



EDWARDIAN HOTELS

LONDON

PRIVATE AND CONFIDENTIAL

Wednesday 12th August 2020

Dear Host

Confirmation of conclusion to the Redundancy Collective Consultation process

As you will be aware, Edwardian Hotels London is currently considering making hosts redundant across all areas of the group's business because of the effect on the business of the coronavirus pandemic.

The key reasons for this were explained to hosts in our presentation by Inderneel Singh and myself and our correspondence of the 8th June 2020. It said we would be having collective consultation processes in relation to both proposed variation of terms of contract and possible redundancies, during a 45-day period. Those processes and periods were completed on 9th August 2020.

The purpose of this letter by email is to provide a report on the consultation processes, and to advise next steps.

Election of Employee Representatives

At the start, we asked hosts for nominations for election as Employee Representatives to participate in the collective consultations on variation of terms and the possible redundancies.

This election process was concluded on Thursday 18th June 2020. 93 hosts were elected as Employee Representatives.

Commencement of the Collective Consultations

By letter dated 23rd June 2020, we wrote to the employee representatives with details of

1. The proposed variations to terms and conditions of employment
2. The proposed redundancies

By that letter we requested employee representatives to attend a first consultation meeting on Friday 26th June 2020 in the form of Microsoft Teams group video conferences. These were the first meetings in both collective consultations.

Edwardian London Management Services Limited

The administration services company for the Edwardian Hotels, London group
Registered Office: 140 Bath Road Hayes Middlesex UB3 5AW
Registered in England No: 02800972

Before the first consultation meetings, Employee Representatives were provided by letter dated 23rd June 2020 with further particulars of

1. The proposed variations to terms and conditions of employment
2. The impact the proposed variations to terms and conditions of employment and number of host acceptances would have on the proposed number of host redundancies
3. The proposed roles that were to cease by reason of redundancy
4. The proposed roles that were to diminish by reason of redundancy
5. The proposed new roles that would arise from the restructuring of the group's business
6. The proposed selection criteria for redundancies

The collective consultation on proposed variations to terms and conditions of employment

As you are aware, the proposed variation of terms and conditions of employment were for the purposes of:

- ensuring our contractual provisions were fit for purpose in view of necessary changes to our way of trading, caused by Covid-19 and required compliance with government guidelines about health and safety, social distancing etc; and
- helping to reduce the number of hosts potentially at risk of redundancy. Without such changes being agreed by all hosts, we were regrettably having to consider making 1500 hosts redundant. With all hosts agreeing the changes this potential figure could be reduced to 900 or even fewer.

Employee Representatives were also advised that if hosts refused to accept the variation of terms and conditions of employment, the risk of termination of employment would be increased in several ways:

- a higher number of host redundancies would be needed
- any host not initially at risk of dismissal for redundancy, who unreasonably refused to agree to the proposed variations of contract, could become liable to dismissal (though he or she might be offered reinstatement on revised terms).

During the collective consultation process, we were advised that it was the preference of a majority of hosts to have the proposed reductions in salary and hours decreased, notwithstanding that this would result in a higher number of redundancies.

So our proposals for hours reduction for hosts on an overtime and non-overtime contracts were amended: the hours reduction has now been reduced from 20% to 50% of current contractual terms. We also agreed with Employee Representatives a salary reduction for hosts classed as higher earners. Thus, through meaningful consultation, we were able to agree the proposed variation of terms with Employee Representatives on 4th August 2020. This concluded the collective consultation on the proposed variations, 40 days since the start of this collective consultation process.

Thereafter, employees were contacted individually on Thursday 6th August 2020 for the purposes of agreeing the proposed variations.

To date, approximately 1900 hosts have accepted the changes effective from the 1st November 2020. We are still awaiting a number of responses.

As a result, we have been able to reduce the figure of potential redundancies from 1500 to 1200.

The collective consultation on proposed redundancies

We engaged in meaningful consultation with the Employee Representatives about ways of possibly reducing the number of hosts to be made redundant.

Edwardian London Management Services Limited

The administration services company for the Edwardian Hotels, London group

Registered Office: 140 Bath Road Hayes Middlesex UB3 5AW

Registered in England No: 02800972

In seeking to reach agreement with Employee Representatives, we provided them with:

- The reasons for the proposed redundancies
- The numbers and descriptions of roles of hosts which we proposed to make redundant
- The total number of hosts employed by the group in those roles
- The proposed method of selecting hosts whose roles may be made redundant
- The proposed method of carrying out the redundancies, with due regard to proper procedure, including the period over which the redundancies are to take effect
- The proposed method of calculating the amount of any redundancy payments to be made

As reported above, through agreeing variations to terms of contract, we have been able to reduce the proposed number of redundancies from 1500 to 1200.

The collective consultation process consisted of the following meetings and communications:

18th June 200 – we confirmed the election of all Employee Representatives after a nomination and voting process carried out throughout the group.

22nd June 2020 – the Employee representatives were notified of the risk of redundancy for a number of positions and were notified of proposed contractual changes.

