same time. In stage 1,

Red Rock bought the scanning equipment and then recruited a number of former Remploy employees to work for them. Red Rock had acquired some assets and then used those assets to employ former Remploy employees. In stage 1, assets bids were not considered until there was no sale option. In stage 2, the Company was proposing to run the sale process and the asset purchase process together because the asset purchase process may give employment opportunities. In addition to the commercial process as a mitigation approach, the company was talking to DWP about policies like the wage subsidy and the profiling and employee transition support to try and mitigate the impact of redundancies.

- 3.12 AH said that he was aware that PB had requested that transition support was brought in earlier. KH said that the Consortium would like to discuss that later. AH said that the Company thought that earlier engagement with the transition support programme might be beneficial for employees. It would not be about trying to get people out of Remploy, but would be about trying to get them in to a better position should they leave Remploy. KH stated that the Consortium had a clear view that when it came down to individual support, that should only come in when the collective consultation had ended. JC asked KH to clarify what he meant by individual support. KH replied that it was the profiling, which should be at the end of or after the consultation process with the unions. But if there were support groups out there who wished to and could support collectively the employees in looking at whether they could run a social enterprise or a workers cooperative then the unions would want those people going in straight away. The Consortium had already had complaints from sites where people were saying they wanted to start profiling now and the unions' members were saying they didn't want that. But providing collective support for a potential transfer over would be fine. AH said that the Company respected the Consortium's views. The profiling team had said that the earlier profiling started the better chance they had of getting a job, should they leave Remploy. JC added that the idea of profiling was to help employees to get a better idea of their strengths. AH suggested that the Company should arrange for someone to come to a future meeting to discuss the benefits of the transition support programme starting earlier in the consultation process. KH replied that one person had been profiled, and that had said that she could work in the construction industry despite her having a disability. JC advised the Consortium that, after initial resistance, there had been very positive feedback from stage 1. JC repeated that she had received an email from PB, which she had to assume had been sent on behalf of the Consortium, in which PB had asked if PACE could engage with the sites during collective consultation. This was being supported by the Scottish Government, who wanted transition support to be given as quickly as possible. JN said that there must be a different system in Scotland, but he did not know what the differences were. JN said that it was a different position in Springburn, because Springburn was closing under stage 1. JC replied that PB's request had not mentioned Springburn. AH said that the Company would arrange for someone to come to a future meeting to present the benefits of earlier intervention from the transition support programme. JN confirmed that the Unions did not want to be obstructive to their members, if there was

<p>something that would help them. But it was a fact that 90% of their members would not work again. If someone came along to present on the transition support programme, the Consortium wanted to know what would be asked in profiling. WR suggested that the consultation period should be extended to give more time for proper profiling. GW said that the Community union had autonomous branches, and each branch would decide what they wanted. KH stated that would mean that they wouldn't be represented by the Consortium, as the union members had to follow the Consortium's decisions.</p>	<p>Company to action</p>
<p>3.13 KH stated that there was a lot of upset because the Consortium were told in 2012 that stage 2 sites were funded until September 2013 and they fed that back. The Director of Finance also said that was a pot of money and the stage 1 sites would go early to keep money for the rest. Now the Consortium was being told that jobs could go in April or May 2013. The Company was rushing it. The Company should be up front and it had money until August or September 2013. AH said that the commercial process timeline would be released at some time. In stage 1, the Company had said that all EB businesses had to exit by autumn 2013. Then the funding agreement was put in place and that said that stage 2 businesses had to exit or be closed by autumn 2013. KH proposed that the Company should put in place an agreement that anyone in stage 2 who left before autumn 2013 because their site was closed before then should receive their wages / salary until autumn 2013 and then receive their redundancy payment. AH confirmed that the Company would consider any formal proposals from the Consortium, and asked the Consortium to work up KH's proposal in to a worked model, showing options and how it would help to mitigate job losses, and what would happen if a business was sold before Autumn 2013. That would then help the Company to discuss the proposal with the Consortium and to take it to Nigel Hopkins as there would be a funding impact arising from the proposal. The proposal should also consider the funding impact of a sale completing later than planned, and that the current profitability of a site would affect whether there would be a positive or negative financial impact of a site being sold or closing earlier or later. KH replied that, through his work, he had become aware of deals being done in company sales that mean that the sale was agreed but the effective date was later so the selling company could retain any profits being made. KH expressed the opinion that the Government would place a significant value on the automotive business, if it was making a profit of £1m pa, and the money from that sale could be used to increase the packages paid to other employees. JC reminded the Consortium that the Company had proposed that Nigel Hopkins attend a future meeting to discuss finances and funding, and to answer the Consortium's questions on those matters. The Company hoped that Nigel Hopkins would attend the meeting scheduled for 30th January 2013.</p>	<p>Consortium to action</p>
<p>3.14 WR asked whether the Company would help employees who wanted to take over a factory and form a social enterprise. AH replied that if there was a competing bid for the factory, the best value calculation discussed during the meeting on 19th December 2012 would be used to decide which offer became the preferred bidder. For example, there could be one bid to</p>	

