

By email only

Huw Merriman MP

Darren Jones MP

Chair, Transport Committee

Chair, Business, Energy and Industrial Strategy Committee Net Zero, Energy and Transport Committee c/o Clerk to the Committee Room T3.40 The Scottish Parliament Edinburgh EH99 1SP

UK Parliament

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1 April 2022

Dear Chairs,

P&0

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 both of you expressing our views on the issues this matter has raised, which touch on some devolved matters as well as reserved ones.

We first take the opportunity to associate ourselves with your joint letter of 28 <u>March to the Transport and Business Secretaries</u> on 28 March. We will study the UK Government's response to the letter with interest.

Your letter raises ten important points. It is right that the first of these focusses on the wellbeing of the 800 sacked seafarers. Following on from our evidence session this week, we also wish to emphasise the following:

- 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, we 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 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;
- 3. P&O's behaviour calls into question the state support they receive. It is in the public interest to identify in more detail what this amounts to and to ascertain future governmental plans in respect of this support;
- 4. Likewise, it is in the public interest to clarify how P&O's actions will 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 last weekend of the MV European Causeway, 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 hangs over the crossing, it is vital to seek answers from the UK Government as to what plans there are to ensure the maintenance of vital supply lines between Scotland and Northern Ireland that rely on the crossing, and what dialogue it has had with the Scottish Government, the Northern Ireland Executive, and any other key stakeholders.

The Committee would be grateful if you could take account of these points as you continue your scrutiny of this matter which, as noted, touches on a mixture of devolved and reserved matters.

For information, I have today written in similar terms to the UK and Scottish Governments, requesting information on relevant matters. Once replies are received, these will be published on our website.

Yours sincerely,

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