

GLAECONOMICS

Living Wage Unit

A Fairer London:
The 2011 Living Wage in London



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Foreword

London faces challenging economic times as the UK enters a period of fiscal tightening without precedent in the post war period. Yet London is an economic powerhouse and over the medium term the city will continue to grow, whether measured by jobs or by population. I am confident that London will emerge strongly from our current economic difficulties, and will continue to deliver prosperity and economic opportunity.

I am determined to ensure that London remains an international, open, diverse, creative, competitive and socially cohesive city. The 2012 London Olympics is an opportunity to showcase our greatest talents to the rest of the world. The functioning of our great city relies on the work of many who carry out its essential functions on a daily basis – from office cleaners to care-workers in social services. It is right that their skills and commitment to London's success are recognised, and one of the most fundamental ways of doing this is to ensure that all Londoners are paid properly. That means receiving at least the 'London Living Wage', which is designed to provide a minimum acceptable quality of life.

Therefore I am very pleased to publish the Living Wage Unit's seventh annual report and to announce that the 2011 London Living Wage is £8.30 per hour. This figure will be implemented by the GLA Group as contracts allow.

The GLA Group, one of London's largest employers, continues to lead the way on implementation. There are now over 3,000 employees working for companies with contracts from the GLA Group who are benefiting from the London Living Wage.

Clearly the success of the London Living Wage depends on the extent of its acceptance by employers. Following our engagement over the past year with private sector employers, good progress has been made in terms of private sector companies committing to the London Living Wage with 12 major employers newly signed up. As knowledge of the benefits of implementing the London Living Wage spreads, there has been increasing interest from London boroughs and Higher Education institutions. With 14 Higher Education institutions in London either paying the London Living Wage or committed to implementing it when contracts are renewed, there are now over 100 London-based employers signed up to the Living Wage.

Nonetheless there is still work to do before all Londoners are paid a decent wage. Ten per cent of full-time workers and 41 per cent of part-time workers earn less than the Living Wage. And just over one in ten employees receives less than the £7.25 poverty threshold wage.

Paying the London Living Wage is not only morally right – with the potential to massively reduce child poverty in London – but also it makes good business sense. What may appear to a company to be an unaffordable cost in a highly competitive market is more appropriately viewed as a sound investment decision. I believe that paying decent wages reduces staff turnover and produces a more motivated and productive workforce.

As in previous years, this report takes a systematic approach to identifying what is a Living Wage in London. It shows how a wage earner paid less than about £7.25 an hour will be living in poverty, even after benefits and tax credits are taken into account. This means that in London an hourly wage rate of 22 per cent above the National Minimum Wage (NMW) rate of £5.93 is necessary just to take the wage earner above the poverty level.

However, this provides no margin to meet the kind of day-to-day challenges which those of us who are better off can take in our stride. As before, a margin of 15 per cent has therefore been added to the poverty threshold wage. The result is a London Living Wage of £8.30 per hour – an increase of 5.7 per cent on last year's figure and a 24 per cent increase in the six years since its introduction (at £6.70).

I want London to be the world capital of business, the top international destination for visitors and students and for all Londoners to have the opportunity to participate in its economic success. The London Living Wage has an important role to play in achieving this goal.



Boris Johnson
Mayor of London

Executive summary

This is the seventh annual London Living Wage report. It presents an update of the Living Wage in the capital and looks at what might be considered as constituting a poverty threshold wage in London.

The GLA Group has been implementing London Living Wage (LLW) provisions since 2006 and there are now over 3,000 employees working for companies with contracts from the GLA Group benefitting from the LLW. Good progress has been made this year through our engagement with the private sector with 12 major London employers newly signed up to pay their employees the LLW. A number of Higher Education institutions and London boroughs have also strengthened their commitment to the LLW. In total there are now over 100 London-based employers signed up to the London Living Wage.

Two approaches to calculating a Living Wage are considered in this report. The first, developed by the Family Budget Unit (FBU),¹ estimates the costs of a 'Low Cost but Acceptable' (LCA) budget for a selection of households and calculates the wage required to meet these costs. This is termed the "Basic Living Costs" approach. The second – the "Income Distribution" approach – takes the figure as 60 per cent of the median income for London.

In London the Basic Living Costs approach gives a figure of £6.85 per hour and the Income Distribution approach gives a figure of £7.65 per hour.

The average of these two figures gives us the "poverty threshold wage". Hence the poverty threshold wage used in this report is £7.25 per hour (when rounded to the nearest five pence).

In order to protect against unforeseen events a margin of 15 per cent is added to the (unrounded) poverty threshold wage. This gives a figure of **£8.30** per hour (when rounded to the nearest five pence) as a Living Wage for London.

If means-tested benefits were not taken into account (that is, tax credits, housing benefits and council tax benefits) the Living Wage would be approximately £10.40 per hour. However we believe that in-work benefits and tax credits must be taken into account, as the tax and benefit system is redistributive. Hence the figure put forward for a Living Wage in London is £8.30 per hour.

Data from the Annual Survey of Hours and Earnings suggests that 90 per cent of full-time employees in London earn more than the Living Wage of £8.30 per hour. Of the remaining 10 per cent, about 4 per cent are paid less than the Living Wage levels but above the poverty threshold wage of £7.25 per hour. The remaining 6 per cent receive wages that are below the poverty threshold wage.

Almost 60 per cent of part-time workers in London are paid more than the Living Wage. Of the remaining 40 per cent, around 11 per cent are paid less than the Living Wage but more than the poverty threshold wage. Twenty-nine per cent are paid less than the poverty threshold wage.

Taking account of both full-time and part-time workers in London, around 11 per cent receive less than the £7.25 poverty threshold wage and around one in six receive less than the £8.30 Living Wage. Around 3 per cent earn less than the National Minimum Wage (NMW) of £5.93.

1. Introduction

This seventh annual report on the Living Wage in London presents calculations of the Living Wage. We combine two approaches for calculating the wage: the Basic Living Costs approach and the Income Distribution approach. We also review progress in implementation of the Living Wage.

1.1 Structure of the paper

Chapter 2 outlines the Basic Living Costs approach and presents the resulting calculation. Chapter 3 does the same for the Income Distribution approach. Chapter 4 compares the two results and calculates the London Living Wage. In Chapter 5 we review progress in the adoption of the Living Wage. This is followed by Chapter 6, the concluding chapter, with technical appendices at the end of the report.



2. Basic Living Costs approach

This section explains briefly the Basic Living Costs approach that was developed by the Family Budget Unit (FBU). The

FBU calculated the expenditure required to achieve a *Low Cost but Acceptable* (LCA) standard of living, for a range of 'typical' families.² Depending on the working patterns of a family, the wage rate needed to finance this expenditure is then calculated.

This wage level is not the same as a minimum wage.³ It is defined by the FBU as a wage that achieves an adequate level of warmth and shelter, a healthy palatable diet, social integration and avoidance of chronic stress for earners and their dependents.⁴

In this section we assess changes in the various costs of living over the past 12 months that feed into this approach.

2.1 Household types and working patterns

Estimates of basic living costs (also called the LCA budget) were made for four family types:

- a two adult household with two children aged ten and four
- a one adult household with two children aged ten and four
- a couple without children
- a single person without children.

Working patterns are important for the calculation of tax credits and benefits.

In this report we provide calculations of the Living Wage, both including and excluding means-tested benefits and tax credits.

Box 1 – The effect of changes to taxes and benefits introduced in the 2010 Budget report

The June 2010 Budget Report included the 2011-12 rates and allowances for Income Tax, National Insurance, Working and Child Tax Credits and Child Benefit.⁵ The main changes affecting the Basic Living Costs approach are as follows:

- The personal tax allowance for those aged 65 and under has increased by £1,000 from £6,475 to £7,475 for 2011/12. In weekly terms this is an increase of £19 to £144 from £125.⁶ National Insurance Earnings Thresholds have increased by £29 per week to £139 and £26 per week to £136 for the primary threshold and secondary threshold respectively.⁷
- The rate of Child Benefit has been frozen until April 2014. Thus the rates for Child Benefit stay at £20.30 per week for the eldest child and £13.40 per week for other children.
- Working Tax Credit stays at £1,920 per annum in 2011/12.
- The child element of Child Tax Credit will increase by £150 above CPI to £2,555. The disabled element increases by £85 and the severely disabled element increases by £35. The family element remains frozen at £545 per year but the baby element (which was £545 in 2010) has been withdrawn.
- The maximum eligible childcare costs remain at £175 for one child and £300 for two or more children per week. However, the percentage of eligible childcare costs has declined to 70 per cent down from 80 per cent.

