



HOUSE OF COMMONS

Business and Trade Committee

Oral evidence: Labour markets reform: Workers' rights and protections, HC 703

Tuesday 7 May 2024

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Members present: Liam Byrne (Chair); Ian Lavery; Andy McDonald; Charlotte Nichols.

Questions 1 - 76

Witnesses

I: Peter Hebblethwaite, Chief Executive Officer, P&O Ferries.



Examination of witness

Witness: Peter Hebblethwaite.

Q1 **Chair:** Welcome to today's session of the Select Committee on Business and Trade. Today we are looking at labour rights. Thank you so much for joining us, Mr Hebblethwaite. Perhaps I could kick off by asking, are you basically a modern-day pirate?

Peter Hebblethwaite: We recognise that we made a very difficult decision two years ago, one that was legal but—we also have to acknowledge—one that I wish we had never, ever had to make in the first place. But we also have to acknowledge that, without that difficult decision, P&O would not be here today and we would not have been able to preserve the 2,000 jobs that we have been able to preserve, take out the 135,000 tonnes of CO₂ emissions that we have taken out of our carbon footprint, open up new routes and continue to serve the most important trade route between the UK and the continent.

Q2 **Chair:** As you know, though, the French Maritime Minister, Hervé Berville, has described the company's behaviour as "dangerous" and "immoral". Are you dangerous or immoral, or both?

Peter Hebblethwaite: I am very pleased to be able to inform the Committee that, in point of fact, our safety record has improved by 66%. We continue to operate an increasingly safe fleet of ships.

Q3 **Chair:** You seem to be robbing your staff blind, however, so I would like to get into some of the details about the pay, if you don't mind. In March 2022, you told Parliament that you would pay staff £5.15 going forward, but I have seen data and the Committee has seen data that suggests that you are now paying, for the first eight hours, a basic rate of just £2.86. That is a quarter of the national minimum wage. Is that figure right?

Peter Hebblethwaite: I think it's important that we compare apples with apples; exchange rates move about, but if I can, I will take a moment to explain how international minimum wages are set and demonstrate that we pay in excess of those standards where we are governed by international law. The International Labour Organisation has an agreement with the International Transport Workers' Federation that there is a minimum basic wage of—it depends on an exchange rate—about £2.18. We then pay nearly double that. The maritime labour convention, the MLC, requires us to pay, in addition to that basic wage, guaranteed overtime, a guaranteed bonus and holiday pay. And that takes payment per hour to something like £5 an hour.

Q4 **Chair:** I'm just looking at a spreadsheet in front of me, though, which shows, for example, that a cook, for the first eight hours, gets \$800 over 30 days. That is \$28 a day. That is \$3.58 per hour. That is £2.90, roughly speaking, per hour. How can you possibly justify paying so little per hour, and how can you reconcile it with the promise that you made to Parliament in March 2022, when you said that you would be paying £5.15, which is low enough?



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Peter Hebblethwaite: We are paying considerably ahead of the international minimum standard. We believe that it is right that, as an international business operating in international waters, we should be governed by international law, and we pay—

Q5 **Chair:** But you would accept that the rate I have just quoted for the first eight hours for a cook is lower than the rate that you promised to Parliament in 2022 you would be paying.

Peter Hebblethwaite: When I spoke to Parliament in 2022, I was talking about consolidated rates of pay that include all the guaranteed bonus, all the guaranteed overtime and the holiday pay. That takes the total payment to around £5. At the rate of exchange that we are talking about two years ago on Dover-Calais, that was about £5.15.

Q6 **Chair:** But you can understand how, in March 2022, Parliament would have come away from the hearing thinking that you were going to be paying £5.15, and now we are learning that, for the first eight hours, a cook is being paid about £2.90 an hour.

Peter Hebblethwaite: We are not comparing apples with apples. It is important that we do compare apples with apples. The £5.15 that I quoted in 2022 was the full consolidated rate of pay that included the guaranteed bonus, the guaranteed overtime and the holiday pay.

Q7 **Chair:** So what is the average hourly rate of your agency crew now?

Peter Hebblethwaite: Full consolidated pay is approximately £5.20 an hour.

Q8 **Chair:** What is the lowest hourly rate of your agency crew?

Peter Hebblethwaite: I think the lowest fully consolidated hourly pay is about £4.87.

Q9 **Chair:** Extraordinary. Thanks to the agreement that the French are bringing in, pay rates do now, I understand, have to rise to £9.95 an hour, which is the French minimum wage, and that limits the number of consecutive days that seafarers can work to 14 followed by the equivalent time ashore. Is P&O going to comply in full with that law when the grace period ends?