take a factory worth £100k but a condition of the bid would be that they would not pay for the factory but would employ 20 people who would otherwise receive a £20k redundancy payment. One part of the best value calculation for the tax payer would be that it would save £400k of redundancy payments. But if another bid would retain the same 20 jobs and was also offering £50k for the site, that would give a higher positive value for the tax payer. WR said that he believed the biggest problem was whether there would be a subsidy for wages, and whether it was possible to set up a social enterprise without TUPE regulations applying so different terms and conditions could be offered. WR asked how much support the Company and DWP would give to a bid like that. AH replied that the commercial process had been published by Remploy, but the Government's policies on support were still being finalised and it was not yet clear how much support would be given by the devolved governments in Scotland and Wales. AH said that the Company hoped that those Government plans would also be published when the managed sale commercial process started and that people would then be able to work it out for themselves. AH advised the Consortium that state aid regulations could also apply, which would limit the amount of assistance given to new companies. AH stated that he believed the current limit on assistance was around 200k Euro's over a 3 year period. KH commented that Remploy and similar organisations were receiving more than that amount, so there must be a way to get around that. GW suggested that support could be given under Article 19. AH said that if there was a way for Article 19 to be used, DWP needed to be told how it could be done because the advice DWP currently had was that state aid restrictions might apply. WR replied that Red Rock had been able to get the support at Wigan, and that he thought that the biggest problem could be premises. KH commented that Red Rock was a protected trade name and therefore the business that was operating from the Wigan site could have difficulties with its choice of name. JS suggested that if there had been more time in stage 1, company managers may have realised that they could do what TG had done, and then TG would not have been able to set up the workers cooperative in Leeds. Red Rock had got Wigan because they started doing a deal months before anything had been announced. AH replied that was JS's opinion but the information he had was that was not correct, the commercial process had been validated, it had been rigorous and involved an independent panel. AH stated that he was sure that at some point the commercial process would come under a review within the public sector and he was confident it would stand up to that challenge

- 3.15 KH asked whether the Company had any more information or a further response concerning the data protection issues at Barrow and Bolton. JC said that she had no more comments at the moment about Bolton, but that was under investigation. With regard to Barrow, the Company had looked in to the matter further and understood that the individuals concerned had not suffered a detriment and no compensation was required. KH asked how the Company knew that the individuals had not suffered a detriment. Personal comments had been made about them and had been given to another organisation. JC repeated that the Company had received reassurances that the information had been destroyed, and

