

# **GLA AEB Action Note - London Living Wage Update**

Guidance for GLA AEB Grant and Procured Providers



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## LONDON LIVING WAGE

Further to the Mayor's announcement on 9 November 2020, the London Living Wage has been increased by 0.9 percent to £10.85.

Grant and Procured Providers should use the latest London Living Wage of £10.85 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 2, 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 **9 November 2020**. Please note that providers are required to use the £10.75 London Living Wage value for all learners who started before 9 November 2020.

The GLA AEB 2020/21 Funding and Performance Management Rules for Grant Funded Providers is subject to the following amendments:

160.2 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 2020/21 London Living Wage, this would be £21,157.50, 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 £10.85. 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.

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

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