Peter Hebblethwaite: Yes. We have always complied with the international and national laws that we are governed by, so of course we will, yes.

Q10 **Chair:** And will you begin moving to paying the UK national minimum wage where you can?

Peter Hebblethwaite: We already, where we are governed by the national minimum wage in this country, pay national minimum wage as a minimum. The moment that that changes with the new legislation that is coming in, we will absolutely comply with that, yes.

Q11 **Chair:** But you must realise that, for many people watching this session,



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learning that staff are paid as low as £4.87 will be something of a shock.

Peter Hebblethwaite: What I must emphasise in the strongest terms, please, is that these are international seafarers in an international business in international water. We pay considerably ahead of the international minimum standard. We believe that that is right—and not just me; I would emphasise that our crewing agent, who are responsible for our crews and employ our crews, have no problem with the recruitment and no problem with retention.

In addition to that, we offer seafarer welfare on board that is second to none. Every seafarer has their own cabin; they have their own restaurants, they have their own recreation space, they have their own gyms. But please don't take my word for it: I would love for you to come on board and talk to the seafarers yourself.

Q12 **Chair:** We will certainly check some of the evidence that we have received, but do you think you could live on £4.87 an hour?

Peter Hebblethwaite: No, I couldn't.

Q13 **Chair:** Why do you think that your staff should have to live on that?

Peter Hebblethwaite: As I say—apologies for repeating myself—these are international seafarers. Our crewing agent recruits from an international field, and we pay substantially ahead of the international seafaring minimum wage.

Q14 **Chair:** You have said that pay will go up because of the French agreement.

Peter Hebblethwaite: It will.

Q15 **Chair:** But you also told the Committee in March 2022 that P&O Ferries would basically go bust unless you sacked 786 workers and replaced them with agency staff earning well below the UK minimum wage. Now that the French have made that business model illegal, you do seem to be able to afford these wages, so what has changed?

Peter Hebblethwaite: It is important, if I may just make one small correction, to say that we did not sack anybody; we did initiate a redundancy programme where we paid substantially above the statutory requirements. But it is true that we did change the crewing model. All we have ever asked for, as part of this, is a level playing field, so that we are able to operate to the same standard as our competitors in an international business. The changes to both the UK and the French law maintain a level playing field, and therefore we are operating within the same bounds as our competitors. That is all we have ever asked for—a level playing field—so that we can build a competitive business, we can keep P&O going and we can preserve the 2,000 jobs that we have been able to preserve as a result of the beginning of the transformation programme that we started two years ago and that is ongoing.

Q16 **Chair:** Your argument is that the business model is now affordable, because some kind of safety net has been put underneath the whole



industry.

Peter Hebblethwaite: My argument is that we are now able to operate on a level playing field. All we have ever wanted to do is to be able to turn P&O into a competitive and dynamic business, which we have been able to do with the crewing change that we made, and that the French and the UK legislation do not change.

Q17 **Chair:** Since the staff were made redundant, basically, two years ago, you have been flying crew in from countries like India, Malaysia and the Philippines to work for up to 17 hours a week on the ships. What will happen to those staff now that you are going to implement the new French laws?

Peter Hebblethwaite: It is important to note that these are not our employees; they are the employees of the crewing agent—we employ a third party to crew our ships. I know the crewing agent, we are working with the crewing agent, and the crewing agent is working with their crew to make sure that we can continue to recruit from an international field.

Q18 **Chair:** What will happen to those staff who are currently working on your ships? Will they stay or will they be let go?

Peter Hebblethwaite: The crewing agent are working with them to see how we can make it possible for as many of them to stay as possible.

Q19 **Chair:** There are no guarantees at this stage that they will be allowed to continue.

Peter Hebblethwaite: Or that they will not be.

Q20 **Chair:** Okay. That may entail you replacing a lot of crew in quite short order. Do you expect that your ships will be detained by safety regulators to ensure that all the adequate training is in place, given the rapid change that may be about to unfold?

Peter Hebblethwaite: I expect our crewing agent to have no problem recruiting the highest-standard seafarers, as they have been able to do since we started this change. I have no expectation of that changing going forward.

Chair: Okay. Mr Lavery.

Q21 **Ian Lavery:** Mr Hebblethwaite, you do not mind wilful exploitation of the workforce, do you? Do you enjoy it? Is it something that gives you great pleasure?

Peter Hebblethwaite: I categorically have to say that I do not think that is at all the characterisation of what we are doing. We employ an international crew above and beyond international standards, and I think our seafarer welfare is second to none.