As previously, households with only one earner and who is working part time, are excluded from the wage calculation but information on lone parents working part-time is included in this report.

Box 2 - Price Indexation changes from RPI to CPI for tax credits and benefits

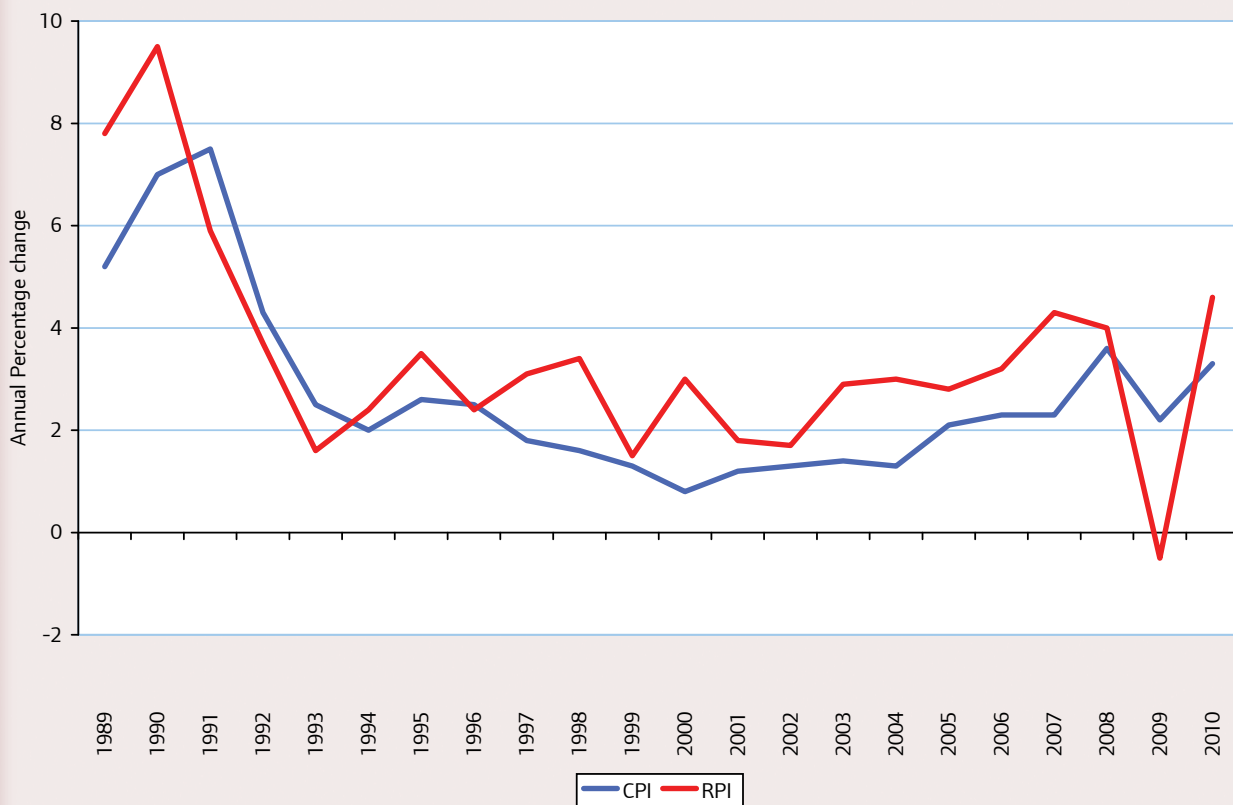
In June 2010 the Chancellor announced the Government's intention from April 2011 to replace the retail price index (RPI) with the consumer price index (CPI) for the purpose of indexing benefits, tax credits and public sector pensions. This will have a significant impact on the level of benefits and tax credits available to families since the rate of change in the CPI is typically less than RPI.

Both the CPI and RPI have been the two main measures of inflation in the UK. The CPI has been the basis for the inflation target that the Monetary Policy Committee of the Bank of England is required to achieve. The CPI is also considered the internationally comparable measure of inflation (until December 2003 it was known as the Harmonised Index of Consumer Prices (HICP)). It is calculated according to European Union standard procedures.

The switch to the CPI for the indexation of tax credits and benefits will have a significant impact on the LLW from April 2011, primarily due to the differences in the method of calculation of the two indices. Not all items in the RPI are also in the CPI. The most significant excluded items are council tax, mortgage interest payments and some other housing costs. However, the CPI includes some items such as charges for financial services that are not included in the RPI. The CPI also covers a broader sample of the population than RPI. The mathematical methods used to calculate the price changes differ between the two indices. To calculate CPI, the Office for National Statistics (ONS) uses the geometric mean to combine prices but for the RPI it uses an arithmetic mean. The CPI is also constructed according to an agreed international procedure, by contrast with the RPI, which has its own structure. The ONS therefore admits that these differences mean that in practice CPI inflation tends to be below RPI inflation.

Figure 2.1 compares CPI and RPI inflation. On average RPI inflation has exceeded CPI inflation by 70 percentage points (or about 26 per cent). These differences suggest that in the long run the rate of increase and therefore the level of tax credit and benefit entitlements will be less generous, leaving employers to compensate employees more for the increase in costs not included in CPI.

Thus for the 2011 Living Wage calculations, benefits and tax credits have been uprated by 3.1 per cent⁸ instead of 4.6 per cent.⁹ This means that for example, the couple and lone parent element of working tax credit increased by £60 in April 2011 using the September CPI figure compared to the possible £87 had the September RPI figure been used. Similarly the disabled worker element rose by £80 using the September CPI figure, while it would have risen by £118 had the RPI figure been used instead.

Figure 2.1: Example of how RPI and CPI have moved over time

Source: ONS

2.2 Costs

We divide basic living costs into the following sub-categories:

- Housing
- Council tax
- Transport
- Childcare
- All other costs (a 'regular shopping basket').

For the first four sub-categories, cost estimates are based on direct data for London. For the fifth item, we used a comparison of regional price differences produced by the Office for National Statistics (ONS).¹⁰ The ONS has not published an update so we did this by assuming that the price increase for each element in the shopping basket is the same as for the UK as a whole.¹¹

We used the methodology outlined in the 2005 Living Wage Report to derive housing costs for the different types of families.

Tables 2.1a and 2.1b show our calculation of basic living costs. Details of the calculations can be found in Appendix A.

Table 2.1: Basic Living Costs (LCA budget) for typical families living in London (£ per week)**2.1a: Households with children**

	Couple with children					Lone parent	
	2ft	1ft 1pt	2 pt	1ft	1pt	ft	pt
Shopping basket costs	209.80	209.80	209.80	209.80	209.80	158.88	158.88
Housing	101.54	101.54	101.54	101.54	101.54	101.54	101.54
Council Tax	25.16	25.16	25.16	25.16	25.16	18.87	18.87
Total Transport Costs	57.09	57.09	57.09	28.55	28.55	28.55	28.55
Childcare Costs	240.69	115.89	115.89	0.00	0.00	240.69	115.89
Total Costs	634.28	509.48	509.48	365.05	365.05	548.52	423.72

2.1b: Households without children

	Couple with no children					Single no children	
	2ft	1ft 1pt	2 pt	1ft	1pt	ft	pt
Shopping basket costs	125.88	125.88	125.88	125.88	125.88	97.86	97.86
Housing	167.00	167.00	167.00	167.00	167.00	94.00	94.00
Council Tax	25.16	25.16	25.16	25.16	25.16	18.87	18.87
Total Transport Costs	57.09	57.09	57.09	28.55	28.55	28.55	28.55
Childcare Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Costs	375.13	375.13	375.13	346.59	346.59	239.27	239.27

Notes: ft= full-time and pt= part-time

Source: GLA Economics based on various data sources: see Appendix A

Tables 2.2a and 2.2b show that Basic Living Costs rose on the year for all the different model household types. Households with children experienced a cost increase of between 2.4 and 3.9 per cent, compared to increases of between 3.6 and 4.5 per cent for households without children.

