



Department
for Transport



Civil Air Ensign



Maritime Ensign

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Dear Dean,

Thank you for your letter of 1 April to the Secretary of State, Rt Hon Grant Shapps, regarding the summary dismissal of 800 P&O Ferries employees. I am responding as the Minister for Maritime.

Like the Transport Secretary, I was shocked by the actions of P&O Ferries over the past week and angered by the lack of empathy they have demonstrated towards their own employees. Seafarers make a huge contribution to this country and many of those affected had dedicated years of service to P&O Ferries. I was frankly staggered at the way they were dismissed with zero respect.

As you reference in your letter, on 30 March the Transport Secretary made a statement in Parliament on Wednesday 30 March. The Government is introducing a package of measures to ensure there is no repeat of P&O Ferries actions. These measures include:

- Changing the law so that seafarers are paid at least the minimum wage. We will achieve this by requiring British ports to refuse access to ferry services which do not comply.
- Writing to British ports, in advance of legislation to achieve the above, to request that they bar access to ferry operators not paying the minimum wage as soon as is practical.
- Working with international partners, such as France, to create minimum wage corridors for workers on direct routes between our countries.
- Stepping up enforcement of existing laws by asking HMRC to investigate the maritime sector.

- Requiring the Maritime and Coastguard Agency to step up and review their enforcement policies.
- Increasing the financial penalties for companies which engage in so-called 'fire and re-hire' practices.
- Improving the long-term working conditions for seafarers, including working through international organisations.
- Encouraging more ships to operate under the British flag, meaning the workers onboard are afforded employment rights under British law.

The safety of those at sea and in port cannot, and will not, be jeopardised. This is a Government priority, and as such the Transport Secretary has instructed the Maritime & Coastguard Agency (MCA) to inspect all P&O Ferries' vessels prior to their resuming service, including operational drills to ensure that the crews that have been rushed through are sufficiently safe to go to sea. As you mention, P&O vessel *European Causeway* was held by the MCA on Saturday 26 March due to failures on crew familiarisation, vessel documentation and crew training. On 28 March, the MCA announced that the *Pride of Kent* failed safety inspections; it is in the process of being detained and they are awaiting confirmation of all the detainable items. If crews are not safe, they will not sail. The actions of the MCA in the last week bear that out and if other vessels are found wanting then action will be taken.

With regard to the *European Causeway* and potential impacts on supply chains between Scotland and Northern Ireland, the Transport Secretary has written to the Scottish Minister for Transport on this issue. Whilst we do not anticipate significant disruptions, officials will continue to work with their counterparts in the Devolved Administrations to monitor the flow of goods across the UK closely. I would like to reiterate that we are prioritising and working to safeguard the flow of goods between Scotland and Northern Ireland.

You will be aware that other ferry companies have stepped up to provide the ferry capacity that has been temporarily taken out of the market by P&O Ferries. We have been able to obtain assurances that the further vessel and additional capacity offered by alternative operators will mitigate P&O vessels being out of service.

As I stated to the House on 28 March, the Secretary of State for Transport has written to Peter Hebblethwaite to emphasise in no unclear terms that there is no excuse for this behaviour, and we believe his position as Chief Executive, and indeed as a Company Director, has become untenable. Since then, following a request from the Business Secretary, the Insolvency Service has commenced civil and criminal investigations into the conduct of P&O Ferries and has promised to keep the Government updated as these investigations progress.

In addition, we will be reviewing the terms of our contracts and the arrangements we have in place with both companies. We are confident that there is little by way of ongoing active Government contracts with P&O Ferries or DP World, but in any case, we have been clear that P&O Ferries relationship with Government has now changed. Contracts between the Government and P&O Ferries and DP World that impede on operations in Scotland, if any exist, will emerge as the cross-Government review progresses. Appropriate action, if necessary, will be taken once this review is complete.

We are committed to transparency in this matter. However, due to the commercially sensitive nature of this work and its potential impacts, publication of any contract detail will be considered on a case-by-case basis.

I hope this information has answered your questions fully and assured you that this Department is taking this matter extremely seriously. I would also like to take this opportunity to thank you for the work you are doing to help hold P&O Ferries to account.

Yours sincerely,

ROBERT COURTS MP

MINISTER FOR AVIATION, MARITIME AND SECURITY