

Highlights of topics discussed on 14 June 2023

Welcome & meeting opened

Welcome Graeme Thomson, Director, People Operations, Maritime who will be replacing Lynn Cossey

Round the table introductions as new Partnership at Work Representatives in attendance.

Review and update of action log

Business update

As we are now halfway through the financial year, we review revenue and costs compared from the start of the year and review forecast at end of year. The company is not making as much in ticket prices as we expected it to, for both brands. You will see that the ships are full, which is great, but we're not selling tickets at the price we expected so there is a reduced ticket price to keep ships full. We are seeing cost challenges in a number of areas due to inflation, supply chain and high-profile events. There was a big commercial impact due to the cancellation of 2 x Transatlantic crossings on QM2 in April. The financial projection for the end of the year is some way from where we expected to be at the start of the year.

Looking at the other corporation brands, American market is recovered, occupancy has recovered. CCL is doing well; the market is a couple of quarters ahead of European markets. European brands such as Costa in particular are struggling for occupancy. The focus remains on driving revenue and yield. The current challenge is managing price and charging the right amount for tickets. Future bookings in 2024 are looking good.

Onboard eNPS has been low with a negative eNPS across a number of ships. We're starting to see it improving, although it's somewhat off where we were in 2019. There is a continued investment in facilities and service training.

You should have seen the recent business announcement that Paul Ludlow is now President of CUK as well as P&O cruises following Sture leaving the business. Kate McAllister is joining as President of Cunard. This results in minor organizational changes within CUK. It shouldn't impact you in terms of the way we work together.

Charles has moved into the role of VP, Fleet Technical Operations. His successor in the Senior Director, Maritime Fleet Workforce role has been appointed and will be joining in just over 3 weeks' time. Her name is Sophie Shaughnessy, she comes from the Royal Navy and has a background in technical roles. She will be a welcome addition to the team and will chair this forum and will support Andy, Mike and George.

Maritime Workforce future readiness (MWFR)

There has been a lot of activity, Maritime officers to request voluntary reduction to 200 ADW. More of a response than anticipated with around 160 people in total requesting this. We are in the process of reviewing those requests. Weighing up operational need against applications will take time. We are in the process of reviewing them and we will make contact with individuals to make them aware of the outcome.

Consistency is key, decisions will be taken until the end of the week of 7th July. We hope to start communicating decisions then. We won't be able to approve all 160 but we want to approve as many as possible. Some ranks are under more pressure than others. Everyone should have had acknowledgment that their request has been received.

Thank you to those of you who have participated in engagement groups. We are engaging with SMT and the rest of the maritime annualised officer team to understand how we go about delivering changes. So far, we have focussed a lot of time on what a potential replacement for OCB would be. If days are removed, we need to ensure we can still cover all needs as well as unplanned needs. Part of the issue is OCB used to plan but a lot of events happen at the last minute. We want to make sure we have the right framework in place. We hear from officers that there is a strong desire to protect time off. Feedback that people have been planned on OCB and not complied with it and there haven't been any repercussions.

We want to make sure we have the right pay to motivate behaviours. We have a framework where everyone understands their reward. We want people to be rewarded for effort in more timely fashion to make rewards more meaningful. ADW conversation was interesting, the feedback is that the overall aim is to reduce to 200 days and there isn't a desire to reduce pay with that. We are now taking that feedback away and seeing what that means for a potential solution.

We are continuing engagement groups and are also planning a survey. We have a workshop today to plan potential solutions for replacement for OCB. We are hoping to generate proposals to 200 ADW we would then consult.

Visibility of reward statements, this is also part of this programme. It's about looking hard into rotations planning, the improvements we are making should make a difference for you. We will communicate those under the heading of MWFR which aims to improve things for the future. There's a link to the MWFR Insider page on the slides. Anyone can access those pages. With this programme it is complicated, there's a lot to get heads around and we are moving into an important phase. As PAW reps, and some of your engagement volunteers, you'll be the most informed people and so please answer questions and point colleagues in the right direction. We hear that there is still uncertainty and confusion.

Discussion with Captains was interesting, there appears to be sentiment that transition to 200 days is a firm decision. This isn't the case; we are engaging to help us steer solution. The only direction we've signaled is that we want to get to 200ADW. We need to discuss and consult once we have agreed what the transition proposals are. Captains wanted to have the same level of information that you guys have as PAW reps, there was a bit of scarcity of information. We have discussed the benefits of having PAW reps in SMT meetings on occasions. We will do more to keep SMT members informed to ensure they have the same information as you.

