

By e-mail only

Net Zero, Energy and Transport Committee

Jenny Gilruth MSP, Minister for Transport,

c/o Clerk to the Committee Room T3.40 The Scottish Parliament Edinburgh EH99 1SP

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1 April 2022

Dear Jenny,

P&O

Thank you for letter of 24 March in response to my letter of 23 March. The Committee had the opportunity to note the points made in it in advance of our evidence session with Mr Hebblethwaite, Chief Executive Officer of P&O Ferries at our 29 March meeting.

The Committee shares your "dismay and disgust" at P&O's treatment of its hardworking staff, including the 39 Scottish-based seafarers who, on 17 March, were summarily informed by way of a recorded video message, that they had been sacked.

The behaviour of P&O management since then - in seeking to defend this flagrant breach of employment law, not to mention of principles of basic, common decency in any employer-employee relationship – can only be described as shameless. The Committee well understands that companies must sometimes take tough decisions to remain competitive and viable. But nothing excuses a deliberate decision to break the law for the sake of business advantage.

In writing to you, we take the opportunity to associate ourselves with the joint letter from the Chairs of Business, Energy and Industrial Strategy and Transport Committees ("the joint committees"), sent to the UK Government on 28 March. We will study the UK Government's response to the letter with interest.

All ten points raised in the joint committees' letter are pertinent. The key priority should be work towards restoring the sacked workers to their prior roles, but,

following on from our evidence session this week, we also wish to emphasise the following:

- We agree with the joint committees that P&O should lose its entitlement to operate in the UK, as it knowingly broke the law. We also consider that, by his actions, and his open admission that he would do them again, Mr Hebblethwaite does not appear to be a fit and proper person to be a company director. Allowing the actions of P&O and its senior staff to go unchecked disadvantages those within the sector who abide by the law, and raises a real risk of moral hazard;
- 2. We express our incredulity at P&O's evidence that their shareholder, DP World, had no influence or say on the 17 March announcement. In his evidence to the joint committees on 24 March, DP World's senior representative made clear, in any case, that the parent company supported the announcement. Both companies should be considered complicit and culpable in relation to the 17 March announcement, and in any consequences flowing from it that are at governments' disposal;
- 3. You stated in your letter to us that "P&O needs to change the manner in which they behave towards their employees or they will find it difficult to receive support in any form from the Scottish Government." We agree, and would welcome you outlining in more detail the ways in which the Scottish Government, and Scottish taxpayer, currently support P&O, and what plans you now have in respect of this support;
- 4. We would also welcome you setting out how P&O's actions may affect future opportunities in relation to which the Scottish Government has control or influence (for instance the proposed green ports scheme), unless there is a reversal of the 17 March decision;
- 5. As your response notes, the Cairnryan-Larne line is of great strategic importance to Scotland and the rest of the UK. I am sure you will share our concern about the suspension from service of the MV European Causeway last weekend, on safety grounds. Mr Hebblethwaite was unable to propose any date on which it would be likely that the service would once more be safe to run. Whilst this question mark hovers over the crossing, we would welcome you outlining your "Plan B" for ensuring the maintenance of vital supply lines between Scotland and Northern Ireland, and the dialogue you have had with the UK Government, the Northern Ireland Executive, and any other key stakeholders.

The Committee would be grateful for a response by Monday 11 April, after which we will consider any further action on this matter.

For information, I have today also written to the UK Secretary of State for Transport and to the Chairs of the Business, Energy and Industrial Strategy and Transport Select Committees on this matter. All correspondence will be published on our webpages.

Yours sincerely,

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Dean Lockhart MSP Convener **Net Zero, Energy and Transport Committee**