

P&O Ferries

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P&O Ferries could face prosecution over sackings, minister says

Business minister Paul Scully says firm could face 'unlimited fine' if it has flouted laws

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A protest against P&O ferries in London on Monday. Photograph: Tayfun Salci/Zuma

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P&O Ferries could face prosecution over the sacking of 800 workers, the business minister, Paul Scully, warned before a government ultimatum to the company.

The transport secretary, Grant Shapps, has said he will review all government contracts and dealings with the company and its owners, DP World.

On Tuesday, the RMT union said seafarers from abroad had been brought in to replace the 800 sacked British crew and were being paid as little as £1.80 an hour.

P&O Ferries disputes the figures but it declined to discuss the rates or give alternative rates and would not confirm whether it paid the minimum wage.

Scully said the government was examining whether the company had followed the proper procedure before mass redundancies. Shapps has given the company a deadline of Tuesday night to explain how the procedures were followed.

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"If they have flouted the notification law where they are supposed to tell the secretary of state when they are going to make more than a hundred people redundant, then there are criminal sanctions involved in that, including an unlimited fine," he said.

"We have reserved the right to approach the prosecuting authorities should that be the right thing to do."

Scully said the company should be on notice that it had fundamentally changed the relationship with the government, including a £25m subsidy the company had received to help develop London Gateway as a freeport.

"They need to realise that the relationship between the companies and the government has changed as a result of their absolutely callous [conduct]," he said.

Shapps admitted last week that he was made aware of planned redundancies at 8.30pm on Wednesday but assumed they would be conducted in the same way as the 1,100 layoffs in 2020, through consultation rather than "the cynical approach" used.

The shadow business secretary, Jonathan Reynolds, said the government "should have moved" faster after it was notified, telling BBC Breakfast: "I want to know what sort of questions was the government asking?"

"It was clear when that memo was sent to the government this was something out of the ordinary ... to be told yesterday that they did know in advance what was going on, first of all, they should have moved to stop that and they can still move to stop that. It's no good saying it will help people get jobs who've been sacked in this way.

"We cannot allow this to stand because this becomes the template for how



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The former pensions minister Ros Altmann said the company's behaviour was "absolutely disgraceful", and added "the government should think very carefully about forcing the employer to behave better and if that means that they have to impose any kind of sanctions or warnings to them, I think that would be entirely appropriate."

Lady Altmann told BBC Radio 4's Today programme there could be "further concerns" about the company's multi-employer pension fund with about 100 companies linked to it.

"There's clearly a bigger risk now, in some ways that the company won't necessarily survive," she said.

"It has a very wealthy parent who normally one might be looking to to fix this deficit, even if the business itself isn't going so well for the subsidiary, the parent company is doing extremely well. If we don't try to ensure that money is paid in now, then the bill for other companies, competitors of P&O may be even greater.

"If that business moves forward, then it will be having some unfair advantages over its competition if they are paying proper minimum wage and abiding by the types of laws that British companies need to abide by - but also there might be extra costs for their pension."

The fines are small but the implications are huge. Boris Johnson has become the first British prime minister to face criminal sanctions for breaking the law while in office. Along with his chancellor, Rishi Sunak, he has been fined by the police - for breaking his own emergency pandemic laws.

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