that much of it would have been handed over at some stage during the commercial process. GW stated that the law referred to harm and injury to feelings being taken in to consideration. If people had been stressed and distressed, that amounted to harm. There might be a question of what the unions would have to do to prove a degree of harm. The company had to take in to account that there were vulnerable people involved and that some of them would get very distressed about things that might not affect GW or JC in the same way. A number of people had told GW that they were very upset. As a quasi-autonomous public body, the Company had a duty to maintain a very high standard and that had not happened. GW said that he did not want to get in to the “let’s go through the Courts” routine but the Company needed to recognise that there were consequences to what the Company’s people had done. The Company should make some acknowledgement of that, GW was not suggesting it should be £10k per head. In stage 1 it was more likely that people would transfer, and those people were going to need a very high degree of confidence that their personal data would be safe and secure and not passed on to people. What happened was a criminal offence under s55 of the Data Protection Act, both to transmit and to receive the data. That was serious and JC could go to prison for that. Something needed to be done that reflected the magnitude and the seriousness of the matter. JC replied that the Company had investigated the matter at Barrow fully, and had taken legal advice. It had been a minor breach, the names of the individuals were not disclosed, only initials. The advice given was that it was a minor breach and there was no need for the Company to contact the Data Commissioner and no basis on which to provide union members with compensation. If it had been more serious, the Company would have had to rectify it, but the Company believed it had done everything it needed to do to comply with the Act. From what GW had said, JC did not think that GW knew the full extent of what had happened. Only KH and Phil Davies had been involved, and JC had specifically asked for it to be kept confidential between Phil and Kevin as they were the only two national officers involved with the matter and that JC understood that they had done that. GW replied, saying that when someone said “with due respect” to someone it meant that they did not respect them. In respect of Bolton GW believed that compensation was due. JC replied that she had been talking about Barrow, she had said that she was not able to comment on Bolton. GW responded that JN had mentioned Bolton, and that he had been talking about Bolton where Community members had received a letter to their home addresses and that should not have happened. JC repeated that she had been talking about Barrow and that the Company would investigate the Bolton situation. GW asserted that it had not been clear from her previous remarks about it being a minor breach that JC had been talking about Barrow. GW confirmed that he did not know the specifics about Barrow because the people involved in that were not Community members; he was concerned about the Community members in Bolton. GW asked if JC was able to give some idea of when the Company would be able to report back on Bolton. JC confirmed that she would get back to the Consortium as soon as possible. JC added that she had made it clear that she had no information about Bolton. GW repeated that his interest was about Bolton, and that JN had mentioned Bolton and

Barrow. KH clarified that the discussion on 19th December 2012 had been about Bolton, Barrow and Wigan. The question about Wigan was about the commercial process, the Red Rock web site and whether the member of the Remploy management team had declared his interest and that he was using Remploy time to negotiate a deal. JC confirmed that the question about Wigan was one of the questions that had been logged and for which a response was outstanding. JC advised the Consortium that she had answered the question about Barrow and that she had agreed to come back to GW about Bolton. To do that, GW needed to provide JC with the further information requested about Bolton and the allegation that Remploy data had been used – after he had left Remploy - by the ex-Remploy Bolton manager to write to former Bolton employees at their home address. JC said that she knew it was important to the Community members and that the Company took data protection matters very seriously. GW said that JC and the Company had the option of doing it the way JC had described, or of there being a complaint under s55 of the Data Protection Act. JN said that he thought GW should just take legal action and stop messing around.

- 3.16 KH said that the Consortium had no further questions about the documents that had been issued, other than those already listed that they were waiting for answers on. AH said that there were quite a few needing answers and that he would get to those as soon as he could.

The meeting adjourned at 3.45 pm

The meeting reconvened at 4.40pm, after KH confirmed the Consortium were ready to reconvene

4. Commercial Process

- 4.1 CA presented the commercial process to the Consortium. He clarified this was the process being managed by Remploy for five businesses. The commercial process has been published on the Remploy public web site, and a copy of the documents given to the Consortium on 19th December 2012. As stated earlier in the meeting, the Company was instructing KPMG to undertake the commercial sale of the other three businesses – Automotive, Furniture and CCTV. Details of the KPMG managed sale process would be available shortly and would be sent or given to the Consortium.
- 4.2 The commercial process has been designed to minimise the number of job losses. It would allow interested parties to express an interest. The process would be conducted on a confidential basis to protect the interests of all parties. Confidentiality of bidders and interested parties would remain in place until a preferred bidder had been announced.
- 4.3 GW asked whether there would be funding to assist the workforce to develop their own proposals. AH replied that the Company was discussing that with the DWP. GW said that a consultation process had started and the commercial process was integral to whether or not it was possible to mitigate redundancies. KH pointed out that the Minister's statement said that £10k would be available for employee led bids, and the £6400 wage

