

Grant for Business Investment (formerly SFIE)

Case study – TUI Travel, Luton

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Thousands jet to the sun every year with TUI Travel, but how many realise it is Europe's largest holiday company and one of Luton's most important employers? Around 800 people work at the company's HQ at Wigmore House near Luton Airport.

But Luton might have lost this vital source of jobs without funds from EEDA's Selective Finance for Investment in England (SFIE) programme. "EEDA funding has played a key role, first in safeguarding and subsequently in creating jobs in the area," said TUI Travel finance executive Rob Coldrake.

The years since 2000 have seen unprecedented upheaval in the travel business, with fierce competition from no-frills airlines and internet operators. By 2004, the German parent company was looking for massive efficiency savings and thinking about moving much of the Luton operation to Hanover. This would have meant the loss of more than 250 jobs in Luton – a grim prospect for a town that only two years earlier saw the final closure of the Vauxhall car plant that was once its biggest employer.

But the situation was turned around when EEDA awarded two grants under the SFIE scheme, which offers support to companies investing in areas of high unemployment.

First came a grant of £1.95 million to streamline operations and relocate head office staff from

London to Wigmore House. The savings were big enough to persuade the parent company that the UK operation was viable. A second grant of £1.1 million is helping to fund expansion on to a third floor at Wigmore House, with the creation of another 95 jobs. For its part, the company is spending almost £19 million on its assets in Luton.

The economic impact on the area has been considerable, said Rob: "We're doing a whole raft of recruitment, much of it of local people. These are jobs that might never have been here."

The firm's links with Luton go back to 1965, when the Thomson travel company was formed, absorbing the Luton-based airline Britannia. In 2000, Thomson came under German ownership, and TUI Travel was created in 2007 when the travel division of German group TUI AG, owner of Thomson Holidays, merged with First Choice.

The importance of the EEDA grants became even clearer after the First Choice merger when Luton was chosen as the new company's main base. In four years the town has progressed from the threat of job losses to hopes that it may eventually become home to up to 1,400 TUI Travel employees.

How do I apply?

For further information and to download an application form visit www.eeda.org.uk