As a point of reference, the last set of comms which were sent out to officers in February is the most recent update, we haven't deviated from that. The only things which are new are that we're moving through the voluntary requests and engagement groups are providing fantastic feedback.

Retention bonus – Arvia

Enquiry has come in around LNG incentive scheme, there is a question around lack of transparency.

Expressions of interest request were sent out widely back in 2020 to ensure we understood who was interested. Eligibility is rank specific, and it's intended to retain people for 5 years from certification. We feel we have communicated it to people at the right time. It does close at the end of this year.

We need to manage the risks, it is a competitive employment market, and they are targeted. If your colleagues on other ships are interested in serving on Iona and Arvia, we're still open to people who have that interest.

Travel costs- Visas and car hire

Pleased to be able to a more positive update. The situation continues to improve although not yet at pre covid levels. Car hire firms are struggling to find vehicles in the numbers that they need. The key sector within car rental is one way hire which typically is what we need. Car hire companies are reluctant to allow one-way hires out of area.

Zenith welcome pack will be updated and will be reviewed and recirculated shortly, this will include those officers on leave.

One-way charges may become the new normal going forwards, we will continue to keep you updated.

Travel costs- visas

To confirm, the cost of visas and medical certificates are reimbursable but travel to and from appointments is not covered. ENG1 renewal can now take place at CSMART as part of regular attendance, majority of Maritime ranks go to CSMART.

We can review and discuss further what the seafarer responsibilities are in terms of their medical documents. The Bermudan requirement is CUK requirement, this will be reviewed further to understand the reason behind this.

Share purchase plan for seafarers

Having discussed with global shares last week, it's been explained that to implement a share purchase plan in the fleet would be extremely challenging due to tax implications and administration. There is no desire to implement for certain nationalities to avoid this as it would not be fair.

The barriers to implementation would be issues with HMRC legislation and for the equivalent for other jurisdictions for non-UK seafarers. To run a UK scheme nationality is a tax problem but we do continue to investigate that. Shoreside colleagues and fleet colleagues are employed by different entities, something which works for shore may not work for fleet and vice versa. We will review this again in the future, however there is nothing further to update on at this stage.

Currency

Seafarers are paid in either Euro, GBP or US Dollars, it was originally requested by seafarers to be paid this way.

Currently GBP isn't as strong, however in the past the Euro wasn't as strong, things fluctuate. Over the years we've reviewed the possibility of paying in a different currency. This option is unfavourable as there is no certainty about the actual amount being paid each month due to the exchange rates fluctuating.

When we've done the reviews, as there is still fluctuation, we want to understand the general long-term movements of exchange rates, and this is a continuing discussion.

It is recognised that there is regular feedback on this issue, the main concern is to understand whether we make any assessment and changes. There is no plan to change anything this year, however this will be reviewed as part of the next pay review negotiations.

Overtime analysis

Overtime has been raised from the perspective of should we consider reviewing it and whether we use TAA to understand if people are overworking.

TAA monitors rest periods, it isn't used to analyse against working hours. In terms of complement review, we will be looking at this. There are a number of areas where there is concentration on whether it's fit for purpose. That's already underway through deck rating alignment. A variable is the introduction of voyage planning tool -One Ocean. The review of 1st officer workload has been on hold until One Ocean has been rolled out, now that is complete the review of 1st officer role can start. There continues to be a more proactive approach to complement.

It was raised that there may be a clause in certain contracts around getting a day's pay for overtime rather than per hour.

This review is to ensure the safe operation of our ships as we should do everything to avoid an unmanageable workload and we want the complement to be fit for purpose.

F&F deals

Friends and Family discounted cruise offers have recently been issued by the brands directly. However, it seems that, in some cases, the emails weren't being sent to fleet colleagues. It has been agreed by internal communications that they will take back ownership of the process at the end of June in order to ensure everyone is included in the distribution.

AOB

New regular agenda item - It was mentioned that it may be useful to include environment, social and governance update in relation to decarbonisation as a regular agenda item. There is a lot to cover on this topic, Nautilus will share information to understand what specific information is needed to ensure the right individuals are involved in future conversations.

Crew connectivity – since the restrictions were placed on the network to prevent guests using the crew Wi-Fi, crew have to login and go through extra steps purchasing a package on each login. The question is whether it is possible to enter a username and password to avoid guests using it, then be able to use the free WhatsApp after logging in.

BAFTA competition- this was open to fleet and shore and all brands.

Pay review letters- it was acknowledged that the wording could have been clearer. New letters can be issued to those requesting them, if anyone needs an amended letter, please let the Reward team know.

Next PAW meeting:

Wednesday 13th September 2023

Meeting closed