Q22 **Ian Lavery:** The £4.87 an hour and 17 weeks at a time without any holidays or breaks is fine, because it is within international law.



Peter Hebblethwaite: That is not true. Can I correct you, please? The maritime labour convention requires seafarers to have a minimum of two and a half days off every month; on Dover-Calais, we contract for seven days off every month, and on the North sea, nine days off every month. So your characterisation of our—of the agency's—crewing model is not quite right.

Q23 **Ian Lavery:** That is the information that we have—that you have people working for 17 weeks at a time on the ships, on 12-hour shifts. The obvious question is, what sort of condition health-wise are those individuals in? Are they fatigued? Are they burned out? Is there illness? As described by someone in the ITV documentary, a number of workers have said it was like being in prison. Yet, what you have said yourself already this morning, in the first 10 minutes of this inquiry, is that you look after them so well—they have their own rooms, they have cinemas, they have gyms—that it seems like a cruise ship, a pleasure ship. It is not what the workers are saying. Plus, it's for £4.87 an hour. There is something not right here.

Peter Hebblethwaite: Our seafarer welfare is second to none. We pay well ahead of the standards by which we are governed. We provide hours of work that are substantially better than the hours that are identified in international law, which this Government, all of its predecessors and 96% of all seafaring nations have signed up to.

But let me try to answer it in a different way. Our seafarers—the seafarers of our crewing agent, to be more accurate—choose to come to work for us. Our agent has no problem recruiting, and they have very, very high levels of retention. Therefore, I would extend the same invitation to you that I did the Chair: do not take my word for it; please come on board, talk to our seafarers, talk to our agent's seafarers, see the conditions we offer them, see the gym we offer them, see the restaurants we offer them, see the cabins and the recreational space we give them, and talk to our seafarers. I am absolutely certain that you will be encouraged by their positive response. Our retention rates, or the retention rates of our crewing agent, are exceptionally high, and I think that is evidence in itself. But do not take my word for it: come on board and have a look, please; I would love to host that.

Q24 **Ian Lavery:** Mr Hebblethwaite, believe me: I have not taken your word for it. I have spoken to people who work on the ferries and to people who represent people who work on the ferries, and they have an absolutely different view from yourself. Individuals are saying that, apart from their wages being deplorable, they cannot even leave the ship within a 17-week period. Is that right?

Peter Hebblethwaite: I don't recognise that characterisation. I also have been on board our ships. I am guessing that I have spoken to a great number of seafarers. In fact, we were on board only last week, talking to the seafarers, who were explaining how keen they are to continue working for P&O, because they believe that they are well paid and that the



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conditions on board are second to none. Therefore, I reiterate my invitation: please come with me and talk to the seafarers I talk to.

Q25 Ian Lavery: Are you seriously saying to this Committee that you have people working on these ferries saying that they think their wages are fair and they are very well paid? You have just said that—you didn't say "very well paid"; you said "well paid".

Peter Hebblethwaite: I said that the seafarers who are employed through our agent believe they are appropriately paid. They could choose to work anywhere, but they choose to come and work for us.

Q26 Ian Lavery: Mr Hebblethwaite, you actually said that people working for you thought they were well paid and well looked after. That's what you said—not "appropriately"; you said "well".

Can I just row back ever so slightly to what you said before? You attempted to correct the Chair of the Committee when you said that the individuals in 2022 were not sacked. Now, these people who worked for your company—you are the chief executive—were not made aware of the fact that they were losing their employment until masked, trained security guards went on to a ferry, with masks, balaclavas and handcuffs, and marched workers, your workers, off the ferry. Then, there was an uproar, which is basically one of the reasons why you, as the chief executive, are sitting here today. That's sacking people. Are you proud of that? Were you proud of what you saw—what millions of people internationally saw on the television—from a company such as P&O?

Peter Hebblethwaite: Let's be 100% clear about that: what was reported was not true. The description that you have just given is not true. It is true that everybody who was at work that day was informed in person, face to face, but the rest of that description is simply not true.

Ian Lavery: Is that it? It is just not true—is that what you are saying? So what—

Peter Hebblethwaite: The description—

Ian Lavery: Sorry, go on.

Peter Hebblethwaite: I do apologise. You go.

Q27 Ian Lavery: I certainly witnessed on the television, and I have spoken to people, and I have spoken to representatives of people and individuals who later took up cases against P&O, and individuals who agreed the terms of settlement with P&O, and that is exactly the way that it happened. We saw individuals being frogmarched off, in handcuffs, from a place of employment; many of them had obviously been on the ferry for quite some time—it was a second home, which we all agree on. And you are saying that didn't happen.