The average of annual inflation from November 2010 to January 2011 was used to update the shopping basket costs. These rose by between 4.4 and 4.9 per cent. Some of the highest increases in costs were: +6.0 per cent for food, +18.8 per cent for insurance and pension contributions and around +6.1 per cent for energy. The only item for which the cost fell was leisure services, which fell by 0.8 per cent (see Appendix A, Table A4).

Housing costs for households with children – on our assumption that they have access to social housing – have risen by 3.0 per cent since last year's report. Households without children are assumed to be in the private rented sector. For single people housing costs rose by 4.4 per cent, while for couples the increase was 3.1 per cent.

Council tax in London was frozen in 2011/12. Transport costs have increased by 6.7 per cent and childcare costs were up by 0.7 per cent.

Table 2.2: Annual percentage change in LCA costs between 2010 and 2011 Living Wage reports
2.2a: Households with children

	Couple with children					Lone parent	
	2ft	1ft 1pt	2 pt	1ft	1pt	ft	pt
Shopping basket costs	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Housing	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Council Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Transport Costs	6.7	6.7	6.7	6.7	6.7	6.7	6.7
Childcare Costs	0.7	0.7	0.7	0.0	0.0	0.7	0.7
Total LCA Costs	2.8	3.3	3.3	3.9	3.9	2.4	3.0

2.2b: Households without children

	Couple with no children					Single no children	
	2ft	1ft 1pt	2 pt	1ft	1pt	ft	pt
Shopping basket costs	4.4	4.4	4.4	4.4	4.4	4.9	4.9
Housing	3.1	3.1	3.1	3.1	3.1	4.4	4.4
Council Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Transport Costs	6.7	6.7	6.7	6.7	6.7	6.7	6.7
Childcare Costs	-	-	-	-	-	-	-
Total LCA Costs	3.8	3.8	3.8	3.6	3.6	4.5	4.5

Notes: ft= full-time and pt= part-time

Source: GLA Economics based on various data sources: see Appendix A

2.3 Earnings and household incomes

The level of earnings together with household circumstances determines benefits and tax credits. Working tax credit, child tax credit, child benefit, housing benefit and council tax benefit are the main benefits and tax credits we consider. Of these, only child benefit is not means-tested (although the Chancellor has announced that this is set to change from 2013). Some benefits depend on childcare and housing rental costs.¹²

Table 2.3 illustrates the disposable income of the various different household types, assuming different working patterns, with earnings at the level of the NMW (£5.93).¹³ In all calculations that follow, a full-time worker is assumed to work 38.5 hours a week and a part-time worker 17 hours.¹⁴

Table 2.3: Incomes of different households, including and excluding means-tested benefits (£ weekly figures), at the National Minimum Wage (NMW)**2.3a: Households with children**

	Couple with two children				Lone parent	
	2ft	1ft 1pt	2pt	1ft	ft	pt
Joint earnings at £5.93 per hour	456.60	329.10	201.60	228.30	228.30	100.80
Taxes	62.20	31.10	0.00	31.10	31.10	0.00
Earnings net of taxes	394.40	298.00	201.60	197.20	197.20	100.80
Including all relevant benefits						
All relevant benefits	254.20	219.10	271.40	219.50	347.80	292.10
Total income	648.50	517.10	473.00	416.70	545.00	392.90
Excluding means-tested benefits						
Child benefit	33.70	33.70	33.70	33.70	33.70	33.70
Total income	428.10	331.70	235.30	230.90	230.90	134.50

2.3b: Households without children

	Couple with no children				Single no children
	2ft	1ft 1pt	2pt	1ft	ft
Joint earnings at £5.93 per hour	456.60	329.10	201.60	228.30	228.30
Taxes	62.20	31.10	0.00	31.10	31.10
Earnings net of taxes	394.40	298.00	201.60	197.20	197.20
Including all relevant benefits					
All relevant benefits	0.00	32.60	113.60	112.60	17.30
Total income	394.40	330.60	315.20	309.80	214.50
Excluding means-tested benefits					
Child benefit	0.00	0.00	0.00	0.00	0.00
Total income	394.40	298.00	201.60	197.20	197.20

Notes: ft= full-time and pt= full-time

All figures rounded to nearest 10 pence

Source: GLA Economics

Table 2.4 shows the basic living costs for the various household types together with the weekly income derived at the National Minimum Wage (NMW) level (from Table 2.3). Appendix C illustrates the difference between income and basic living costs (the LCA budget standard) at £5.93, £6, £7, £8 and £9 per hour.

Table 2.4: Weekly incomes (£), costs and incomes after costs, at the NMW hourly rate**2.4a: Households with children**

	Couple with two children				Lone parent	
	2ft	1ft 1pt	2pt	1ft	ft	pt
Including all relevant benefits						
Total income	648.50	517.10	473.00	416.70	545.00	392.90
Basic living costs	634.30	509.50	509.50	365.10	548.50	423.70
Income minus costs	14.30	7.60	-36.50	51.60	-3.60	-30.80
Excluding means tested benefits						
Total income	428.10	331.70	235.30	230.90	230.90	134.50
Basic living costs	634.30	509.50	509.50	365.00	548.50	423.70
Income minus costs	-206.20	-177.80	-274.20	-134.20	-317.60	-289.20

2.4b: Households without children

	Couple with no children				Single no children
	2ft	1ft 1pt	2pt	1ft	ft
Including all relevant benefits					
Total income	394.40	330.60	315.20	309.80	209.90
Basic living costs	375.10	375.10	375.10	346.60	239.30
Income minus costs	19.20	-44.50	-60.00	-36.80	-29.40
Excluding means tested benefits					
Total income	394.40	298.00	201.60	197.20	197.20
Basic living costs	375.10	375.10	375.10	346.60	239.30
Income minus costs	19.20	-77.10	-173.50	-149.40	-42.10

Notes: ft=full-time and pt=part-time

All figures rounded to nearest 10 pence

Source: GLA Economics

For some household types, the NMW together with the assumed working patterns are sufficient to cover their weekly basic living costs assuming all relevant tax credits and benefits are claimed.¹⁵ However, as Table 2.4 also shows, for other household groups the NMW is not sufficient to cover basic living costs.

Using basic living costs as a target income level, it is possible (through iteration of the tax and benefit model established for this exercise) to calculate the wage required for each household to cover its basic living costs. Table 2.5 shows the hourly wage required for each household type to meet its basic living costs.

Table 2.5: Hourly wages required to meet basic living costs for different households**2.5a: Households with children**

	Couple with two children				Lone parent	
Earners	2ft	1ft 1pt	2pt	1ft	ft	pt
Number of people	213,100	273,100	14,500	138,900	51,900	30,600
Wage level including all the relevant benefits	5.93	5.93	8.10	5.93	6.30	9.35
Wage level excluding means tested benefits	9.90	10.40	>15.00	11.05	>15.00	>15.00

2.5b: Households without children

	Couple with no children				Single no children	Weighted Average**
Earners	2ft	1ft 1pt	2pt	1ft	ft	
Number of people	424,300	108,900	14,400	79,800	416,000	1,765,500
Wage level including all the relevant benefits	5.93	7.80	12.60	11.65	7.55	6.85
Wage level excluding means tested benefits	5.93	7.80	12.60	11.65	7.55	8.80

Notes: ft=full-time and pt=part-time

* NMW sufficient to meet basic living costs (LCA budget standard)

The number of people in different household groups was derived from Census 2001 and rounded to nearest 100.

The NMW (£5.93) has been used as a lower limit for the wage when calculating the weighted average wage as it is generally illegal to pay wages below the NMW.

**This weighted average covers both households with, and without children and has been rounded to the nearest 5 pence.

From Table 2.5, **the weighted average wage across the different household types required to meet basic living costs is £6.85** assuming all benefits are included, compared to £8.80 if means-tested benefits are ignored.