<p>subsidy would also be in place. AH restated that the Company was trying to get confirmation from DWP that a number of policies in place in stage 1 would also be approved for stage 2. GW said that it would be very helpful for people in the factories to know what they would have access to if they had a mind to do that. Those people were at a disadvantage because they were not commercial people. GW asked the Company to provide information on the sort of thing the £10k could be used for.</p> <p>4.4 CA said that a competitive position would be maintained by non-disclosure of the number of bids for each business or site and reminded the Consortium that had been discussed at the previous meeting. KH said that he still didn't understand how it was not in the public interest to know many bidders there were for a business or site. KH said that the process needed to be more open. How could the Company show that it was getting the best value for the tax payer when the information was not made public, and the unsuccessful bidders could not see why they had lost out. It left a suspicion that deals were being done with individuals. AH agreed to take that back and consider it further. KH suggested that the company should look at it a different way, and consider that more bids may be put in if it is known that there is not a lot of interest for a site, or bidders may continue with their bid if they knew they were the only interested party. CA reminded the Consortium that many of the sites were loss making, and that there could be negative publicity if it became known that a bid was being considered at an earlier stage of the commercial process.</p> <p>4.5 CA confirmed that proposals would be considered for all forms of ownership and structures. The Company had asked interested parties to express their interest in a business, one or more sites, or in assets – all at the same time. Bids will be reviewed by the Remploy Board, KPMG, DWP and an independent panel.</p> <p>4.6 Anyone who is deemed to be a successful bidder will be asked to do more work and to put in a BAFO, and that is when the full due diligence would start. AH explained that the due diligence stage was when bidders may decide to visit a site to complete their due diligence and that was currently when the names of bidders would be available.</p> <p>4.7 CA confirmed that the process was currently in the EOI phase. Anyone expressing an interest is sent a confidentiality agreement, a non disclosure agreement, and a conflict of interest policy. JC reminded the Consortium that the conflict of interest policy had been cascaded to management to make sure that people were aware what a conflict of interest could be. CA told the Consortium that EOIs would be accepted until the end of March or the end of collective consultation. Bidders would then have to develop their bids using the information available in an electronic data room. The type of information that would be made available would be site information sheets, business information sheets, trading information and other historic information. They would be given some details about employees but how much would depend on the level the bidder had got to in the process. At the start they would only be told the number of</p>	<p style="text-align: center;">Question to be logged</p>
---	---

<p>employees and the employment costs. Bids would have to be in when the EOIs have to be in, so by the end of March / end of collective consultation.</p> <p>4.8 BAFOs would probably have to be in by the end of May, but that date has not been decided yet and would be clarified when the Company published the process and policies. More information would be provided to help the bidders develop their BAFO. BAFOs would then be validated by the same panel that reviewed the EOI and bids, and a decision made on any preferred bidders. Using a May date for BAFO submission, any announcement about a preferred bidder may happen in June. After a preferred bidder was announced, commercial negotiations would take place and TUPE discussions would start with the unions.</p> <p>4.9 GW asked what would happen about potential new contracts, would the approval process change for new big orders. GW stated that it would be terrible if an order was turned down when it could have kept a factory going for a few more months. CA replied that at the moment, all contracts that ran past June 2013 were being reviewed and that no new work had come forward other than in Furniture. In Furniture there was a new contract opportunity for delivery in January 2014 and at the moment the Company had submitted a tender. Where possible the Company would go for new orders but may need to put a caveat on about the order being subject to the business being sold / closed.</p> <p>4.10 JS asked what was happening with the clients in CCTV. Were they showing any interest in the EOI process. CA said that at the moment the Company had written to all the CCTV customers where there was a formal arrangement. In a number of cases the contracts had expired and the service was being provided under a run over arrangement, so the Company was trying to get that formalised.</p> <p>4.11 LW asked whether the Company knew if the Minister had agreed to the Welsh Assembly's request for funding for the two sites in Wales to be devolved to the Assembly. That request had been put in writing to the Minister before Christmas, probably in late November. AH replied that he thought the same request had been made in stage 1 and it had been refused. LW replied that he thought the Welsh Assembly had asked again, this time to Esther McVey and that she had said that if they came up with a good argument she might talk to them. AH said that the Company would check and come back to the Consortium.</p> <p>4.12 KH queried the statement in the commercial process, that Remploy was unable to accept resubmissions of unsuccessful bids. KH stated that Wrexham had been allowed to resubmit. AH stated that he would check what happened with Wrexham, but his understanding was the bidder had not been allowed to resubmit. CA added that it would depend what stage a bidder had got to. For example, in Barrow there was an initial preferred bidder that was then put out of the process and the other bidder came through. The important consideration was the reason for a bid failing. There had been a big issue about sustaining jobs. AH stated that it was also his understanding that all bids that met the criteria were put through.</p>	<p style="text-align: center;">Question to be logged</p>
---	---