Peter Hebblethwaite: I am absolutely saying that didn't happen, and if you can provide me with evidence, of course I will review that. But I was there and I know that that did not happen.



Q28 **Ian Lavery:** That didn't happen?

Peter Hebblethwaite: What you have described did not happen. What I can assure you is that this was an incredibly difficult decision that we made as a decision of absolute last resort, and that half of the crew were at work that day, and we spoke to them all face to face.

Q29 **Ian Lavery:** You knew that it wasn't in line with national legislation—the way that the men were dismissed. You said in evidence to the Business Committee that you knew that that was the case, the trade unions would never agree so you would never speak to them about it anyway, and that you needed to do it in the best interests of P&O, and that was the practice you decided to carry out on that day.

Peter Hebblethwaite: There has been some, in my opinion, not quite fully accurate reporting of this. Let me take the opportunity to thank you for giving me the opportunity to clear up something that I do not think has been completely clear.

After covid, this business needed to modernise and needed to employ on the basis of a competitive and dynamic crew model. We were unable to successfully negotiate that and therefore were left with the very, very difficult decision, one that I regret we had to make at all, and one about which I am deeply sorry to those 786 seafarers and their families—but we were left with the only remaining decision: to change the crew model.

We sought extensive advice from leading law firms and multiple then QCs, now KCs. The advice came back to us that our decision was legal, therefore with great regret we implemented the change in crew model the way we did.

It is right that I was asked to come before a version of this Committee to answer questions about that. It is also right that the Government should check the legal position. The Government has initiated two investigations, the first of which has finished and has concluded with no further action, and the second of which I can't really comment on other than to say that I remain, and we remain, as confident of the second outcome as we were of the first.

Throughout this, we sought extensive legal advice that confirmed that this decision was legal. That is not to say I don't regret it. I regret it and I am deeply sorry for the impact it had on 786 seafarers and their families. I wish we had never had to make that decision.

Q30 **Ian Lavery:** Did you say you would do it again?

Peter Hebblethwaite: Again, I think that is out of context. I do want to be clear: we will never make that decision again.

Q31 **Ian Lavery:** But did you actually say after the event that you regretted the decision, what you had to do, but you would do it again? Did you actually say that, because that is what was widely reported?



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Peter Hebblethwaite: That does not take the full context of what I said, and therefore does not represent what I said, but I am pleased to have the opportunity to clear that up. Let me be absolutely clear that we would not make that decision again.

Q32 **Ian Lavery:** Are the workers who work up to 17 weeks at a time on the ferries allowed to leave the ship at any time?

Peter Hebblethwaite: I believe they are, but I believe there are some technicalities. If you don't mind, can I get back to you with the exact response on that? I think there are certain conditions under which they are, because as international seafarers, there will be border restrictions. Rather than guess at an answer, I would rather write back to the Committee with the full answer, if I may.

Q33 **Ian Lavery:** Do you think they should be able to leave the ship within a 17-week period—just over four months at sea?

Peter Hebblethwaite: As I say, may I come back to you on the exact conditions under which the seafarers can leave the ship? It is important to revisit this point: the third-party crewing agent contracts with the seafarers on terms that are better than the international standard. The international standard is two and a half days off per month, and on the channel, the seafarers are contracted with seven days off per month, and on the North sea, nine days off per month.

The seafarers employed on our ships by the third-party crewing agent are therefore subject to terms that are significantly better, both financially and in working conditions, than the minimum international standard. I think that is important.

Q34 **Ian Lavery:** Are there any crew members working more than 17 weeks at a time?

Peter Hebblethwaite: It is possible that there are some crew on the North sea that do work slightly longer, but I think you are referring to the Dover-Calais route. I will confirm that for you.

Ian Lavery: Okay.

Peter Hebblethwaite: But anybody employed on our ships is employed in line with, and better than, the laws that we are governed by.

Q35 **Ian Lavery:** I am not sure if that is the best argument you have got. If you are exploiting workers—just because it is better than the conditions of other exploited workers, that does not mean to say that you are the model people should be looking at. As has already been said by a number of members of the Committee, you are paying people £4.87 an hour to work 17 weeks at a time. I surmise that they will not be able to get off the ship they have described as being in a prison.

You have continually said this morning that it is the third party that employs the workers. Surely, you have some influence on this third party—the agency who employs your workers? If you are going to employ



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somebody via an agency, surely you instruct the agency on what you expect to be in their contract. Or do you not have much contact with them?

