

By e-mail only

Rt Honorable Grant Shapps MP Secretary of State for Transport, UK Government **Net Zero, Energy and Transport Committee**

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

netzero.committee@Parliament.Scot

1 April 2022

Dear Secretary of State,

P&O

The Net Zero, Energy and Transport Committee shares your view that P&O has shown contempt for workers, 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.

We took evidence on 29 March from Peter Hebblethwaite, Chief Executive Officer of P&O Ferries. We afterwards agreed that –as the Committee charged with oversight of transport matters in Scotland, including the strategically vital Cairnryan-Larne crossing— we should write to you expressing our views on the issues this matter has raised, which touch on some devolved matters as well as reserved ones.

The Committee first takes 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 you and to the Business Secretary on 28 March. We will study the response to the letter with interest. I note that, in the interim, you made a statement to the UK Parliament on 30 March on "new powers to protect maritime workers".

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:

- 1. P&O Ferries vessels should not be allowed to sail until UK authorities are entirely satisfied that all relevant shipping safety and employment regulations have been complied with. Further, by his actions, and his open admission that he would do them again, we are of the view that Mr Hebblethwaite is not 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 to us 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;
- You have made clear that P&O's behaviour calls into question the state support they receive. We agree, and would welcome you outlining in more detail the ways in which P&O/ DP World receives state support in relation to its operations in Scotland, 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 UK Government has control or influence (for instance the proposed "green freeports" scheme), unless there is a reversal of the 17 March decision;
- 5. I am sure you will share our concern about the suspension from service of the MV European Causeway last weekend, on safety grounds. In his evidence to us, 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 what plans there are to ensure the maintenance of vital supply lines between Scotland and Northern Ireland that rely on the crossing, and the dialogue you have had with the Scottish Government, the Northern Ireland Executive, and any other key stakeholders.

It would be very helpful if the UK Government could reply to this letter by Monday 11 April, after which we will consider any further action on this matter.

For information, I have today also written to the Scottish Government Minister 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,

Lelas

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