The terminology being used was important, because an EOI was not a bid and not everyone had been clear about that during stage 1. A bid meant that the proposer had the funding, had taken legal advice and they had everything in place. WR said that bidders did not get all the information back they needed to understand why their bid had not been successful. In one, all the employees had been told was that the bid was not successful because they were not senior management. The Company agreed that how feedback was given was very important, particularly when it concerned an employee led bid. WR added that there must not be a repeat of what happened in Bridgend, when a Welsh Minister contacted the employees and told them they had been successful with their BAFO, and then had to contact them again and say they were not. CA advised the Consortium that the BAFO phase was the first time that the Company had allowed a potential enquirer in to a site and at that stage the commercial team would spend time with the bidder discussing how their bid could be improved. IC said that was very important because a lot of his members had got an impression they would not get more help on the way through than an external bidder would. CA advised the Consortium that the main issue for Remploy was that it could not give its employees financial advice, and that was one reason why the £10k funding had been introduced. But at the BAFO stage there had been meetings to discuss how a bid could become better – but it was not known whether the bidders listened or not. AH commented that the question was about feedback to employee led bids, not about how to improve the bids received. AH reminded the Consortium that the Government had not adopted all parts of the Sayce Report, and as the commercial process evolved the best value for the tax payer over took everything else – and under best value, bids that saved jobs and therefore reduced redundancy payments would produce better value. KH stated that he had met with Liz Sayce, and she had said that her recommendation for more generous redundancy payments she was setting that against the pay outs in 2008 and the Company was making lesser payments than that. CC asked at what stage would an employee led bid have to show that they had the funding to buy a business and then run it. CA replied that it would have to be demonstrated in the bid phase, when the bid was put in. AH explained that an interested party would put in an EOI and if that was accepted and the party put in a bid that would be as a business plan. This time the EOI was a registration process, and the bid phase was when a business plan had to be put in. CC asked what information a bidder would get at that stage. CA replied that the potential bidders would be given the P&L accounts, some information about customers but not details of who the customers were. GW said that took time to get the advice that could be funded by the £10k, and that employee led bids were at a disadvantage because they were not currently running a business, and that should be reflected in the time scales and employee led bids should be given longer. AH replied that the timescale should give adequate time, and CA had explained that the EOI phase was now a registration process. The biggest issue for some bidders could be whether they were able to pull together sufficient capital for what they wanted to take away from Remploy. For example, for the automotive business quite a considerable amount of capital would be needed and that was most likely to be held by other companies and not by

Company to consider

<p>employees. Bidders needed to set out what they wanted to achieve and what they wanted to take away. Bidders did not have to go for a full site or a business. KH said that the question was how quickly could employee led bids access the £10k. If they could do that now, they should have enough time through to the end of April to get a coherent financial plan put forward. If they could only access the funding from the end of March, that would make it very difficult for them. TG asked if the £10k could be used in chunks. TG stated that he had put in a bid and Lorraine Tait had telephoned him to discuss it. His bid had been based on using redundancy money for the capital needed. TG was wondering how much of the £10k would be allowed up front to develop bids, for example to get advice from the Cooperative Group who had helped TG with his planning. GW asked if the consultants had to be registered, as his experience was that getting public sector funding was a horrendous process; it needed to be really sharp. TG added that employee led bids would need advice on things like Articles of Association. CA replied that he was fairly certain that not all of the £10k had to be used in stage 1. TG clarified that he had been talking about getting a bit at a time as specific advice was needed. Union members did not have enough understanding at their level and needed specific advice at different times. KH said that was where the process was daft because if a site shut and the individual was out of work, they could get £2500 to get advice, and if 20 people came together they would then have the money they needed to start up a business.</p>	<p>Question to be logged</p>
<p>4.13 JStr asked whether bid for Furniture had to be for all the business or if they could be just for the sites. AH replied that it would depend on what the person wanted to bid for, but they should consider whether better value might come from a bid for more than one site than might come from a bid for a single site. LW stated that JStr had told the Consortium earlier that at one of the Furniture sites, the manager had announced in the factory that the 90 day consultation process would end on 21st March 2013. LW said that his understanding was that it had been agreed during the meeting on 19th December 2012 that 90 days was a minimum consultation period. LW asked the Company to tell its managers not to set hares running with shop floor employees in this way. JStr stated that the manager – Steve Owen - had been told that the consultation would end on 21st March 2013 by David Towler. JC confirmed that she would take the matter back, and also confirmed that the Company had not given a date for the end of collective consultation. In response to a question from JStr, AH confirmed that employees in the Furniture business had been placed at risk of redundancy.</p>	<p>Company to action</p>
<p>5. Any Other Business</p>	
<p>5.1 WR asked under what circumstances could an employee who was in the individual consultation process, leave Remploy and receive 100% of their redundancy payment. JC replied that the Company and the Consortium had agreed in stage 1 that requests for early release would not be considered from employees who were part of a collective consultation process. Requests for early release could be considered if an employee was confirmed as being at risk of redundancy after the collective</p>	