Peter Hebblethwaite: There are a few comments in there, if I may. First, it is important to remember that we work in the shipping industry. That is an international industry; it recruits from an international field, and it operates in international waters. It is therefore appropriate that it is governed by international law, which this Government and its predecessors have signed up to, and 96% of all shipping nations sign up to. We operate significantly ahead of those standards, and that is important to us as well. One of the reasons, as well, is that it is important that we operate on a level playing field, to the same standard as our competitors.

Q36 **Chair:** It is not the same standard, though, is it? You are not paying the same as your competitors; you are paying less. I think that the working standards are actually lower.

Peter Hebblethwaite: I think our working standards are second to none. Please, come on board and see for yourself. Come and talk to the seafarers yourself. This is the standard crewing model across this international industry. We previously had a model that left us as an uncompetitive outlier. All we have wanted to do is operate to the same standards as our competitors, and this is the standard crewing model across the industry.

Q37 **Ian Lavery:** The voluntary seafarers' charter: other ferry companies—DFDS, Condor Ferries, Brittany Ferries, Stena—have all signed up to it. You haven't signed the seafarers' charter. Is there any danger that you might?

Peter Hebblethwaite: I don't think anybody has actually signed the UK seafarers' charter yet, but I can certainly speak in my capacity as the chief exec of P&O on our position. Our position is that we are committed to signing the seafarers' charter. We have had some very constructive initial meetings about that with the DFT, and we remain committed to signing the seafarers' charter.

Q38 **Chair:** What is your target date for that?

Peter Hebblethwaite: There is a process where we will be assessed. I expect that to happen within months, but this is something that was initiated a year ago.

Chair: So within months.

Peter Hebblethwaite: That is my expectation.

Q39 **Ian Lavery:** Just finally, Chair. Last week, P&O Ferries—your organisation, Mr Hebblethwaite—agreed a sponsorship deal with Hull Kingston Rovers, one of the best rugby league teams in the nation, and that has been cancelled. What's that about?



Peter Hebblethwaite: Yes, I think that is a shame. We have a long-standing relationship with rugby league in Hull. We were approached to sponsor Hull KR. Our desire was to support the community, and particularly grassroots rugby league. Hull KR has come under some pressure and decided to withdraw from that partnership. I am very sorry that grassroots rugby league will not benefit from our contribution, but that is a decision that Hull KR has made, which I respect and will respect.

Q40 **Chair:** I just want to double check something. You said that your crew have seven days off a month. Is that right?

Peter Hebblethwaite: Our contracts on the channel allow for seven days off, and on the North sea nine.

Q41 **Chair:** When did that begin? When did that become available?

Peter Hebblethwaite: I think that's always been the case since we started this crewing model.

Chair: Okay. Charlotte Nichols, and then I will come to Andy.

Q42 **Charlotte Nichols:** With respect, Mr Hebblethwaite, your evidence today and your assertions about the welfare standards within your business are dramatically at odds with the testimony and evidence from your workforce that our Committee and parliamentary colleagues have heard. As Mr Lavery said, just last week, Hull Kingston Rovers rugby league team rejected your company's attempts at sportswashing following an enormous backlash from the community, led by employees and former employees of your company.

With P&O having effectively become a byword for terrible employment practices, driving the race to the bottom, do you not think that restoring the company's reputation relies on an independent investigation into some of the concerns raised with the Committee, including the 17-week working?

Peter Hebblethwaite: With respect, I don't agree with the characterisation of our business that you have just made. Again, I would extend this to you as well as your two colleagues: please come on board our ships. Talk to the seafarers. That is not what you will find. I am on board our ships. Our fleet director is on board our ships. Our crew choose to work for us. They are international seafarers who could work anywhere in the world on any ship. They are professional, highly qualified seafarers, and they choose to come and work for us.

Q43 **Charlotte Nichols:** Do you think that as the chief executive of a company that, as I said, has become a byword for terrible employment practices where we have seen fire and rehire used, you are going to go on to a ship and get a warts-and-all assessment from your workforce about just how bad things are? People will be frightened about losing their jobs because they have seen how P&O has treated people in the past. Do you really think you are going to get an unvarnished account?



Peter Hebblethwaite: I don't think that is quite right. I think that you can take from the retention levels that the crewing agent experience and their ability to recruit the highest standard international seafarer as hard evidence that people who could work anywhere in the world on any ships have chosen to come and work for P&O and choose to come back again.

Q44 **Charlotte Nichols:** Rather than taking your word for it to the Committee, do you not think that an independent investigation—the company employing a KC, for example, to look at some of these very troubling allegations—would give Parliament and the sector the confidence that P&O is doing all the things that you say it is in terms of labour practices? Might that not be a way forward?