Assuming all relevant benefits and tax credits are claimed, about 59 per cent of the working households considered in this analysis would achieve their basic living costs, or LCA standard of living, at the £5.93 National Minimum Wage (NMW).



3. The Income Distribution approach

The Income Distribution approach calculates the wage required to place a household on the 60th percentile of median income.

The Department for Work and Pensions (DWP) provides indicators on the average income of households.¹⁶ This measure uses household disposable incomes, adjusted for household size and composition, as a proxy for material living standards or, more precisely, for the level of consumption of goods and services that people could attain given the disposable income of the household in which they live.¹⁷

DWP provides two measures of disposable income: before and after housing costs. This report only considers the disposable income after housing costs. Disposable income after housing costs consists of earnings, all social security benefits (including housing and council tax benefits), pensions, maintenance payments, educational grants, and cash value of payments in kind such as free school meals for all members of the household, less income tax (including national insurance, pension contributions) and maintenance or support payments made to people outside the household. Rent, mortgage interest payments, water charges and structural insurance premiums, are deducted from income on this measure.¹⁸

Based on this measure, the household median income in 2008/09 was £343 per week for a couple with no children. This figure was then uprated for 2010 by 2.3 per cent which was the increase in regular pay (excluding bonuses) in the UK between September to November 2009 and September to November 2010.¹⁹ This translates into £351 for a couple with no children. DWP provide details of the process by which to calculate equivalent incomes for other household types.²⁰

Using the equivalisation process, incomes for the various household types considered earlier have been calculated. Table 3.1 illustrates the median income and different percentages of median income for the different household types.

Given these income levels and using the same tax and benefit model as in the previous section, wages that achieve the different households' disposable income can be approximated.

Table 3.1: Disposable income thresholds for different types of households (£ per week, 2008/09, uprated to 2010)

	Couple with children	Lone parents with children	Couple with no children	Single person with no children
Median	494.80	336.90	350.90	193.00
70% of median	346.30	235.80	245.60	135.10
65% of median	321.60	219.00	228.10	125.40
60% of median	296.90	202.10	210.50	115.80

All figures rounded to nearest 10 pence

Source: GLA Economics based on DWP data for 2008/09, uprated using growth in regular pay (excluding bonuses) in the UK of 2.3 per cent (ONS)

Table 3.2 shows the approximate hourly wage required to achieve the level of disposable income that would place each household at 60, 65 and 70 per cent of median income (both including and excluding benefits). The Government's poverty threshold is 60 per cent of median income. Hence, we focus on the wage required to meet this income level.

Table 3.2: Approximate hourly wages required to reach a certain percentage of median income for different households**3.2a: Households with children**

	Couple with two children				Lone parent	
Earners	2ft	1 ft 1pt	2pt	1ft	ft	pt
Including all relevant benefits						
60% of median income	6.70	7.10	11.05	10.00	7.70	12.55
65% of median income	7.90	8.85	13.75	12.85	9.30	>15.00
70% of median income	9.05	10.10	15.00	14.80	10.95	>15.00
Excluding means-tested benefits						
60% of median income	10.45	11.20	>15.00	13.35	>15.00	>15.00
65% of median income	10.90	11.85	>15.00	14.25	>15.00	>15.00
70% of median income	11.40	12.50	>15.00	>15.00	>15.00	>15.00

3.2b: Households without children

	Couple with no children				Single no children	Weighted Average
Earners	2ft	1ft 1pt	2pt	1ft	ft	
Including all relevant benefits						
60% of median income	6.10	8.45	13.80	13.80	7.15	7.65
65% of median income	6.45	8.95	14.55	14.45	7.50	8.60
70% of median income	6.75	9.40	>15.00	>15.00	7.90	9.40
Excluding means-tested benefits						
60% of median income	6.10	8.45	13.80	13.80	7.15	9.25
65% of median income	6.45	8.90	>15.00	>15.00	7.50	9.75
70% of median income	6.75	9.40	>15.00	>15.00	7.90	10.20

3.2c: Memo: Numbers of people in London that would attain 60% of median income at various wage levels

	Couple with two children				Lone parent	
Earners	2ft	1 ft 1pt	2pt	1ft	ft	pt
Total number of people of this family type	213,100	273,100	14,500	138,900	51,900	30,600
Number which would attain 60% of median income at a wage of:						
£5.93	0	0	0	0	0	0
£7.65	213,100	273,100	0	0	51,900	0

	Couple with no children				Single no children	Total number of people in all households considered
Earners	2ft	1 ft 1pt	2pt	1ft	ft	
Total number of people of this family type	424,300	108,900	14,400	79,800	416,000	1,765,500
Number which would attain 60% of median income at a wage of:						
£5.93	0	0	0	0	0	265,000
£7.65	424,300	0	0	0	416,000	1,378,400

Notes: ft=full-time and pt=part-time

*The NMW (£5.93) is sufficient to meet the 60 per cent of median income threshold.

The NMW has been used as a lower limit for the wage when calculating the weighted average wage.

All money figures rounded to the nearest 10 pence except for: weighted average figures which are rounded to the nearest five pence. All population figures rounded to the nearest 100.

Source: GLA Economics and Census 2001

Data from Table 3.2 indicates that none of the working households considered here would attain 60 per cent of median income at the £5.93 NMW (even assuming all relevant benefits were claimed). **The weighted average wage (assuming all relevant benefits are claimed) required to achieve 60 per cent of median income is £7.65.** At this wage, just over three quarters of the households considered would achieve the 60 per cent median income threshold. Note that in contrast to the LCA approach (see Chapter 2), relatively high wages are required for families with children to attain the target income required to avoid poverty.

4. Comparison of the two approaches and the wage distribution

This section compares the results of the two approaches and then looks at the wage distribution to see what proportion of the working population in London would be affected by a Living Wage if adopted London-wide.

Under the Basic Living Costs approach, around 59 per cent of the households considered in this analysis would cover their basic living costs at the £5.93 NMW level. Under the Income Distribution approach none of the households considered would attain 60 per cent of median income at the £5.93 NMW level. We assume that all relevant benefits and tax credits are claimed.

Table 4.1 displays the weighted average wages derived from the two approaches considered, including and excluding means-tested benefits. The weighted average wage (including benefits) from the Basic Living Costs approach is £6.85 per hour compared to £7.65 from the Income Distribution approach. The difference between the two approaches is larger than last year (80 pence versus 55 pence). **The poverty threshold wage of £7.25 is the mean of the figures given by the Basic Living Costs and Income Distribution approaches**, rounded to the nearest 5 pence per hour.

Table 4.1: Weighted average poverty threshold wage (£ per hour)

Approach	Including benefits	Excluding benefits
Basic living costs (1)	6.85	8.80
Income distribution (60%) (2)	7.65	9.25
Average of (1) and (2)	7.25	9.05

Source: GLA Economics

Notes: Figures rounded to nearest five pence.

This indicates that a wage of around £7.25 allows most households, on average, to move to or above the poverty threshold. When the 15 per cent margin against poverty is added to the (unrounded) poverty threshold wage,²¹ this yields a Living Wage, to the nearest five pence, of **£8.30** per hour. This will be implemented in the GLA Group as contracts allow.

The next section looks at the wage distribution in London to see what proportion of the working population would be affected at these wage levels (assuming the wage was adopted across London).

4.1 Wage distribution

There are two main data sources for earnings: the Annual Survey of Hours and Earnings (ASHE) and the Annual Population Survey (APS).²² Previously we used APS data to identify the distribution of incomes. However, we noted that the measurement of hourly pay is not a simple matter and that the APS data is an imperfect guide to it, particularly at the lowest incomes. The Office for National Statistics recommends ASHE as the best data source for low pay. ASHE is the National Statistics source for the number of jobs paying below the National Minimum Wage. This year, just as last year, we have been able to access ASHE via the Office for National Statistics. It is based on a sample of employee jobs taken from HM Revenue and Customs PAYE records. Information on earnings and hours is obtained in confidence from employers. It does not include the self-employed. This year we have used ASHE workplace based data as recommended by the ONS since it provides the most accurate estimates and is the data which most closely represents workplaces and employers.

