

MAYOR OF LONDON

GLA AEB Action Note - London Living Wage Update

Guidance for GLA AEB Grant and Procured Providers



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**Greater London Authority
September 2022**

Published by
Greater London Authority
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London E16 1ZE

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ISBN

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LONDON LIVING WAGE

Further to the Mayor's announcement on 22 September 2022, the London Living Wage has been increased by 8.1 per cent to £11.95.

Grant and Procured Providers should use the latest London Living Wage of £11.95 per hour in calculating the threshold to fully fund employed or self-employed learners who normally would be co-funded up to and including level two, are eligible for co-funding and earn less than the London Living Wage as an annual gross salary.

The London Living wage should be applied to eligible learners who start on or after the **22 September 2022**. Please note that providers are required to use the £11.05 London Living Wage value for all learners who started before 22 September 2022.

The GLA AEB 2022-23 Funding and Performance Management Rules for Grant Funded Providers is subject to the following amendments:

Learners in receipt of low wage

earns less than the London Living Wage as an annual gross salary on the date of the learner's learning start date. Learners will be deemed to earn less than the London Living Wage as an annual gross salary if they earn less than the hourly London Living Wage at that point in time, multiplied by 37.5 (hours per week), multiplied 52 (weeks per year). Based on the 2022/23 London Living Wage, this would be £23,302.50, but AEB Procured providers will need to check the updated rates each year.

Glossary

London Living Wage - The London Living Wage is an hourly rate of pay, currently set at £11.95. It is calculated independently to reflect the high cost of living in the capital, giving a worker in London and their family enough to afford the essentials and to save. The basket of goods draws on the Minimum Income Standard to identify everyday living costs through public consensus. The rates are calculated annually by the Resolution Foundation and overseen by the Living Wage Commission, based on the best available evidence about living standards in London and the UK. The rates are announced on Monday of the first week of November each year.

The GLA AEB 2019-23 Funding and Performance Management Rules for Procured Providers is subject to the following amendments:

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