Peter Hebblethwaite: This is a highly regulated industry, and for all the right reasons: the MCA in this country, Affaires Maritimes in France. We are regularly audited. It is absolutely checked that we are compliant with, as a minimum standard, or better than, all the national and international laws that we are governed by. I think that process already exists. I think that process is followed through on, on a very, very regular basis and has been in place for some time. I think that that process already exists.

Q45 **Chair:** Before I come to Andy McDonald, why do you think that some members of your crew told ITV that the experience of being on board was like living in jail?

Peter Hebblethwaite: I don't know; I haven't spoken to those people. I can only point again to the fact that people who could work anywhere in the world, on any ship, choose to come and work with us and make a choice to come back.

My personal experience, when I am on board talking to our international seafarers, is that that is not what they tell me. It is certainly not what their behaviour demonstrates; their behaviour of choosing to come and work for us and choosing to come back and work for us demonstrates a different view.

Q46 **Chair:** You will be aware that both ITV and *The Guardian* found people working 12-hour shifts seven days a week for up to 17 weeks at a time without a day off and without permission to leave the ship, but you have just told the Committee that people have seven days off a month.

Peter Hebblethwaite: The maritime labour convention requires seafarers to have a minimum of two and a half days off per month. On Dover-Calais, we contract for seven days off and, on the North sea, nine days off.

Q47 **Chair:** So the conclusions from this investigation from ITV and *The Guardian* are wrong? Is that a yes?

Peter Hebblethwaite: I can only tell you what we do.

Q48 **Chair:** Let me just check about PhilCrew. PhilCrew is registered in Malta. It is registered to an address that is shared by 20 companies. It was established on 6 April 2023. Is there any corporate relationship between P&O or DP World and PhilCrew?



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Peter Hebblethwaite: Other than the commercial relationship where our crewing agent is responsible for crewing our ships, no.

Q49 **Chair:** What due diligence did you do on this company, because there is nothing in the public domain other than a PO box in Malta?

Peter Hebblethwaite: We have a team of professionals who run our fleet team. It did all the due diligence. I have to say that our crewing agent has done an outstanding job in recruiting the highest standard seafarers. It has had no problem recruiting them and no problem retaining them, so I am very pleased with that.

Q50 **Chair:** Presumably there was a due diligence exercise on PhilCrew that concluded with a recommendation to the board that this was a recruitment organisation that you were going to work with?

Peter Hebblethwaite: Yes. They went through a procurement process, the name of which I cannot remember but it is a recognised, objective process to assess a number of candidates. The crewing agent that we have ended up with came out as by far the strongest business. It has proven to be as good as the procurement exercise suggested that it would be.

Q51 **Chair:** Would you be happy sharing the conclusions of your due diligence into PhilCrew with the Committee?

Peter Hebblethwaite: Yes.

Q52 **Andy McDonald:** Good morning, Mr Hebblethwaite—we have met before. You have just told the Committee that the decision you took was legal, and that you have always complied with international and domestic law. Yet you and I both know that when you sat here before, you admitted to me that you had deliberately broken the law of this country in failing to consult—as you must, under the employment legislation—to pursue your most dreadful fire and replace scam. Do you want to correct the record now, so that you are not inadvertently, or otherwise, misleading this Committee and misleading the House of Commons?

Peter Hebblethwaite: Your description of our exchange last time does not fully represent what I said, but let me take the opportunity to be absolutely clear on the position of consultation. Section 188 of the Trade Union and Labour Relations Act identifies and recognises—

Andy McDonald: Requires.

Peter Hebblethwaite—recognises that it is not always possible to consult. We sought extensive advice on that issue, and the advice was very clear that it would not be possible to consult, as is recognised in 188 of TULRA.

Q53 **Andy McDonald:** You also told this Committee, did you not, that the reason you did not engage with the trade unions was because no self-respecting trade union would in any way tolerate the action you were about to take?



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Peter Hebblethwaite: Through 2021, we made multiple attempts to negotiate a competitive and dynamic crewing model. Those negotiations were not successful. Therefore, as a decision of last resort—one I wish we had never had to make—we made the legal decision to change the crewing model.

Q54 **Andy McDonald:** Well, it wasn't a decision of last resort. You could have consulted with the trade unions about your intention to make these mass redundancies, and you did not. You chose not to. You priced it in—it was the cost of doing business.

Peter Hebblethwaite: Our advice was that if we had consulted, it would have ended up in industrial action, which would have brought about the end of the business, because it would have cost us £317 million—£317 million that I did not have and could not borrow.