Who are affected by the current London Living Wage?

Table 4.2 shows that 9.7 per cent of full-time employees working in London earn less than the new Living Wage of £8.30 per hour. About half of these workers earn a wage that is below Living Wage levels but above the poverty threshold level of £7.25 per hour.²³ The remaining 5 per cent receive less than the poverty threshold wage.

Forty one per cent of part-time employees working in London earn less than the £8.30 per hour Living Wage. Around 12 per cent of part-time workers receive less than the Living Wage but more than the poverty threshold wage and 29 per cent of them receive less than the poverty threshold wage.

Adding part-time and full-time, 11 per cent of all employees earn less than the £7.25 poverty threshold wage and 16 per cent earn less than the £8.30 Living Wage. About 3 per cent of workers in London earn less than the National Minimum Wage (NMW) of £5.93.²⁴

Table 4.2: Proportion of employees¹ in London that earns less than specified threshold

	All		Full-time		Part-time	
All employees = 100%	100	CV ²	100	CV	100	CV
% earning less than:						
<£5.93 per hour ^a	3	3.6%	1.4	6.1%	9.3	4.4%
<£6.08 per hour ^b	4.3	3.0%	2.0	5.1%	13.2	3.6%
<£7.25 per hour ^c	10.6	1.8%	5.7	2.9%	29.4	2.2%
<£7.85 per hour ^d	13.6	1.5%	7.8	2.5%	36.1	1.9%
<£8.30 per hour ^e	16	1.4%	9.7	2.2%	40.7	1.7%

	Men All		Men Full-time		Men Part-time	
All employees = 100%	100	CV	100	CV	100	CV
% earning less than:						
<£5.93 per hour ^a	2.9	5.0%	1.4	7.8%	13.7	6.4%
<£6.08 per hour ^b	3.8	4.3%	1.9	6.8%	17.9	5.5%
<£7.25 per hour ^c	8.8	2.7%	5.3	3.9%	34.5	3.5%
<£7.85 per hour ^d	11.3	2.3%	7.2	3.3%	41.6	3.1%
<£8.30 per hour ^e	13.3	2.1%	8.9	2.9%	45.6	2.9%

	Women All		Women Full-time		Women Part-time	
All employees = 100%	100	CV	100	CV	100	CV
% earning less than:						
<£5.93 per hour ^a	3.2	5.1%	1.4	9.7%	7.3	6.0%
<£6.08 per hour ^b	4.8	4.0%	2.1	7.8%	11.0	4.7%
<£7.25 per hour ^c	12.6	2.4%	6.3	4.3%	27.1	2.8%
<£7.85 per hour ^d	16.2	2.0%	8.6	3.6%	33.6	2.4%
<£8.30 per hour ^e	19.2	1.8%	10.8	3.2%	38.5	2.1%

Source: Annual Survey of Hours and Earnings (2010), Office for National Statistics.

1 Employees on adult rates whose pay for the survey pay-period was not affected by absence.

2 The quality of an estimate is measured by its coefficient of variation (CV), which is the ratio of the standard error of an estimate to the estimate.

CV ≤ 5% (precise)

CV > 5% and ≤ 10% (reasonably precise)

CV > 10% and ≤ 20% (acceptable)

20% < CV (unreliable).

a: National Minimum Wage (NMW) at October 2010 at age 22+

b: National Minimum Wage at October 2011 at age 22+. NB – user discretion is advised when analysing ASHE 2010 figures in relation to the newly set NMW because ASHE 2010 data for low pay estimates are based on NMW 2009 rates (£5.80).

c: 2011 poverty threshold, which is actually £7.25

d: 2010 Living Wage

e: 2011 Living Wage

Note: The figures are for the work place-based 16+ population including full-time students. These data exclude the unemployed population, unpaid family workers and self-employed. The proportions are calculated using the number of employees earning less than the different earnings thresholds over the number of London employees (reporting earnings).

4.2 What has changed since our 2010 Report?

The 2011 Living Wage has increased by 5.7 per cent (it has risen by just over 24 per cent since its introduction in 2005). Shopping basket costs (weighted across all the household types considered) have increased by 4.5 per cent and the median household income by 2.3 per cent.

There have been price increases in all but one of the items in the shopping basket used in the basic living costs approach. The largest increase just as last year was in insurance and pension contributions (+18.8 per cent). Other items increased in price by between 1.4 and 8.9 per cent, while the price of leisure goods fell by 0.8 per cent. Childcare costs have only risen modestly by less than 1 per cent to £5.94 per hour. However, transport costs have risen by 6.7 per cent (versus no change in 2010). Council tax has been frozen this year which is similar to the marginal increase of 0.03 per cent increase in 2010/11. Within the housing component there were upward movements across the board. Social housing costs increased by 3 per cent, private rents for single people without children was up by 4.4 per cent, whereas private rents for couples without children increased by 3.1 per cent.

Normally increases in benefits and tax credits are linked to the September RPI. However, the Chancellor announced in his June 2010 budget that CPI will replace RPI for the price indexation of tax credits and benefits from April 2011. The level of the index in September is used to update benefits and tax credits in the following April. In September 2010 CPI increased by 3.1 per cent which is a smaller rate of increase than the RPI in September (4.6 per cent). This means that benefits and tax credits are less generous in April 2011.

The Chancellor also announced major changes to tax credits and benefits. These changes mean that families with children receive additional child tax credits but for most families these are outweighed by the losses imposed by the changes to working tax credits. This means that on average each family within London loses about 5 per cent in child and tax credits and benefits between 2010/11 and 2011/12, this decline compares to the 1.5 per cent increase in benefits and tax credits between 2009/10 and 2010/11. Therefore the London Living Wage has had to increase by more this year to achieve the target standard of living.

4.3 Comparison with the National Minimum Wage, inflation and earnings growth

Table 4.3 shows how the London Living Wage (LLW) and the National Minimum Wage (NMW) have increased since 2005, along with inflation and average weekly earnings. (Note that whereas the NMW is raised annually in October,²⁵ the LLW is updated with the publication of the Living Wage Report which is normally in the spring).