23rd June 2020 – each of the Employee representatives was informed of the groups they would be representing, was advised of the proposed selection criteria by which roles would be diminished and was invited to attend a first collective consultation meeting.

26th June 2020 – the Employee representatives attended a first collective consultation meeting which also began day 1 of this 45-day collective consultation period.

30th June 2020 – Minutes of the first consultation meeting were shared with the Employee Representatives.

17th July 2020 – The first set of feedback was submitted to us via Employee Representatives.

20th July 2020 -A consolidated Q & A document was shared with all the Employee Representatives.

26th July 2020 – A response from Edwardian Hotels London to employee feedback and suggestions was shared via the Employee Representatives.

31st July 2020 – A second collective consultation meeting was held with the Employee Representatives.

3rd August 2020 – Edwardian Hotels London's final response in relation to varying terms and conditions was shared with the Employee Representatives.

6th August 2020 – Additional variations and information was shared by us with the Employee Representatives in relation to redundancy pay post 1st November 2020 and the 2019 Revenue figures in relation to the discretionary monthly additional payment for applicable hosts on a non-overtime contract.

6th August 2020 – All Edwardian Hotels London hosts were asked to agree to variations to terms and conditions of contract.

9th August 2020 – the 45-day period for this collective redundancy consultation ended.

We have compiled a Q & A document addressing all the issues and queries raised by hosts through their Employee Representatives during the 45 day period of collective redundancy consultation.

Edwardian London Management Services Limited

The administration services company for the Edwardian Hotels, London group

Registered Office: 140 Bath Road Hayes Middlesex UB3 5AW

Registered in England No: 02800972

Our actions after the conclusion of the collective consultations

We are now proceeding with the following proposals: –

The proposed roles that were to cease by reason of redundancy.

In Appendix 1 of the attached Redundancy Appendix, there is a list of the roles in our business which will cease. Through the consultation we were able to identify a number of roles which had a different job title but which were in effect the same role. We have now included those roles in the roles to be diminished which are listed in Appendix 2 of the Redundancy Appendix.

The proposed roles that were to be diminished by reason of redundancy

In Appendix 2 of the attached Redundancy Appendix there is a list of the roles within our business which will be diminished. There has been little change to this Appendix 2 as a result of the consultation, as we had estimated diminishing roles at a higher number than 900 initially. However, there have been some changes. For example, a number of additions have been made due to some roles moving from the ceasing list to the diminishing list.

The proposed new roles

In Appendix 3 of the Redundancy Appendix there is a list of proposed new roles. These have arisen from the complete restructuring of certain disciplines in the group. Following the consultation, there has been just one role added to this list which is the role of Guest Experience Manager.

The proposed criteria for selection for redundancy

The following selection criteria were discussed and amended through the consultation:

- Length of Service – The relevant date has been changed from 25th March 2020 to 1st August 2020.
- Attendance Score – The points allocated for a Bradford Factor Score between 1 and 63 have been changed from -1 to + 5.
- Disciplinary Records – The number of points deducted for a letter of concern has been reduced from -3 to -1.5.
- Relevant Professional Qualifications have been amended for roles within the Human Resources Discipline.
- Affordability of Statutory Redundancy Pay – has been added as an objective additional redundancy selection criteria.
- Section 1 Weighting – This was amended as follows in line with the additional selection criteria being added.
 - Length of Service = 20%
 - Attendance = 30%
 - Disciplinary Record = 30%
 - Affordability of Statutory Redundancy Pay = 20%
- Section 3 Senior Discipline Leader Review – This has now been removed for all front line roles and now relates only to specific junior management roles and above.

Next steps

We will now be contacting those hosts whose roles are proposed to cease within the business, for the purpose of commencing an individual consultation process regarding their risk of redundancy.

We will also undertake provisional scoring of hosts performing roles that are to diminish in the business, based on the selection criteria agreed from the collective consultation process.

We will then notify hosts who, because of such scoring, have been provisionally selected for redundancy, for the purposes of commencing an individual consultation process regarding their risk of redundancy.

In relation to any host who has not agreed the proposed variation of terms and conditions of employment and whose role is not redundant, we will commence an individual consultation process with such host, regarding the proposed variation of terms. Subject to any representations from such an employee and in the absence of reasonable objections, we may terminate such employee's employment and offer reinstatement on revised terms.

Edwardian London Management Services Limited

The administration services company for the Edwardian Hotels, London group

Registered Office: 140 Bath Road Hayes Middlesex UB3 5AW

Registered in England No: 02800972

Host Queries

If you have any queries arising out of this communication or the collective consultation processes generally, in the first instance please raise these queries with your Employee Representative.

Alternatively, if we contact you directly regarding your potential redundancy or refusal to accept variation of terms, you can raise any queries you may have with me. They can then be discussed with you as part of the proposed individual consultation process.

Yours sincerely,

Yours sincerely,

Caroline Marais

Director of Human Resources

Edwardian London Management Services Limited

The administration services company for the Edwardian Hotels, London group

Registered Office: 140 Bath Road Hayes Middlesex UB3 5AW

Registered in England No: 02800972