Local Labour and Skills Statement

Proposed Aldi Foodstore - The Imperial Lounge, Victoria Avenue East, Manchester, M9 7HW.

Planning Ref. 133148/FO/2022
August 2023

Introduction

1.1 This Employment and Skills Statement has been prepared by Avison Young ('AY') on behalf of Aldi Stores Limited ('Aldi') in support of a planning application on land at The Imperial Lounge, Victoria Avenue East, Manchester, M9 7HW for the construction of a new foodstore with associated access, car parking, servicing and hard and soft landscaping.

1.2 The purpose of the Statement is to outline some of the key recruitment, training, skills and work experience opportunities that Aldi promotes through its ongoing commitment to corporate responsibility. Aldi's national corporate responsibility plan is driven by five principles - community, people, customers, suppliers and environment. It is therefore evident that current and future employees form a cornerstone of the business. Indeed, with more than 31,000 colleagues in the UK and Ireland and plans to increase to 35,000 over the coming years, people are evidently Aldi's biggest asset.

1.3 With regards the Moston area specifically, Aldi is already a key investor and employer, with existing foodstores in nearby Midldelton, Failsworth, Oldham, Market Street and Ancoats in the city centre. Moston will represent Aldi's sixth foodstore in the north Manchester area and, as with its other local stores, it is envisaged that the vast majority of employees will come from the immediate area. Once employed, colleagues will benefit from some of the best work-based training opportunities available in convenience retailing and Aldi's ongoing commitment to building a culture of responsibility and excellence throughout their business.

Aldi Approach to Employment and Skills

Who is Aldi?

2.1 Aldi is one of the world's leading grocery retailers and sells quality products at low prices. Aldi is committed to being at least 15% cheaper than the UK's larger national supermarkets. The company has built a network of stores in Europe, the USA and Australia. Aldi first entered the UK market in 1990 and has now expanded to almost 1,000 stores across England, Scotland and Wales.

Local Investment Principles

2.2 Not only do new Aldi stores create jobs, they trigger further investment. New stores often attract other retailers and businesses, acting as a catalyst for regeneration, often by redeveloping failing or redundant sites. This encourages further development and improvements to local businesses.

2.3 Many of Aldi's foodstores (including Moston) are developed on brownfield sites, which were underperforming or derelict. They bring life back to a community and provide security for local businesses and residents. The investment an individual store brings directly to a site at development stage is considerable. This investment includes purchase and development of a site. The knock-on effects for suppliers, local contractors and revenue to Local Authorities, to name but a few, are significant additional benefits, thus bringing added investment directly into the community.

Job Creation and Renumeration

2.4 New Aldi stores generally employ between 40 - 50 staff. The company voluntarily enters into Local Labour Agreements thus demonstrating its commitment to a community. A vast proportion of recruits will be from within the local communities where Aldi is planning to open their store. Approximately 66% of store staff travel under five miles to work, with 43% travelling less than two and a half miles. In-store jobs include a store manager, store deputies, store assistants and a caretaker.

2.5 The company's remuneration and training policy reflects Aldi's firm belief that a well-trained and highly motivated workforce is essential to the success of the business. Aldi has maintained its position as the UK's best paying supermarket by raising its starting pay for Store Assistants to a minimum of £11.40 per hour nationally, and £12.85 within the M25 from July 2023. Pay rates rise further to £12.30 nationally and £13.15 within the M25 based on length of service. As well as receiving the highest hourly rates in the sector, Aldi colleagues are also paid for breaks.

2.6 The new £11.40 per hour starting rate (effective from 1st July 2023) is more than 13% higher than it was a year ago, representing an investment of more than £100m in colleague pay in the last 12 months. The new rates are also higher than the Real Living Wage, set by the Living Wage Foundation, of £10.90 per hour nationally and £11.95 inside the M25.

Creation of Apprenticeships / Graduates / Traineeships

2.7 Aldi are dedicated to their Apprenticeship programme, which is one of the strongest in the convenience retail sector. Apprentices are trained to work in all parts of the business including at store, distribution, logistics and management level, as well as progression through to the Store Management Team.