Table 4.3: LLW, NMW, CPI inflation and earnings growth since 2005

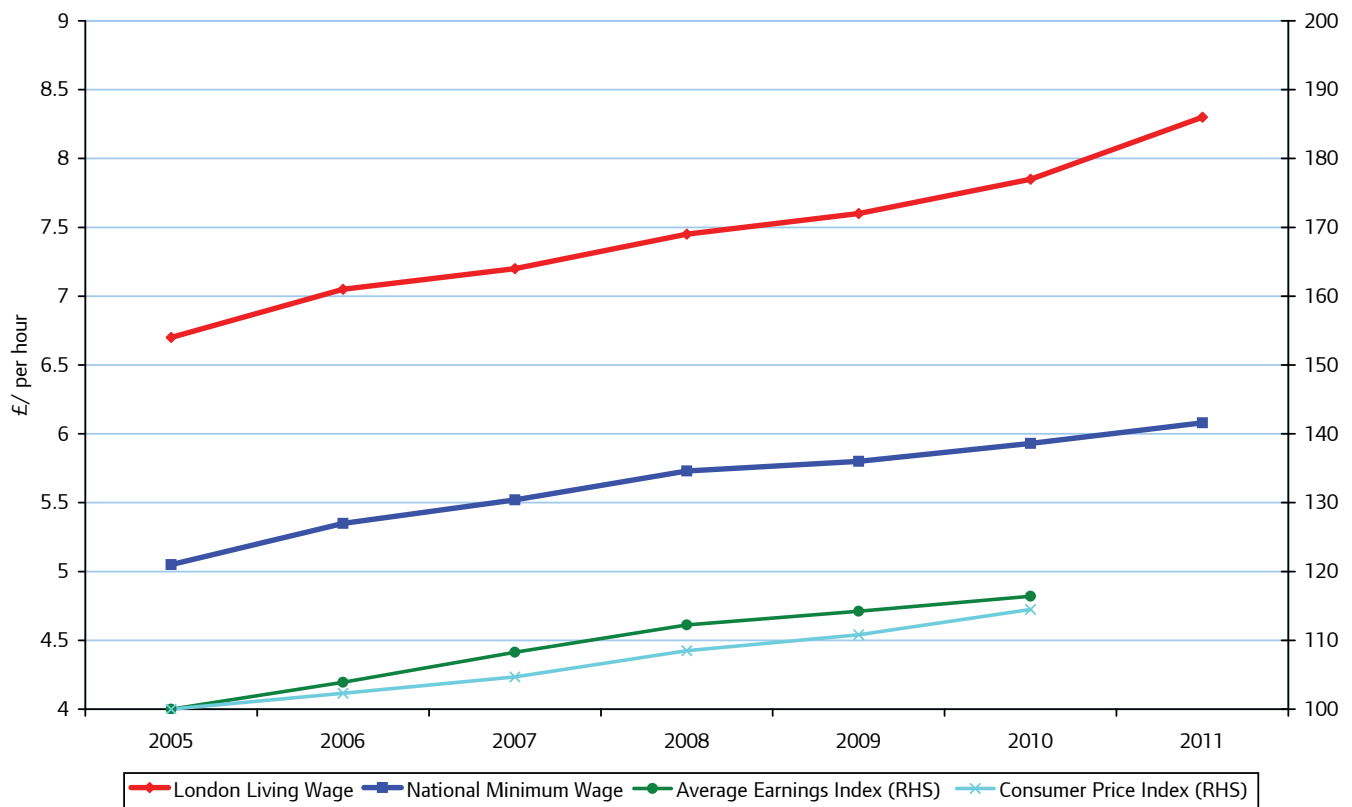
	LLW			NMW		Ratio (LLW/NMW)	Average Weekly growth % Change Year on Year	CPI
	LLW	Change Year on Year (£)	Change Year on Year (%)	NMW	Change Year on Year (%)			
2005	£6.70			£5.05		1.33	4.3	2.1
2006	£7.05	£0.35	5.2%	£5.35	5.9%	1.32	3.9	2.3
2007	£7.20	£0.15	2.1%	£5.52	3.2%	1.30	4.2	2.3
2008	£7.45	£0.25	3.5%	£5.73	3.8%	1.30	3.7	3.6
2009	£7.60	£0.15	2.0%	£5.80	1.2%	1.31	1.7	2.2
2010	£7.85	£0.25	3.3%	£5.93	2.2%	1.32	1.9	3.3
2011	£8.30	£0.45	5.7%	£6.08 ^a	2.5%	1.37	n/a	n/a

Source: Low Pay Commission, ONS and GLA Economics calculations

a From October 2011

In 2005 the London Living Wage was 33 per cent above the NMW of £5.05.²⁶ Since then the differential has risen in absolute terms from £1.65 to £2.22. The 2011 LLW is 37 per cent above the NMW that will come into effect in October 2011.

Figure 4.1 compares changes in the London Living Wage and the National Minimum Wage, with the Average Weekly Earnings Index²⁷ and the Consumer Price Index since the LLW was introduced in 2005.

Figure 4.1 LLW, NMW, Average Earnings and Consumer Price Indices

Source: Low Pay Commission, ONS and GLA calculations

Average Weekly Earnings Index (K54L) is seasonally adjusted and excludes bonuses and arrears

2011 data is not yet available for the Consumer Price Index and the Average Weekly Earnings Index. Base year for both is 2005 (2005=100).

The London Living Wage has more than kept pace with average earnings and prices.

There has been significant progress in terms of private sector companies committing to the London Living Wage. Also a number of Higher Education institutions and London boroughs have also begun to recognise the value of paying their contracted workforce a fair wage or strengthened their existing commitment.

GLA Group implementation has generally occurred when new contracts are let as this is the best opportunity to discuss the policy and its implications with bidders. The GLA Group advises organisations interested in implementing LLW provisions to follow this approach.

5.1 Private Sector sign-up to the London Living Wage

In 2010 12 major London employers signed up to pay the London Living Wage of £7.85 an hour. This included leading financial services companies UBS, JP Morgan, Goldman Sachs, Bank of America Merrill Lynch, cosmetics corporation L’Oreal and international law firms Allen & Overy, Eversheds, Freshfields Bruckhaus Deringer, Linklaters, Norton Rose LLP and Slaughter and May. Accenture have also subsequently signed up to the policy. Many of these firms had already been paying staff the Living Wage and were formally signing up, whilst others were committing to the minimum hourly wage for the first time.

On 16th November, the Mayor met with business leaders from some of the capital's leading firms at a roundtable event hosted by KPMG (who were among the first firms to sign up to the policy) with London Citizens and Business in the Community. The event celebrated all London Living Wage private sector employers in London and called on others to join them.

The following case study from KPMG powerfully demonstrates the worth of the London Living Wage.

Box 3 - KPMG – A London Living Wage Business Case Study

KPMG has a UK turnover of £1.6bn and is a major employer in London, with over 5,000 staff in two large offices. To support this operation in London, KPMG uses over 250 contract staff – cleaners, caterers, mailroom staff, security guards etc. The performance of these individuals directly impacts on the effective running of KPMG’s business, which is why the firm absolutely believes in treating them fairly. Guy Stallard, Head of Facilities at KPMG, said: “We have been paying the Living Wage since 2006 and have found that it really pays off. Since its introduction, staff turnover has reduced and productivity has increased as attitudes are now more flexible and positive. Paying the Living Wage is not just a moral issue – we have found that it also makes good business sense”.

5.2 GLA Group implementation

Progress in implementing the London Living Wage during 2010 has included:

- Continued confirmation by all members of the GLA Group (LDA, TfL, GLA, LFEPA, MPA and the MPS) that all employees – whether direct, contracted or temporary - working on GLA group premises in London are paid at or above the London Living Wage .
- The most significant uplift at the GLA group was for staff working on cleaning, catering and security contracts for Tubelines, where over 700 staff began to receive the LLW. The uplift occurred from 01 July 2010 and the LLW is being introduced in all new contracts as appropriate. Other contract renewals have also benefited 220 employees, including a large corporate cleaning contract.
- The total number of employees benefiting from the LLW working on GLA group support contracts is now over 3,000.

- The Olympic Delivery Authority's (ODA) Procurement Policy recognises that the LLW has a significant contribution to make in respect of the Olympic Park's regeneration objectives and this is included in contract procurement documentation. In December 2010, the contractors' workforce on the Olympic Park stood at 6,499 and 5,381 for the Athlete's Village. Monitoring of pay levels against the LLW is in place across both venues. Targeted audits are conducted amongst contractors fulfilling functions that involve traditionally lower paid roles (e.g. cleaning, catering and security). These independent audits found that in all cases payments were above the new LLW rates. The ODA also continues to promote the payment of LLW as a legacy for London 2012 activity.

5.3 London boroughs and city authorities

As the benefits of implementing the London Living Wage become more widely recognised, interest and progress has continued to grow, with more boroughs actively implementing the LLW and others committed to implementation in the coming year.

The London Borough of Lewisham is the leading borough in implementing the London Living Wage and has continued to implement the London Living Wage in forthcoming contracts. These include building, cleaning (139 staff), agency staff and domiciliary care. This has led to almost 350 contracted staff receiving the London Living Wage in the last 12 months. Those contracts where staff are known to be paid below the LLW will be tendered on implementing the London Living Wage when re-let. These include Leisure Management (currently being tendered) and catering (due in 2012).

There has also been progress with the London Borough of Islington who as of November 2010, have brought their cleaning services in-house, which ensured that its 150 cleaning staff receive the LLW.

5.4 Higher Education institutions

There has been good progress in this sector this year with a number of London's universities and colleges pledging their commitment to the London Living Wage, most notably University College London, London Metropolitan University, the Royal College of Music and the Institute of Education. There are now 14 Higher Education institutions in London either paying the LLW or committed to implementing it when relevant contracts are up for renewal.

On 18 March 2011 the GLA hosted a workshop at City Hall whereby GLA group best practice on implementing the London Living Wage was shared with Human Resources representatives from 12 London Higher Education institutions.

