

P&O Ferries: new powers to protect maritime workers

Madam Deputy Speaker, last week I stood at this despatch box to address the House on the shameful sacking of 800 seafarers by P&O Ferries.

No British worker should be treated in this way. Devoid of any dignity or respect. And our maritime workers who, with great dedication and sacrifice, supported this country during the pandemic deserved far better than to be dismissed, via a pre-recorded Zoom, in favour of cheaper overseas labour.

In response, we urged P&O Ferries to reconsider. These calls have fallen on deaf ears. Instead, Chief Executive Peter Hebblethwaite, in front of Parliament no less, set out how he deliberately broke the law. And, in an act of breathtaking indifference, suggested he would do the same thing again.

Measures being announced

Madam Deputy Speaker, P&O Ferries' failure to see reason, to recognise the public anger and to do the right thing by their staff has left the government with no choice.

I am, today (30 March 2022), announcing a package of 9 measures that will force them to fundamentally rethink their decision. This will send a clear message to the maritime industry that we will not allow this to happen again. That where new laws are needed, we will create them. Where legal loopholes are cynically exploited, we will close them. And where employment rights are too weak, we will strengthen them.

Enforcement

Madam Deputy Speaker, let me start with the enforcement action we are taking. Far too many irregularities exist between those who work at sea and those who work on land. Even where workers have rights, they are not always enforced.

So the first measure I can announce is that HM Revenue and Customs (HMRC) will be dedicating significant resource to check that all UK ferry operators are compliant with the [National Minimum Wage](#) where they should be. No ifs, no buts.

Second, I have asked the Maritime and Coastguard Agency (MCA) to review their enforcement policies, checking they are fit for purpose now and into the future.

The House will recall that the MCA is carrying out inspections of P&O's ferries. And so far, 2 ships – the European Causeway and the Pride of Kent – have been detained after failing safety inspections.

Madam Deputy Speaker, I will not compromise the safety of any vessel and P&O

will not be able to rush new crews through training and expect them to sail – this work is ongoing.

Third, we will take action to prevent employers, who have not made reasonable efforts to reach agreement through consultation, from using fire and rehire 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% uplift to a worker's compensation.

Madam Deputy Speaker, I have made no secret of my view that P&O Ferries' boss – Peter Hebblethwaite – should resign. He set out to break the law and boasted about it to Parliament.

So, I have written to the Chief Executive Officer (CEO) of the Insolvency Service, conveying my firm belief that Peter Hebblethwaite is unfit to lead a British company, and have asked them to consider his disqualification.

The Insolvency Service has the legal powers to pursue complaints where a company has engaged in, and I quote, so-called "sharp practice".

Surely, the whole House agrees that nothing could be sharper than dismissing 800 staff, and breaking the law whilst doing so.

It is, of course, for the Insolvency Service to decide what happens next, but in taking this fourth step I want to ensure that such outrageous behaviour is challenged.

Seafarer welfare

Madam Deputy Speaker, it is a hard truth that those working at sea do not enjoy the same benefit as those working on land. Which brings me to the fifth element of our package today. A renewed 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, but I will go further, pursuing worldwide agreements at the International Labour Organisation, where we'll push for a common set of principles to support maritime workers including:

- an international minimum wage
- a global framework for maritime training and skills
- tools to support seafarer mental health

Attractiveness of a UK flag

Sixth, we know that P&O Ferries exploited a loophole – they flag their vessels in Cyprus to escape UK laws. So we will take action on this too.

We've, therefore, decided that from next week, our [reforms to Tonnage Tax](#) come into effect, making it easier for maritime businesses to set up in the

UK, with unnecessary red tape removed, as well as provisions no longer relevant now we're outside the EU.

By increasing the attractiveness of the UK flag, and bringing more ships under it and, therefore, protecting more seafarers.

Bilateral agreements

Madam Deputy Speaker, much of maritime is governed by international laws, obligations and treaties. This means that we cannot hope to solve all these problems alone.

So, the seventh plank of our package today is to engage our international partners. Now, this week, I have contacted 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.

I am delighted to say that the response has already been very very positive, particularly with the French Minister for Transport. I will now work quickly with my counterparts to explore the creation of minimum wage corridors between our nations, as we will also be asking unions and operators to agree a common level of seafarer protection on these routes, as well.

Legislation

Madam Deputy Speaker, I have set out how we will step up enforcement. How we will support the workforce in the long term. How we will get more vessels under the British flag. How we are working with international partners to create minimum wage corridors.

But I know the House is expecting legislative changes too. We had originally come to this chamber today to announce changes to the National Minimum Wage Act.

Madam Deputy Speaker, after seeking expert maritime legal advice, it's become clear that this just wouldn't be possible.

The issue is this – maritime law is governed by international conventions that would too easily have overridden any changes. So Madam Deputy Speaker, I will not let that stop us. Seafarers deserve the same wage certainty as onshore workers. Safe in the knowledge that, at a moment's notice, they won't be undercut by cheaper overseas labour. So today, we are providing that certainty.

I can announce to the House – as our eighth measure – our intention to give British ports new statutory powers to refuse access to regular ferry services which do not pay their crew the National Minimum Wage.

We will achieve this by using primary legislation to amend the Harbours Act 1964, and it means that if companies like P&O Ferries want to dock in ports such as Dover, Hull or Liverpool, they will have no choice but to comply with this legislation.

Crucially, it means that P&O Ferries can derive no benefit from the action they have disgracefully taken. They have fired their workers to replace them with those who are paid below minimum wage. As a result of this measure, this cynical attempt will fail.

So my message to P&O Ferries is this: The game is up. Rehire those who want to return. And pay your workers – all of your workers – a decent wage.

Madam Deputy Speaker, the government wants to bring this legislation forward as quickly as possible. But it's important to get it right. We are legally bound to consult with the sector on any changes and unlike P&O, we take consultation seriously. So, legislative change will not be possible overnight.

But to that end, I can announce the ninth, and final, measure we will be taking. Today, I will be writing to all ports in the UK explaining our intention to bring legislation as quickly as possible. But, in the meantime, instructing them not to wait.

I want to see British ports refusing access to ferry companies which don't pay a fair wage as soon as practical.

They will have the full backing of the government and I have instructed the MCA to get behind this action too – and they've indicated that they will.

Conclusion

Madam Deputy Speaker, this issue has united the whole House, indeed the whole country, in anger at those responsible, and in sympathy for those affected.

Now, we are proudly a pro-business government. But not business like this. We will never support those that treat workers with the callousness and disrespect that we've seen. British workers aren't expendable. They are the backbone of this country.

This robust package of measures announced today will give our maritime workers the rights they deserve, whilst destroying the supposed gains P&O Ferries hoped to obtain. And 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.

And I commend this statement to the House.