

TUC comments on the employment practices of P&O and evidence given to the Committee by Peter Hebblethwaite, CEO of P&O Ferries

22nd May 2022

We have had the opportunity to consult with our affiliates RMT and Nautilus, who represent Ratings and Officer staff respectively in the ferry sector, drawing on their expertise in the comments below. RMT and Nautilus would be happy to provide additional information, should you have any queries.

The distinction between international and national crewing practices

A theme throughout Peter Hebblethwaite's evidence was a failure to distinguish between the crewing models appropriate for passenger ferry services between UK and European ports, which service the UK economy every day, and the international deep sea merchant shipping sector.

It is the policy of our affiliates, and the International Transport Workers Federation, to support a crewing model for seafarers working on regularly scheduled ferry services between the UK and European ports (the Short Sea ferry sector) that reflects local employment conditions, regardless of the flag of the ship or nationality of the seafarer. Ferries, and roll-on roll-off models in particular, provide essential passenger and freight services for the UK economy. Therefore, the employment contracts of seafarers in the Short Sea ferry sector are not comparable with those of crew in deep sea trades such as container ships or bulk carriers that call at a UK port once or twice a month.

To underline this distinction, P&O's four vessels on the Dover to Calais route (registered in Cyprus) cross the Channel five times a day, making 20 daily crossings in total. The pay and employment conditions of all Ratings and Officers employed on board should reflect this UK-France orientation, as is the case on the DFDS ships on Dover-Dunkerque and Dover-Calais, which are UK and French flagged respectively, with the majority of crew directly employed by the operator.

There are two crossings per day on P&O's Hull to Rotterdam route and again we believe that the crewing model should reflect this European orientation.

Mr Hebblethwaite referred repeatedly in his evidence to the minimum international standards for seafarer welfare and working practices in the Maritime Labour Convention (MLC). However, as outlined above, their application to the short sea ferry sector is not appropriate or acceptable.

International pay

Peter Hebblethwaite's attempts to justify paying their agency Ratings crew just £4.87 per hour with reference to ITF agreements is misleading at best. As the ITF has publicly clarified¹, the ITF rates cited by Peter Hebblethwaite apply to the international deep sea merchant trade and are not intended for European ferry routes. Responding to Peter Hebblethwaite's evidence to the Committee, ITF Ferry Task Force Chair Ronny Øksnes has said that: "The rates Mr Hebblethwaite refers to have no place on domestic or European ferry routes, or in any economically developed country's ferry sector – the ITF doesn't support their use in this way, it never has and never will."²

Days off and shore leave

Peter Hebblethwaite claimed that their agency seafarers have seven days leave per month on the Dover to Calais route and nine days leave per month on the Hull to Rotterdam route, during 17 week contracts of employment. We have checked with our affiliates RMT and Nautilus, who have confirmed that P&O's seafarers on these routes have reported them that they do not have 28 and 36 days off respectively during their 17 week contracts. Peter Hebblethwaite's claims over leave have also been challenged in the press³.

It was not mentioned at the Committee, but we believe that agency crew supplied by Clyde Marine and Spanish crewing agent Candina to P&O's two Bahamas registered ships on the Scotland-Northern Ireland route will also be working 17 week tours. We also note that Peter Hebblethwaite could not say whether or not P&O crew are working longer than 17 weeks on the Hull to Rotterdam route.

Our affiliates believe that the P&O crews have no shore leave within the UK for their 17 week tours. This continues a trend over many years of P&O preventing seafarers from 'interacting with the British economy'⁴. This could contribute to the circumvention of UK requirements on the payment of the National Minimum Wage and other UK employment and pension rights. It is also deeply concerning that crew members may be on ships for 17 weeks or more without being able to leave the ship at all. We note it is a requirement of the Maritime Labour Convention Regulations that 'Seafarers shall be granted shore leave to

¹ <https://www.itfglobal.org/en/news/po-boss-misleading-wages-claim-attempt-spin-away-companys-appalling-seafarer-exploitation>

² *ibid*

³ <https://twitter.com/itvnews/status/1787908554961080654>

⁴ <https://www.hulldailymail.co.uk/news/hull-east-yorkshire-news/po-ferries-pride-of-hull-3070317>

benefit their health and well-being and consistent with the operational requirements of their positions.⁵

We believe the best way to independently verify the situation is for inspectors from the Maritime & Coastguard Agency to board the P&O Ferries vessels to request copies of the Seafarer Employment Agreements for P&O agency crews. This will allow independent calculation of the hours of rest and hours of work for agency seafarers at P&O Ferries on 17 week contracts.

Rolled up holiday pay

Peter Hebblethwaite's oral comments to the Committee and his subsequent letter appear to provide evidence that P&O are using rolled up holiday pay. References to 'consolidated pay' are likely to mean that the hourly rate quoted includes both pay for work undertaken and pay in lieu of holiday, meaning that £4.87 would not be the actual hourly rate for work undertaken. Including rolled up holiday pay in hourly rates is not generally permissible for full or part time workers in the UK⁶. This would have implications for the claims Peter Hebblethwaite made about paid leave, as if the £4.87 per hour includes holiday pay, then additional pay will not be given when leave is actually taken.

Again, the MCA would be best placed to establish the truth on rolled up holiday pay in the total hourly rate and whether the agency crew have any days off during their voyage only contracts onboard P&O's ships.

Pensions

The RMT have informed us of their view that P&O Ferries is responsible for an estimated £130 million of the total deficit of the Merchant Navy Ratings Pension Fund (MNRPF). This amount may change when the outcome of the latest valuation of the MNRPF is reported by the trustees, expected on Friday 24th May.

Union access to P&O vessels staff

Given the issues raised at the evidence session and outlined above, we believe that P&O should as a matter of urgency enable our affiliates RMT and Nautilus to access its vessels to speak to the crew and offer them trade union support and representation.

Mandatory Seafarer's Charter

⁵ Maritime Labour Convention, Regulation 2.4.2

⁶ <https://www.gov.uk/holiday-entitlement-rights/holiday-pay-the-basics>

Peter Hebblethwaite claimed during his evidence that 'All we have ever asked for... is a level playing field'. The best way to create a level playing field is to establish a Mandatory Seafarer's Charter for the short-sea ferry sector between the UK and European ports, covering pay and crewing practices, including length of contracts, health and safety and shore leave. This could be achieved through sectoral bargaining, bringing together employers and unions across the sector and building on the collective bargaining agreements in place between RMT and Nautilus and Stena Line and DFDS to agree binding minimum standards well above the MLC and eradicate the exploitation of international agency crew in the short sea ferry sector.