In total there are now over 100 London-based employers signed up to the London Living Wage and the campaign for the Living Wage has already lifted over 6,500 families out of poverty since it began.



Since our last report, household median income has increased by 2.3 per cent. Tax credits were increased by 2.6 per cent between the financial years 2010/11 and 2011/12. There have been some changes to the childcare element of the working tax credit with the percentage of eligible childcare costs reduced to 70 per cent from 80 per cent. The child tax credit rates and thresholds have also been adjusted with the child element increasing by 11 per cent and the disabled child element and severely disabled child element both increasing by 3 per cent. However, the family element baby addition has been withdrawn. Child benefit has been frozen at the 2011 level until April 2014.²⁸ The income threshold for entitlement to child tax credit was also reduced by £330.

There has been considerable inflation among the basket of goods. Housing costs have also risen by 3 - 4 per cent as have transport costs which are nearly 7 per cent higher. Childcare costs have been relatively stable this year.

Given the rising cost of living and the changes to benefits and tax credits the LLW has had to increase by more this year to achieve the target standard of living.

Good progress has been made this year in implementing the LLW particularly in the private company and Higher Education sectors. Twelve new major London employers have signed up and there are now 14 Higher Education institutions committed to implementing the LLW. The GLA Group continues to implement and there are now over 3,000 employees working for companies with contracts from the GLA Group benefitting from the LLW. In total there are now over 100 employers signed up to the LLW.



Appendix A: Details of cost calculations

This appendix provides more information about the calculation (see Section 2) of the five subcategories of Basic Living Costs.

A.1 Housing costs

Social housing rent

Housing costs in London were updated using the same methodology as in previous Living Wage reports. With some minor adjustments to data sources, the assumptions about what type of accommodation different family types are most likely to occupy are unchanged. We have maintained the assumption that couples and lone parents with two children live in a three-bedroom property. This is based once more on the FBU method, which attempts to estimate the rent that a model family needs to pay, in order to obtain access to affordable but adequate housing.

As in previous reports we used data from the Chartered Institute of Public Finance and Accountancy (CIPFA) which provides for each London borough, the average council rent on a three-bedroom property and the number of such dwellings in the council stock. The current report has been updated using the most recent data from CIPFA on net rents for three bedroom properties in London. Table A.1 shows the median, weighted mean²⁹ and un-weighted mean of these rents, covering the majority of London boroughs for 2010 and for comparison the 2009 data has also been included.

Table A.1: Median, weighted and un-weighted mean weekly rents for three-bedroom council houses in London in 2009 and 2010

	2009	2010
Median	95.14	96.28
Weighted Mean	97.03	98.00
Unweighted Mean	98.08	98.31

Source: CIPFA

We are aware that Council housing does not represent the only source of affordable housing available to such families and therefore, in this report as in the previous reports, other social housing is also taken into account. This year as last year, we have used data from the new Tenant Services Authority (TSA), which was established after the closure of the Housing Corporation in November 2008.³⁰ The average weekly net rent for three-bedroom other social housing in London was £106.94 per week in 2010.

To derive our estimate of the social rent for three-bedroom houses in London, we used the average (weighted by dwellings in each borough) of rent for council houses at £98.00 per week and rent for other social housing at £106.94 per week. This was weighted by 451,000 council houses in London and 295,000 units of other social housing in 2007 (most recent available data).

The calculation was:

$$£98.00 \times (451/746) + £106.94 \times (295/746) = £101.54$$

This gives an average social housing rent for affordable three-bedroom dwellings in London of £101.54 per week, a rise of 3.0 per cent from £98.61 in the 2010 report. This figure is used for the housing costs of couples and lone parents with children.

Private rent

As in previous reports it was assumed that single people and couples without children are more likely to live in private accommodation, since they have less access to social housing than families with children.

We assume that single people will require a single room or studio to attain an acceptable living standard whilst a couple will require a single bedroom self-contained dwelling. The range of dwelling types includes maisonettes, one-bedroom houses and cottages in the range of accommodation available to a couple. Similarly, our estimate of rents for single people includes rooms, shared rooms, bed-sits and studios.

To collect this data, we previously commissioned our own survey of private rents within London. However, this year we have used the data provided by the GLA's London rents map.³¹

In each case the first quartile of the rent distribution has been used as an estimate of the typical cost of private rented accommodation. This yields a typical rental of £94 per week for a single person (a 4.4 per cent increase since last year) and £167 per week for a couple (an increase of 3.1 per cent from last year's report³²).

A.2 Council tax

According to the Department for Communities and Local Government (DCLG) the majority of London houses are band D or above.³³ This report assumes a band D council tax and calculates the average council tax band D using DCLG data. This yielded a figure of £25.17 per week for 2010-11. This year (2011-12) council tax in London has been frozen at the same level as last year and therefore remains at £25.17 per week. This figure represents the council tax for families with children. People living on their own or lone parents are entitled to a 25 per cent single person's discount (to £18.87).

A.3 Childcare

The Family Budget Unit assumes hours of childcare according to family type (this is an average over the year, taking into account school and other holidays).

As in previous reports, we have assumed that all households with children, where the only parent or both parents work, incur childcare costs. It was also assumed that earners working full-time and part-time require 40.5 and 19.5 hours of childminding respectively, paid at the same rate of £5.94 per hour. However, there is some evidence that part-time costs per hour are higher.

Derivation of childcare costs

The Daycare Trust published its most recent figures on childcare costs in February 2011.³⁴ Its published data was not immediately comparable to the data used in its previous report. Hence to estimate childcare costs for the 2011 London Living Wage report, we obtained data from the Daycare Trust that was on a comparable basis to the 2010 report. We derive the childcare cost for the Living Wage report by averaging weekly childcare costs for:

- nursery provision (children under 2 years old);
- nursery provision (children 2 years old and over);
- childminder provision (children under 2 years old); and,
- childminder provision (children 2 years old and over)

In its 2011 survey, the Daycare Trust found that although London has the most expensive childcare costs in Britain, these costs have been relatively stable over the past year. Nursery costs for a child under two have remained unchanged at £218 per week and for a child two and over they have fallen by 0.5 per cent to £193 per week. Childminding costs have risen both for children under two and for children two and over by 1.9 per cent (£212) and 1.5 per cent (£209) respectively

Table A.2: Childcare costs in London 2011 based on 50 hours a week (£)

	Nursery (under 2)	Nursery (2 and over)	Childminder (under 2)	Childminder (2 and over)	Average
London	218	193	212	209	208

Source: Daycare Trust 2011 and GLA Economics calculations

In 2011, the London average weekly childcare cost was £208, up 0.7 per cent from average 2010 levels.

To convert average London weekly childcare costs to an hourly figure, it was assumed that on average parents need 35 hours of childminding. This is consistent with the FBU methodology applied throughout, which attempts to establish the actual requirement that a typical family would have if earnings were adequate, rather than the actual use of childcare, which may reflect an inability to afford sufficient hours of child care. Therefore a weekly expenditure of £208 implies an hourly equivalent of £5.94.

A.4 Transport

We used the weekly equivalent cost of a monthly Zone 1-3 Travel Card (see Table A.3). This year the cost of travel has risen by nearly 7 per cent

Table A.3: Transport costs (£ weekly)

Type of households	£ per week
Couples with children	57.09
Lone parents	28.55
Couples without children	57.09
Single individuals without children	28.55

Source: Based on Transport for London fares 2011

A.5 Regional price differentials for the standard shopping basket

Since 2004, ONS has not published updated regional price estimates. After 2004 we therefore update the 2004 estimates applying the growth in national prices to the subcomponents of London's shopping basket.

Rising costs since last year's report

Over the past year most prices of goods and services have risen while very few have fallen. Table A.4 provides details.

Table A.4: Annual percentage growth in prices of items in the shopping basket

Item	Annual % growth in prices (Nov09-Jan10 versus Nov10-Jan11)
Price rises	
Food	6.0
Clothing	1.6
Personal care	3.9
Household goods	3.3
Household services	1.4
Leisure services	3.8
Energy (in the past we referred to Fuel)	6.1
NHS charges	4.9
Insurance/pension contributions	18.8
Debts/fines/maintenance orders	3.7
Seeking work costs	8.9
Pets	4.6
Smoking costs	6.3
Charitable donations	3.7
Price fall	
Leisure goods	-0.8
Total shopping basket	
	5.1

Source: Office for National Statistics (ONS) and GLA Economics calculations

Notes: To uprate the cost of each item of the shopping basket we used the average of the price inflators between November 2009–November 2010, December 2009–December 2010 and January 2010–January 2011.



