

Britain: Thomas Cook announces closure of Bradford-based operations centre

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The UK travel firm Thomas Cook announced June 13 that it is to close its operations centre in Aldermanbury, in the West Yorkshire city of Bradford, with the loss of hundreds of jobs. The firm issued letters to its entire staff and entered a formal 90-day consultation with trade union and staff representatives. The company said it plans to transfer 69 of the staff to its nearby Birkenshaw operations centre, leaving 468 facing redundancy.

Thomas Cook, founded in 1841, describes itself as “one of the world’s leading leisure travel groups with sales of £9.8 billion and 23.6 million customers.”

The company has faced financial problems and had to seek a £100 million short-term loan in October last year. Its share price had crashed from a high in January 2011 of around 130 pence per share to about 20 pence a share. Following the interim short-term loan, the company was able to agree a £200 million facility until April 30, 2013 from a consortium of banks including Barclays, HSBC and RBS that has left the company with debts of around £1 billion.

In August of last year, Thomas Cook’s chief executive, Manny Fontenla-Nova suddenly resigned following a series of profit warnings by the company. Fontenla-Nova had been with Thomas Cook since it took over the Bradford-based firm Sunworld in 1996. He had been a founding director of Sunworld. A November 2011 article in the *Financial Times* noted Fontenla-Nova “left the company with high debt and a sprawling chain of travel agents that look obsolete in the online era. The edifice may not long outlast the architect.”

In autumn 2010, Thomas Cook and the Cooperative Travel firm announced plans to form a joint venture which Thomas Cook claimed would save it £35 million a year and in which it would hold a 70 percent stake.

The merger was given the go-ahead by the Competition Commission in August last year.

According to a Travel Weekly news web site article, posted in March this year, the merger has led to the closure of 112 outlets and the loss of about 400 jobs. The article noted, “The latest confirmed closures take the total since last September to 134. Thomas Cook said at the end of 2011 that it intended to close over 200 outlets over two years.”

Bradford already has very high unemployment rates; youth unemployment in Bradford is double the UK average and has trebled in three years. During Labour’s 13 years in government from 1997 to 2010, some 15,000 manufacturing jobs were lost in the city.

The city has high levels of social deprivation. In 2010 Bradford was ranked the 26th most deprived local authority district in England out of 326. It also has the biggest gap between the most deprived and least deprived neighbourhoods of any city in England.

Thomas Cook workers can have no confidence in the trade unions, who nationally have presided over a multitude of job losses and the imposition of worsening social conditions.

The only recognised trade union for Thomas Cook employees is the Transport Salaried Staffs’ Association (TSSA). In response to the announcement to close the Bradford Operations Centre, TSSA general secretary Manuel Cortes released a statement saying: “Thomas Cook is largely in the mess it is because of the management of former chief executive, Manny Fontenla, [sic] who was paid an astonishing £15 million for driving the company toward the very edge of the cliff. Now hundreds of our members are going to pay the price of that mismanagement with their jobs while he has ridden off into the sunset with all the loot. It is a scandal.”

But with the jobs set to go between December and March, TSSA has done nothing to mobilise the Bradford workforce, or any of the other 19,000 Thomas Cook staff in the UK, in opposition to these measures. Instead it has entered the consultation process with management. As demonstrated time and again, such consultation processes are the means through which unions and management devise the best way to impose the retrenchments.

On June 19, Cortes met with Bradford West's Respect Party MP George Galloway and Gerry Sutcliffe, Labour MP for Bradford South, in the Houses of Parliament. Reporting the meeting on his web site, Galloway said, "Gerry and I are determined to do everything we possibly can to save these crucial jobs."

What does this amount to? Galloway's web site reports that, "The MPs are commissioning an impact assessment from Bradford University and have asked Thomas Cook's chief executive to meet with them."

Workers can have no confidence in Galloway's Respect to fight these attacks on their jobs and livelihoods. Elected on a sea of opposition to Labour in the city earlier this year, Galloway is using his position to try and rebuild relations with the party that expelled him in 2003 following his criticisms of the Iraq war.

Speaking after his election victory, Galloway declared, "I appeal to the Labour Party to be a Labour Party again...unite the coalition they once had...That's the way to really defeat the Tories and the Liberal Democrats." Almost immediately Galloway has gone into a de-facto coalition with Labour.

Meanwhile, the leader of Labour controlled-Bradford Council, David Green said he was "disappointed" in the fact that Thomas Cook had not consulted him before making the announcement. According to the local *Telegraph & Argus* newspaper Green "has met TSSA regional organiser Brian Brock to discuss ways of offering help to staff from the Cook call centre who may be facing redundancy." It added, "Coun Green said he would liaise with the MPs in efforts to reduce the impact of the closure plans."

We urge Thomas Cook workers and their supporters to read the *World Socialist Web Site*, study the political programme of the Socialist Equality Party and discuss with us the development of a rank and file committee to take up the defence of jobs.



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