

RT Hon Kwasi Kwarteng MP
Secretary of State
Department for Business, Energy & Industrial Strategy

Paul Scully MP
Minister for Small Business, Consumers & Labour Markets
Department for Business, Energy & Industrial Strategy

Via post and email: [\[email\]](#)

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Dear Secretary of State and Minister

I refer to and acknowledge your letter of 18 March 2022 concerning the restructuring of P&O Ferries' crewing model.

P&O Ferries' critical role in maintaining supply chains, enabling tourism and growing trade within the UK and with Europe via the English Channel, North and Irish seas is more important than ever. We have been at the heart of this service for years but, in recent times, our business had been operating at significant loss and had become unsustainable. In order to survive and to protect the future of P&O Ferries, we had to make significant changes to the way we operate. Accordingly, we made the decision to restructure our crewing model in order to ensure that we can continue servicing these vital arterial trade routes for the UK economy.

We know that for our people this redundancy came without warning or prior consultation, and we are painfully aware that this has caused distress for them and their families. Restructuring our workforce in this way was not a course of action that we ever wanted to take as an organisation - we did this as a last resort and only after full consideration of all other options.

Ultimately, we concluded that the business simply wouldn't survive without fundamentally changed crewing arrangements to bring us in line with the vast majority of other international shipping operators, which in turn would inevitably result in redundancies. We saw no other viable means of preserving our iconic British business, saving the 2,200 remaining jobs it provides and protecting the 15% of Britain's trade capacity it facilitates.

In order to look after the 786 affected people leaving the company, P&O Ferries is offering a very generous compensation package. So far 575 affected people have taken steps to accept the severance terms offered (and a proportion of this figure is made up of affected people who have also taken steps to accept the offer to work with the new crew provider).

Inaccuracies

Various incorrect assertions were made during debate in Parliament yesterday as to the manner in which our affected people have been treated. Specifically, claims were made that P&O Ferries had "taser-trained security guards with handcuffs boarding P&O ships to forcibly remove workers" and also that affected people were all dismissed via a "pre-recorded Zoom call". Whilst I acknowledge the difficult circumstances of this restructure, these claims are inaccurate and I would respectfully like to set the record straight.

Firstly, the teams accompanying the seafarers off our vessels were totally professional in handling this difficult task with all appropriate sensitivity and competency. Contrary to rumours, none of our people wore balaclavas nor were they directed to use handcuffs nor force. Instead, they remained

professional, sympathetic and calm in a challenging situation for everyone, trying to ensure the safety of all the people on board.

Secondly, P&O Ferries also made all efforts to ensure, insofar as possible, that everyone received the news directly on the day of the restructure and not second hand from other affected colleagues or otherwise. All affected crew who were working that day were notified face-to-face and in-person on board their vessels. For crew who were rostered off, live virtual meetings were held, but only 261 of our c.400 off-roster affected people were on those calls. Affected people were also individually contacted by phone, as well as via email and text, with dismissal letters and severance terms also shared via courier and email.

Legal requirements and specific questions

I note your comments with regard to the requirement for notification to the Secretary of State. I do not consider that the various P&O companies involved have committed any offence in this regard. The very clear statutory obligation in the particular circumstances that applied was for each company to notify the competent authority of the state where the vessel is registered. All relevant vessels are registered outside of the UK. Notification was made to the relevant authorities on 17 March 2022.

I have provided answers to the specific questions raised (see the **Addendum** to this letter) and confirm that I am happy to provide any further information that may assist.

Yours sincerely



Peter Hebblethwaite
CEO
P&O Ferries

ADDENDUM

1. The exact number of staff you have fired this week and whether any consultation was carried out in advance;

Seafarers were dismissed from three companies on 17 March 2022. A total of 587 seafarers were dismissed by P&O Ferries (Jersey) Limited; 83 seafarers were dismissed by P&O North Sea (Jersey) Limited and 116 by P&O Irish Sea (Jersey) Limited. Total number across all three companies was 786. No consultation was carried out in advance.

2. What options you considered before deciding on this course of action and why those were rejected;

We took this course of action as a last resort and only after full consideration of all other options.

Specifically, consideration was given to continuing with our current crewing model but ultimately we concluded that the business wouldn't survive without fundamentally changed crewing arrangements to bring us in line with the vast majority of other international shipping operators, which in turn would inevitably result in redundancies.

