

## Highlights of topics discussed on 30 November 2022

### Welcome & meeting opened

### Business update

Q3 of 2022 was the first quarter CUK was profitable since the start of the pandemic. Over the course of 2022 it's estimated that we will make a loss of around £5.5 billion, and we have acquired a lot of debt so there is a need to continue to be careful with costs. Next year the aspiration is to return to making a profit, but it's a challenging commercial environment with the need to make debt repayments and the increases in cost due to inflation both adding additional cost pressure. Bookings are good for both brands with the acknowledgement of the increase in capacity which will be up 40% for P&O with our new ships to the fleet. It will be a challenging commercial context to bring in new ships into our Fleet, however it offers the business a great opportunity to improve revenue.

What Cunard and P&O cruises offer continues to be good value for money in the holiday market so we will aim to acquire more guests and return to a profitable position by the end of 2023. This is similar to other Carnival brands, although it is acknowledged that American brands such as CCL have bounced back better than European brands.

### Maritime Workforce Future Readiness

The project started 12 months ago and we're in a position to share the points that we are looking to address. Boston Consulting Group (BCG) worked alongside us for 2 months and interviewed subject matter experts in the business. BCG provided a set of recommendations which we've drafted into initiatives. We now have approval from the Executive team to move forwards for detailed scope and design.

The recommendations cover a number of areas: (1) the establishment model (2) contracts and employment model (3) rotations planning & processes and (4) culture; shared accountability between ship and shore.

Our establishment calculation needs to be improved to understand resourcing requirements, we struggle to deal with unplanned variants to rotations eg sickness. It has been clearly identified that On Company Business (OCB) is ineffective in meeting the business needs, and therefore we need to develop a replacement mechanism. We have feedback from both the rotations team and the fleet that planning processes could be clearer and communication between ship to shore could be better. There are a number of steps to be worked through so the next few months we will be working on the detail.

The value of annualized contracts came over loud and clear from the survey of our officers, therefore we will be looking to retain these contracts. 12:12 is still the most likely rotation pattern. It is clear from the work conducted that we should standardize to a reduced number of days; this is likely to be 200 ADW. A mechanism for covering unplanned gaps will still be required. OCB does not work well for anyone, therefore work will be undertaken to develop a replacement "opt-in" model The current end of tour bonus doesn't offer enough flexibility so that will be reviewed.

Finally, we're looking at rotations planning recommendations, we will be improving the reporting of data in order to identify priority of actions. Officers should be able to view their rotations patterns as often as required, whether on board or on leave. The timeframe for these changes may in place as early as 2024, although some areas may take longer to implement fully and consultation may be required for some points.

Slides have now been shared with SMT and they have been shared with the PAW members when this bulletin was issued.

### Standards of living onboard

It was noted that workload is high for many, members are encouraged to consider aspects which are temporary, and which are longer term and communicate these to the PAW inbox. There is a project underway reviewing time and attendance. There was a question about certain ranks being eligible for overtime in specific scenarios- again members are encouraged to feedback to us examples so this can be explored further.

A shore based café was set up exclusively for crew on Iona when docked at Norway with free wifi and snacks, this was well received. There have been subsidized crew tours and gym equipment being replaced throughout the fleet.

As more Indonesian crew have joined the fleet the menu has been adapted to include Indonesian cuisine. There is a trial taking place on Arcadia to better capture crew dietary requirements at sign on. It was stated that there was more

access to the guest menu pre pandemic. The topic of quality of food will be addressed with the F&B team and we will invite a representative from the GE team to the next meeting.

The crew assistance programme is due to be relaunched and the provision of mental health champions will be set up to provide peer support in the fleet in the next 6 months. If anyone has a particular interest in becoming a mental health champion please contact Dan Yeates.

### **Internet provision**

It was acknowledged that no profit is made from crew internet packages. This year the deficit is almost £4 million as the product is heavily subsidized. A commitment has been made to freeze the pricing for the next quarter although the cost of internet provision has increased by 50%. There is also a trial of 4G and 5G sim cards to provide further free internet. The investment made to improving crew internet is £17 million so far and the company is committed to exploring new technology so that bandwidth can be secured at the best available rate.