2.8 Indeed, it was announced in January 2023 that 500 new apprentice positions will be created by Aldi during the course of this year. At Aldi, a Store Apprentice can earn £220.20 per week in the first year of training, rising to £321.90 per week after two years, with paid breaks. Meanwhile, those in logistics and driver roles can earn between £240 and £378 per week respectively.

2.9 There are also a wide range of graduate places available for the Area Management Programme. This is an annual programme. Trainee Area Managers spend a year shadowing an Area Manager and learning the ropes before they are expected to take on three to four stores of their own. The training covers the entire spectrum of running a retail operation and is a UK-wide programme.

2.10 Aldi also offers a year-long industrial placement programme for general management roles. Aldi has opportunities all over the UK and Ireland, with 50 to 100 stores in each region.

Recruitment Through Jobcentre Plus and Other Local Employment Vehicles

2.11 Aldi ensure that its foodstores have a positive impact on the local communities that they are located within as recruitment is focused locally. Job vacancies are advertised in nearby stores and in the local

press alongside Aldi's website. This approach usually results in the majority of staff being recruited from the local area. In addition, it is not unusual for the retailer to work with the local Job Centre Plus when recruiting for a new foodstore and this could be facilitated if needed in the case of Moston such that residents of the local area are specifically targeted.

Training Schemes

2.12 People are Aldi's business, and they understand how important they are. Accordingly, they have created their own academy at the Bolton Distribution Centre to coordinate the training and development of new and existing colleagues across the north west. Aldi offers full training for all of its positions and the schedule and facets of the training are tailored to the individual.

2.13 For example, in 2018 Aldi held over 1,100 external training courses nationally, attended by over 10,700 colleagues. This includes on-the-job training and inductions to develop their professional, technical and interpersonal skills, as well as a performance review process to ensure all colleagues get the right feedback and are able to openly discuss their personal development and career progression. Courses available include health and wellbeing, to ensure colleagues are supported with the skills to do their job more effectively.

Work Experience

2.14 Working with their partners Aldi are able to identify individuals that are seeking work placements and may be able to accommodate these during the project. Aldi typically identify candidates that will benefit the most from the opportunity, particularly those that are currently undertaking some form of construction related education and training, and those that are looking to re-enter the industry after a period of absence. Aldi works with its appointed supply chain to support work placements.

Links with Training Facilities

2.15 As highlighted, Aldi now has its own academy at the Bolton Distribution Centre (some 14 miles west of Moston on the M60) to co-ordinate the training and development of new and existing colleagues across the north west. Aldi offers full training for all of its positions and the schedule and facets of the training are tailored to the individual.

Contractor Procurement and Employment Opportunities

2.16 The construction of a new store typically requires the services of local building trade contractors which provide employment opportunities during the build out period. Usually a range of skills such as ground works, steel, brick and block work and shop fitting are sourced locally, as well as cleaners and labourers.

2.17 Due to the scale of the projects for new Aldi stores, both local and national construction companies will subcontract large parts of their projects to local or regional companies. Usually a range of skills such as ground works, steel, brick and block work and shop fitting are sourced locally, as well as cleaners and labourers. Local or regionally-based contractors are usually more competitive, as travel and hotel costs aren't required, therefore keeping costs down and boosting the construction trade in a local area.

Conclusions

2.18 Drawing the above together, this Statement emphasises Aldi's commitment to providing a range of well-renumerated retail positions, which will benefit from on-going on-the-job training. It also highlights that, by its nature, the foodstore will employ the vast majority of its 40 or so staff from the local area

given that this is preferable from a store operation perspective. Where roles are not filled via direct applications from Aldi's website, the retailer will engage with the local Job Centre Plus. Aldi is a strong advocate of apprenticeships, graduate schemes, traineeships and work experience, and would facilitate such roles within the Moston store via its national initiatives. Each of these can be applied for via Aldi's website. Finally, a proportion of local labour will also more than likely be used in the construction of the foodstore, via the appointed contractor.