



Department  
for Transport

From the Secretary of State  
**The Rt. Hon. Grant Shapps**

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Dear Jenny,

### **Measures responding to P&O Ferries**

I know we have all been shocked and appalled at the way that 800 loyal and experienced seafarers have been treated by P&O Ferries over the past fortnight. As a Government, we vowed to take action and not allow hardworking, dedicated British staff to be treated in such a manner.

Earlier this week I made a statement to the House of Commons where I set out the robust package of measures this Government is bringing that will both force P&O Ferries to fundamentally rethink their decision and protect ferry workers in the future.

The nine measures as set out in the statement are:

1. We intend to introduce new legislation, under the Harbours Act 1964, that will require British ports to refuse access to ferry services which do not pay their crew the National Minimum Wage. If companies like P&O Ferries want to dock in UK ports, they will have no choice but to comply. This will prevent P&O from deriving any benefit from the actions they have taken and send a message to the wider industry that we will not tolerate British workers being undercut by cheaper overseas labour.
2. Due to a legal requirement to consult, this legislation cannot be done overnight. I have therefore written to all ports in the UK explaining that while our intention is to bring legislation as quickly as possible, they should begin refusing access to ferry companies which don't pay a fair

wage as soon as is practical. They will have the full backing of the Government and the Maritime and Coastguard Agency in doing so.

3. Too often, the laws that we do have at sea are not implemented rigorously enough. HMRC will therefore dedicate significant resource to check whether all UK ferry operators are compliant with National Minimum Wage Law to ensure that people doing a hard day's work get paid a fair wage.
4. I have asked the Maritime and Coastguard Agency to review their enforcement policies, checking they are fit for purpose now and into the future. These policies have already been put to the test as the MCA carry out inspections of all affected P&O vessels. Two have already been detained after failing safety inspections. I will not compromise the safety of any vessel, and P&O will not be able to rush new crews through training.
5. We will take action to clamp down on unscrupulous employers using fire and re-hire tactics. A new statutory code will allow a court, or employment tribunal, to take the manner of dismissal into account, and, if an employer fails to comply with the code, impose a 25 per cent uplift to a worker's compensation.
6. Following his admission that he set out to break the law, so brazenly repeated in Parliament, I do not believe P&O Ferries' Chief Executive Peter Hebblethwaite is fit to lead such a company. I wrote to the CEO of the Insolvency Service setting out my concerns, and asking the Insolvency Service to give urgent consideration to this matter. I am pleased to see that the Insolvency Service has progressed swiftly from its enquiries to initiating both formal criminal and civil investigations into the circumstances surrounding the redundancies.
7. We will renew focus on the training and welfare elements of our flagship maritime strategy. We are already investing £30 million, through the Maritime Training Fund, to grow our seafarer population. We will invest a further £3.3 million to support seafarer welfare, skills and training, and to promote maritime diversity and careers. In addition, I will pursue worldwide agreements at the International Labour Organisation covering an international maritime minimum wage, a global framework for maritime training and skills, and tools to support seafarer mental health.
8. We will increase the attractiveness of the UK flag, starting with reforms to Tonnage Tax being introduced next week. By bringing more ships under our flag and therefore British law, we will extend rights and protections to more seafarers.

9. As much of maritime law is governed by international laws, obligations and treaties, I have written to my counterparts in France, Denmark, the Netherlands, Ireland and Germany to discuss how maritime workers on direct routes between our countries should receive a minimum wage. We will work together to explore the creation of minimum wage corridors between our nations, as well as asking unions and operators to agree a common level of seafarer protection on these routes.

British workers are not expendable – they are the backbone of the country. These measures will give our maritime workers the rights they deserve, whilst destroying the supposed gains P&O Ferries hoped to win. They will send a clear message that if you're using British waters and British ports to ply your trade, then you must accept British laws.

I am copying this letter to the Secretary of State for Scotland.

Yours sincerely,

**Rt Hon Grant Shapps MP**

**SECRETARY OF STATE FOR TRANSPORT**