There is a refund policy which is on Docova which can be used to claim a refund back in cases of internet outages. This has been shared with the group at the time this bulletin is sent.

### **Travel Allowance and car hire**

It has been found that 45% of officers eligible have submitted expense claims where they have utilized their travel allowance meaning the allowance was sufficient for 55% of officers. Increasing allowances isn't currently being viewed as a suitable option. Officers should be aware that they can claim or additional expenses straight away and don't need to wait until the end of the year. It was agreed that we would review again at the March 2023 PAW meeting as there is a possibility that individuals may claim in the last few weeks of the year.

There has been no significant change to the climate of the car hire market however the rate of accepted bookings is increasing. One way hires continue to be the most challenging service. Advice from Zenith included in the addendum below.

### **Sourcing of crew and cadet and officer funding**

Following on from the update that was sent out in September, we have recruited a number of engineers. There is no intention to reduce entry requirements and whilst we explore other markets we are committed to growing British officers. There has been a SMART funding scheme available for UK resident officers to come through which was designed for merchant navy specifically. There is due to be additional government funding and we're discussing with the MCA what this will look like. There is further cadet funding and we are increasing the number we take on from 30 to 60 this year. It was confirmed that the retention rate of cadets is 95%. There will be further information at the next PAW meeting.

There was a question raised about new hires starting on high pay bands. It was confirmed that there aren't any plans to start new hires on higher than Band B. The company intends to continue to promote from within where possible and build a transparent career pathways, considering the internal promotion pools before considering external hires.

It was mentioned that there is no service increment for TSM ranks leading to new joiners being on the same pay as someone with 14 years experience in the role. Further advice from the Reward team is as follows:

The role of TSM does not have automatic annual increments and there are no plans to introduce to this or any other rank. As an officer their pay is reviewed annually by the relevant shoreside senior manager where recommendations can be made for an increase in pay point which may include factors such as personal contribution and internal equity etc.

There have been 3 new hires to this role in 2022 and all are on pay point 0 (starting rate for the role). It is possible for new hires to be placed anywhere on the pay scale dependent on the experience / knowledge that the individual brings.

### **TSM rest days**

There had been confusion over a member's eligibility to be entitled to rest days when joining the ship. It was confirmed that TSMs are not eligible for an additional day of rest, some ranks do and this depends on whether their role is called as "safety critical". Action to take away and explore further to understand whether current arrangement meets the requirements of operation.

### **AOB**

Pay negotiations for D&T Officers will commence 9<sup>th</sup> December. Rachel will contact members directly to arrange a pre meeting next week for either Monday or Tuesday and advise CUK which Nautilus members will be in attendance.

Agreed that we will review the action log at the start of each PAW meeting.

Reminder to contact IT in the first instance if there are any issues accessing your dedicated PAW email address. Any issues doing this please escalate to the PAW inbox.

## **Meeting closed**

Addendum to PAW Bulletin:

### **Zenith Car Rental – Useful tips to maximise chances of securing car hire**

Carnival UK has a contract with Zenith and all booking requests must be directed to Zenith in the first instance; a minimum of 7 days' notice must be provided. If Zenith is unable to fulfil the booking, or if you are unable to provide 7 days' notice, then an alternative car hire provider can be contacted.

The car rental market continues to experience challenges with the availability of new vehicles, and since the COVID pandemic it has become more difficult to secure bookings for short-term rentals, with one-way hires particularly problematic.

By following the below approaches, wherever possible, you will maximise the chances of securing a booking through Zenith:

- Book early, the more notice the better
- Where possible, request a 'walk-in' booking i.e. collect or return the vehicle from the rental location rather than requesting home delivery/collection
- When booking home delivery/collection, request the delivery or collection times within branch opening hours (these can vary, but are typically 0800 – 1800 Monday to Friday and 0900 – 1300 Saturday)

Requesting an out of hours, home delivery/collection, one-way hire is one of the least appealing options for car rental companies, and with vehicles in short supply requests of that nature will reduce the chances of a successful booking.