Q55 **Andy McDonald:** Okay. You will be aware that the outcry was enormous—you can't have missed that. We had Minister after Minister in this place expressing their disdain at your behaviour. You were held out not in the highest terms, Mr Hebblethwaite; you were thought of very poorly. What sanctions have you personally faced, or have P&O or DP World faced, as a result of your egregious behaviour? What sanctions have been visited upon you and your employers?

Peter Hebblethwaite: I think it is important to reiterate: this is not about me. I am here—

Q56 **Andy McDonald:** I'm just asking you what sanctions you have faced. We talk of the possibility of taking action against company leaders who break the law—it's part of the nine-point plan. What action has been taken against you—anything, something or nothing?

Peter Hebblethwaite: We made a very, very difficult decision, and it is absolutely right that I was asked before a version of this Committee to answer questions when we last met. As a result of that, the Government also instigated two investigations, the first of which has concluded with no further action, and the second of which I remain as confident of. That brings me full circle to the point that we took extensive advice on this, and that advice was very clear that our actions were legal, and therefore we took this very difficult decision—

Q57 **Andy McDonald:** We've been down that road. You openly accepted that you were in breach of employment legislation, so let's not kid ourselves, Mr Hebblethwaite. You talk about these workers being professional, highly qualified seafarers, yet they are paid £4.87 an hour. Do you think that is in any way acceptable? Does that represent good work? You wouldn't do it, would you? You've already told this Committee you would not get out of bed for £4.87 an hour, but you expect other people to do it. They are human beings.

Peter Hebblethwaite: The rates of pay that we pay are substantially ahead of the international law that we are governed by. That is international law that this Government and all their predecessors have signed up to, and 96% of all shipping. We operate in an international



industry, recruiting from an international field. Most importantly, seafarers—professional seafarers of the highest quality, that could work anywhere—choose to work here.

Q58 Andy McDonald: We are talking about the UK. You and I are British citizens. We are talking about ships that use UK ports regularly. We have standards in this country, do we not, where we aspire that the people who go to work have enough money to pay their bills and have a good, flourishing life? How on earth are these rates of pay in any way consistent with that ambition and those values?

Peter Hebblethwaite: In British waters, when the law changes, we will pay national minimum wage. We already pay national minimum wage on domestic routes.

Q59 Andy McDonald: So you are waiting for that change before you will do the right thing. It is a minimum wage for a reason, is it not?

Peter Hebblethwaite: It is a minimum wage for UK workers. We recruit from an international field and operate in international waters.

Q60 Andy McDonald: I get the point you are making, but it just appears to this Committee that you are getting away with what amounts to modern-day slavery—at these sorts of rates, at these terms and conditions, people being confined to ship. You talk about it as being a holiday camp, while other people describe it as a prison. I'll tell you what: on this offer of access to the vessels, will you allow Nautilus and P&O to spend some considerable time on these vessels, talking to members of staff without any fetter or control from you or your agencies?

Peter Hebblethwaite: Let me go back to your earlier comment. I categorically resist in the strongest terms your description, which I don't think is appropriate.

Q61 Andy McDonald: Well, I've got to tell you, Mr Hebblethwaite, people in this country are appalled at the behaviour of P&O over this instance. Your pearl-clutching doesn't really cut the mustard in this Committee. People are appalled by what you have done. I ask you again: will you allow full access by trade unions, unfettered by you or your agencies, to speak at length to these workers and get a first-hand account?

Peter Hebblethwaite: Our unions represent our employees. They already have access to those businesses and those parts of our business, and those of course will do.

Q62 Andy McDonald: Seven-hundred and eighty-six people lost their jobs—let's talk about them. Are the ones who have replaced them members of trade unions?

Peter Hebblethwaite: I believe so; I don't know. First of all, they are not our employees.

Andy McDonald: I want to come on to that.

Peter Hebblethwaite: Secondly, it is not normal for a—



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Q63 **Andy McDonald:** Will you give an undertaking to allow trade unions to access all your workforces across all your ferries to have those conversations and seek representation, so they can better their terms and conditions?

Peter Hebblethwaite: What I have said is that where there are trade unions that represent—

Andy McDonald: I think I've got the picture.

Peter Hebblethwaite:—our employees, they already have that access. There is no requirement for any additional access.

Q64 **Andy McDonald:** Let me just turn to the agency that you use. Who is in control of the place that the people that now crew these ships work in? Who is in control of the place of work?

Peter Hebblethwaite: Place of work—in terms of cabins?

Andy McDonald: The ship.

Peter Hebblethwaite: We are responsible for the ship, yes.

Q65 **Andy McDonald:** Are you responsible for the hours that they work, or is that arranged by other people? Do you have some direct say in that?

Peter Hebblethwaite: The terms under which the crew is employed are set by the crewing agent.