consultation process that they were part of had ended. WR asked what was stopping someone who had had their first individual consultation meeting, from leaving early and getting 100% of their redundancy payment. JC replied that it depended on whether the Company required the role to be undertaken after the employee had left, and that was why there was management discretion. WR stated that the Consortium wanted employees to be able to leave at any time during the individual consultation period and receive 100% of the redundancy payment. MW commented that a few people had left early in the consultation process in stage 1. JC replied that it had been a very small number and they had left under a compromise agreement because their release had been agreed before the Company discussed the early release arrangements with the Consortium. JC asked whether WR's question was about someone in the Central Services team – WR confirmed that it was. JC explained to the Consortium that everyone in Central Services was in an individual consultation process and they had been given an expected redundancy date. If an individual wanted to leave before that date and the Company still needed their job to be done, they could leave but would receive 50% of their redundancy payment. It was unlikely that their role would no longer be required because the leaving dates were based on what the businesses would require. JC added that she had received an application for early release within her team, and that person was leaving with 50% of their redundancy pay as their role was required through to Sept 13. GW asked whether people could swap jobs. JC confirmed that was possible, and there was a “bumping” option in place. KH asked whether Central Services had already had a round of redundancies during which those who wanted to leave had done so. On that basis, why were Central Services people now wanting to leave early. JC said it was because CS staff had all been given dates when their roles were expected to be made redundant and some wanted to leave before that date. WR asked whether the Company would consider a business case for early release and 100% redundancy JC replied that there was a policy in place for early release which stated that there were some instances in which that could be agreed, and confirmed that the Company was always open to discussion.

6. Dates and times of future meetings

6.1 It was agreed that Consortium members and the Company would hold the following dates for meetings

- 17/1 Coventry 1.30pm. Presentation by KPMG
- 30/1 Coventry 11am. Presentation by Nigel Hopkins on finance and funding. The Consortium will have a pre-meeting from 10.00am
- 6/2 probably in Coventry
- 21/2 probably in Coventry
- 6/3 probably in Coventry
- 19/3 probably in Coventry; meeting to be held during the afternoon. Consortium to hold a pre-meeting in the morning
- 27/3 probably in Coventry
- 10/4 probably in Coventry

All to action

<p>6.2 Future meetings will include presentations on the benefits of earlier intervention from the transition support programme and pensions. JC asked the Consortium to put forward any alternative proposals for mitigating job losses as soon as possible, as in stage 1 those plans had not been presented until the last minute during the collective consultation process.</p> <p>6.3 LW sought confirmation that in the future, overnight accommodation arranged by the Company would include a pre-paid dinner and it would be account to company. JC confirmed that the Company would book accommodation for Consortium members who said that they needed it, and that an evening meal would be included in the bookings made by the Company. KH stated that the Consortium had discussed the bill for drinks from the Premier Inn in Coventry in December 1012, and they were all gob smacked, especially for the time from 7-7:30pm to 10pm when they were not at the hotel. The entire Consortium believed that they had always acted reasonably, and had confirmed that they would continue to do so. JC confirmed that the consortium had stated they would provide a statement and the Company would take the matter up with the hotel.</p> <p><i>The meeting closed at 5.50 pm</i></p>	<p>Consortium to action Company to action</p>
--	--