

P&O Ferries boss admits firm broke law and chose not to consult over sackings as ‘no union would accept proposal’

P&O chose to break the law by not consulting before sacking 800 staff because it knew “no union would accept our proposal”, the head of the ferry company has told MPs – as he revealed new workers are being paid between £5.15 and £6 an hour.

Peter Hebblethwaite, chief executive of P&O Ferries, told a Commons select committee a “consultation process would have been a sham” so they did not engage in one ahead of the shock redundancy of hundreds of staff last week via Zoom.

MPs were incredulous as they asked him to confirm if the company chose to break employment law by failing to consult.

Mr Hebblethwaite said: “I completely throw our hands up, my hands up, that we did choose not to consult.

“We did not believe there was any other way to do this.”

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Asked if he would make the decision again, with the benefit of hindsight, Mr Hebblethwaite said he would as it has saved the business.

Since the sackings, it has been claimed P&O replaced workers, who Mr Hebblethwaite said earned £36,000 a year, with agency staff from India being paid £1.80 an hour.

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But Mr Hebblethwaite, whose basic annual salary is £325,000, insisted the new staff are being paid between £5.15 and £6 an hour, which is below the UK's minimum wage of £8.91.

He said P&O is paying staff on international routes above the minimum International Transport Workers' Federation wage and it will save the company half its crewing costs.

Explaining why P&O did not consult before making staff redundant, he said it was necessary to change the model of how P&O Ferries was being run because the company would have had to close otherwise due to the pandemic.

However, he said they chose not to consult and let unions know what the new model would be because they would not accept it, so they decided to compensate staff instead.

"We considered every single other option but that would result in the closure of P&O," the P&O boss said.

"The new model is a fundamentally different operating model – no union would accept our proposals."

Mr Hebblethwaite started off his questioning by apologising to "seafarers and their families" as well as to the 2,200 employees whose jobs were saved and who he said would also not have had jobs if a consultation had taken place.

He added: "We now have a business we can rebuild and regrow, a competitive, modern company.

"We have a future now."