Q66 **Andy McDonald:** No, no, no. What is your input into that? I am sure that if there is a piece of paper that sets out, "We are the agency. We are going to give you these terms," you have a say in that, haven't you?

Peter Hebblethwaite: Our requirement is that all crew must be employed on a fully legal basis. More importantly—

Q67 **Andy McDonald:** Thank you. So that's it: despite this charade of the agency, they are your employees, aren't they?

Peter Hebblethwaite: No.

Q68 **Andy McDonald:** Well, you just set out the terms and conditions. If you read some of the Denning judgments over the years, you will find out that that is exactly what they are. You are comparing apples with apples. We talked about professional, highly qualified seafarers on £4.87 an hour. What is your salary?

Peter Hebblethwaite: Let me answer that in one second.

Andy McDonald: No, no. What is your salary?

Peter Hebblethwaite: I will answer that in one second, but you made an assertion that is not correct, and I am afraid that I cannot allow it to stand.

Q69 **Chair:** Do correct the assertion, then, Mr Hebblethwaite, and come to the substance of Mr McDonald's question.



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Peter Hebblethwaite: The crew are not employed by us. The crew are employed by the crewing agent, a third party that we employ to crew our ships. The crew are not employed by us; that is a very important technical point.

Q70 **Andy McDonald:** Mr Hebblethwaite, I am really content with the devices that you use through agencies for employers and companies such as yourself to abrogate your responsibilities. I am familiar with the structure. I ask you again: what is your salary?

Peter Hebblethwaite: The crewing model that we have is the industry standard. My salary is £325,000 a year.

Q71 **Andy McDonald:** What are the bonuses you have received over the last two years?

Peter Hebblethwaite: I received a payment in April 2023.

Q72 **Andy McDonald:** Of?

Peter Hebblethwaite: £183,000 before tax.

Andy McDonald: I cannot do my maths very quickly. Mr Lavery, is that over half a million quid?

Ian Lavery: It's a lot of money.

Andy McDonald: It's a lot of money.

Chair: £508,000, Mr McDonald.

Q73 **Andy McDonald:** And you are sitting here telling us that you are paying wages of an acceptable rate—something you would never contemplate for yourself, or any member of your family or your friends. Do you think that is moral in any way?

Peter Hebblethwaite: I reflected on accepting that payment, but ultimately I did decide to accept it. I recognise that that is not a decision that everybody would have made, and I do recognise that there are people in this room who would not have made the same decision, but it is the decision that I made.

Andy McDonald: My goodness me! You make some difficult decisions that never impact upon you; they seem to benefit you. The difficult decisions you made to fire people without consultation—a hard decision to take. It has been a tough decision for you to take a salary of over half a million quid. You have a tough life, Mr Hebblethwaite. No more questions.

Q74 **Chair:** Mr Hebblethwaite, let me just check something. Your accounts have not been filed, and I think you are beyond the legal deadline for filing them. When will those accounts be filed?

Peter Hebblethwaite: I expect the accounts to be filed in the next few days. We have an agreement with Companies House, so they are fully aware and have given us the extension that we required. But I expect them to be filed in the next few days.

Q75 **Chair:** Why are they late?

Peter Hebblethwaite: They are late for a number of reasons. One is that clearly we had a very difficult year in 2022, and that had some knock-on impacts in the late filing of the accounts due to be filed then. That has had a knock-on effect on these. There have also been some audit requirements that we have had to go through. There is a third thing, which actually isn't just us: there have been some industry-wide pension issues that have also had to be accounted for. So, it is a combination of reasons, largely the knock-on from the late filing in the previous year as a result of the difficult year that we had in 2022.

Q76 **Chair:** Are you able to tell us how much the business owes to the merchant navy pension fund, and how much of the deficit has been cleared?

Peter Hebblethwaite: We have arrangements in place to fill the deficits that we have. We will honour those, and we always have honoured those.

Chair: Thank you very much indeed, Mr Hebblethwaite, for your evidence. What you have told us is that some of your staff, for the first eight hours, are paid £2.86. That is half of what you said to Parliament that they would be paid when you came before us in March 2022. There has been some improvement when you take into account other aspects of the pay, but at £4.87, which is the lowest rate, that is still only 40% of the national minimum wage and it is less than the £5.15 that you said to Parliament would be the rate paid. You have told us that you could not live on this, and indeed your salary is about 104 times what your workers are paid. You do not have a timeline for signing the seafarers' charter, but you have told us that trade unions would have unfettered access to your staff. You have given us a great deal to reflect on, and I am grateful to you for the commitment to provide further information to the Committee.