Consideration was also given to engaging all current seafarers through a third party crew provider. However this would not have addressed the fundamental challenges of cost, flexibility and utilisation in the current crewing arrangements.

Consideration was also given to a restructuring but this was rejected on the grounds that it raised a number of serious operational and commercial challenges – including adversely impacting all the suppliers and creditors of P&O Ferries as well as all remaining people at P&O Ferries – and it would not, in any event, solve the challenge of the current crewing arrangements.

The option of following a formal consultation process to implement the necessary changes was considered but rejected as we took the view, in good faith, that reaching agreement on the way forward would be impossible and against this background, that the process itself would be highly disruptive, not just for the business but for UK trade and tourism.

3. What part of your business the staff you have fired work in and the location of the work for each dismissed worker;

All employees dismissed were employed as seafarers, either as ratings or officers on board vessels operating on our Irish Sea, North Sea and Short Sea (Dover/Calais) routes. They were employed on the following vessels:-

- Norbay – Irish Sea - Liverpool/Dublin
- European Causeway – Irish Sea - Larne/Cairnryan
- European Highlander – Irish Sea - Larne/Cairnryan
- Pride of Hull – North Sea - Hull/Europoort
- Pride of Canterbury – Short Sea - Dover/Calais
- Pride of Kent - Short Sea - Dover/Calais
- Spirit of Britain - Short Sea - Dover/Calais
- Spirit of France - Short Sea - Dover/Calais

In addition, there were four employees who were employed on charter vessels (3 on the Norsky and 1 on the Norsteam).

4. What establishments the relevant workers were working at for the purposes of section 193 [of the Trade Union and Labour Relations (Consolidation) Act 1992];

For the purposes of notification under section 193 and 193A of the Trade Union & Labour Relations (Consolidation) Act 1992 the vessels referenced above were treated as the establishments as that is the requirement under section 193A.

5. If and to the extent P&O consider an establishment to be a ship; the place of registration of the ship and the place(s) between which the ship operates;

The vessels operate between the ports referenced above. The places of registration of the vessels are as follows:-

- Norbay – Bermuda
- European Causeway – Bahamas
- European Highlander – Bahamas
- Pride of Hull – Bahamas
- Pride of Canterbury – Cyprus
- Pride of Kent - Cyprus
- Spirit of Britain - Cyprus
- Spirit of France - Cyprus

6. What numbers of dismissed workers were based at each establishment;

The numbers on each vessel are as follows:-

- Norbay – 26
- European Causeway – 45
- European Highlander – 42
- Pride of Hull – 82
- Pride of Canterbury – 148
- Pride of Kent– 149
- Spirit of Britain–159
- Spirit of France – 131

7. Whether there was any material difference between the contracts of staff that have been fired and those who have not. We have seen media reports workers in France and Holland have not been affected in the same way as UK workers;

The dismissed seafarers were all employed by one of P&O Ferries (Jersey) Limited, P&O North Sea (Jersey) Limited and P&O Irish Sea (Jersey) Limited. Seafarers employed by other P&O Ferries subsidiaries were not dismissed. Specifically seafarers employed through P&O Ferries Short Sea Limited (Calais) and by P&O North Sea Ferries B.V. were not dismissed. The dismissed seafarers were residents of a variety of different countries. They were not all UK residents.

8. Any other details of the contracts you think are relevant and we should be aware of;

Additional information is contained in our letter of today's date addressed to the Transport Secretary in response to his letter to us of 18 March 2022.

9. Whether any of those you have made redundant have been offered alternative roles within the company or similar roles on amended terms and conditions (including via an agency);

P&O Ferries has offered support to dismissed seafarers to find new jobs at sea or onshore, whether with another part of DP World, a crewing company or in another area of work.

91 senior officers have been offered employment by International Ferry Management Limited ("IFM") on P&O Ferries' vessels. IFM are the new crew provider engaged by P&O Ferries to crew the vessels.

All dismissed seafarers have been provided with a list of organisations within the sector that have current vacancies for their consideration and have also been offered to participate in an outplacement (job search) programme that is paid for by P&O Ferries.

10. What your plans are in relation to other UK based staff. In particular we would like a reassurance that no other similar action is currently being considered.

There are some shoreside based employees in the UK who may be impacted by the changes that have been made to the crewing arrangements. Where there is a potential that their role may be made redundant they, and any relevant employee representatives, will be consulted with. We confirm that all consultation requirements in respect of these employees will be complied with.