Appendix B: Benefits and tax credits

This section describes how we incorporate tax credits and benefits in our estimate of Basic Living Costs. The methodology is explained in more detail in Appendix C of the 2005 Living Wage report.

B.1 Earnings and benefits

The majority of benefits are means-tested (the main exception is child benefit).³⁵

The main means-tested benefits available to households with someone in work are:

- Working tax credit
- Child tax credit
- Housing benefit
- Council tax benefit

The amount a household receives depends on various factors including household income, hours worked, type of household (couple or lone parent) and number and age of children.

To calculate main benefits for different family types, we follow the same methodology as outlined in Appendix B of the 2005 Living Wage report.

The working tax credit has several elements that are applied based on the circumstances of households, as outlined in Table B.1.

Table B.1: Working tax credit, 2011/12

Working tax credit elements	Maximum amount	Maximum amount
	£ per year	£ per week
1. Basic	1,920.00	36.92
2. Second adult/lone parent	1,950.00	37.50
3. 30 hour	790.00	15.19
4. Childcare (per cent of eligible cost covered) 80%		
Maximum eligible cost for one child		175
Maximum amount for two or more children		300
5. Disability	2,670.00	51.35
6. Severe disability	1,130.00	21.73
7. If over 50 and previously workless (see below for details)		
If working between 16 and 29 hours per week	1,365.00	26.25
If working over 30 hours per week	2,030.00	39.04

Source: HMRC

The working tax credit has a childcare element that is given to those households who are working and have children. Recent changes to the childcare element of the benefits system means that only 70 per cent (down from 80 per cent) of eligible childcare costs incurred are covered up to a maximum of £175 per week for one child. This means that a family with one child can get at most £140 per week from the childcare element. Similarly, families with two children can receive up to a maximum of £240 per week (80 per cent of £300).

Families with disabled members get extra help, in the form of additional disability or severe disability elements.

Households with a member over 50 years old can receive help depending on the hours worked per week. For instance, if a member of a family (over 50) works between 16 and 29 hours per week, s/he is entitled to £25.38 per week and £37.79 per week if they work more than 30 hours. This payment is for one year only and is for people returning to work from the New Deal 50 Plus. A representative couple, therefore, working more than 30 hours per week, with two children and incurring childcare costs will be generally entitled to:

- the basic element;
- the second adult element;
- 30 hour element;
- 70 per cent of childcare costs incurred (or up to 70 per cent of the maximum £300).

However, the amount received depends on household income. The next section considers the child tax credit and then details how to calculate the working tax credit, given information on household income.

B.2 Child tax credit

Child tax credit is mainly for families on low (or middle) incomes who are responsible for one or more children, under 16 years old (or a child under 19 studying full-time up to A-level). There have been changes announced in budget 2010 that affect which families are now entitled to child tax credit and the amount of that entitlement. Those entitled to this benefit need to work at least 16 hours a week on average and have a household income below £40,000 this is down from £50,000.

Note that the child tax credit can be granted in addition to the childcare element of the working tax credit. The main elements of the child tax credit are the family element and the child element (see Table B.2). A family responsible for a child or children is entitled to receive the family element, this has been frozen at £545 in 2011. In addition, a family can get £49.13 per week for each additional child (over one year old). Prior to April 2011 a household with a child under the age of one would receive the family and baby addition element. However, from April 2011 this element of child benefit has been withdrawn.

Table B.2: Child tax credits, 2011/12

Child tax credit elements	Maximum amount	Maximum amount
	£ per year	£ per week (approx)*
Family	545	10.50
Child	2,555	49.13
Family and Baby addition	Withdrawn	Withdrawn
Disabled child	2,800	53.85
Severe disabled child	1,130	21.73

Source: HMRC

* Weekly figures are only approximate as tax credits are based on rounded daily amounts

As with working tax credit, the amount received in child tax credits depends on the household's income.

Common thresholds of household income for working tax credit and child tax credit

Families with a household income below £123.46 per week are entitled to the maximum amount as shown in Tables B.1 and B.2. Families with a household income above this first income threshold will receive less with their award being reduced at the rate of 41p (up from 39p in 2010) for every £1 of gross income over this threshold (see Table B.3). This award is calculated using the following formula:

Tax credit = maximum amount of child tax and working tax credits – 41% (gross household income – £123.46 per week)

Families with gross household income above £769.23 per week have their benefit reduced by 41p (up from 6.67p in 2010) for every £1 of income over this threshold. The second income threshold has been reduced from £50,000 per annum to £40,000 per annum, while the first threshold for those entitled to child tax credit only has been reduced to £305 per week down from £311.35 per week.

Table B.3: Common features to derive child and working family credits, 2011/12

Common features	Maximum amount	Maximum amount
	£ per year	£ per week (approx)*
First income threshold	6,420	123.46
First withdrawal rate (%)	41%	
Second income threshold	40,000	769.23
Second withdrawal rate (%)	41%	
First threshold for those entitled to Child tax credit only	15,860	305.00

Source: HMRC

* Weekly figures are only approximate as tax credits are based on rounded daily amounts

Child benefit

Child benefit is currently a universal, non means-tested benefit and is also non-taxable. It is paid for children up to the age of 16 or up to 19 for those in full-time education (up to and including A level standard). Table B.4 shows the amount couples or lone parents are entitled to receive depending on the number of children they have. There is a higher rate of benefit for the first child of £20.30 per week. For each subsequent child, couples receive £13.40 per week. These rates have been frozen in 2011–2012, so are unchanged from our 2010 report.

Table B.4: Child Benefit, 2011/12

Number of children	Couple (£ per week)
1	20.30
2	33.70
3	47.10
Each extra child above 3	13.40

Source: HMRC

Note: Since April 2007, lone parents have received the same amount of child benefits as couples.

B.3 Housing benefits

We include a family specific amount of housing benefit calculated by the following formula:

Housing benefits = eligible rent – 65%(net income – applicable amount)

where:

Net income = (gross income – tax – earnings disregard) + child tax and working tax credits + child benefits
and

Applicable amount = total personal allowances + total premiums

The applicable amount represents the minimum income the government thinks a person under certain circumstances needs to live on. This is made up of two components: personal allowances and total premiums, depending on the particular circumstances of the household.

To calculate housing benefit it is necessary to take into account household income and any other benefits received. The amount of housing benefit that a household receives also depends on the eligible rent and council tax paid.

To derive the total applicable amount, information from Table B.5 is used and depends on the size of the family or type of household. For instance, if the family is a couple with two children then they are entitled to receive £105.50 per week in personal allowances, and £105.06 per week for both children under 16. In addition, families receive the family premium (for couples) of £19.23 per week.

Table B.5: Housing Benefits, 2011/12

	Maximum amount
	£ per week
Personal Allowance	
Single person (under 25)	54.00
Single person (25 or over)	67.26
Lone parent (18 or over)	67.26
Couple (one/both 18 or over)	105.50
Children	
Under 16	52.53
16-18	52.53
Premiums	
Family	19.23
Family (lone parent)	26.27

Source: HMRC

B.4 Council tax benefits

Single persons and certain other households qualify for a reduction in their council tax. On top of this some households qualify for council tax benefits.

Council tax benefit is calculated as follows:

Council tax benefit = council tax – 20% (net income – applicable amount)

where: net income and applicable amount are the same as that described above in the section on housing benefits.



Appendix C: LCA required income and actual income at different hourly wages

This appendix sets out the difference between basic living costs and income approaches at different hourly wages.

Table C.1 includes all relevant benefits and tax credits in the calculation for the first approach.

Table C.2 excludes all means-tested benefits from the calculation.

Table C.1: Weekly earnings, taxes, benefits, disposable income and costs for different hourly wages including all applicable tax credits and means-tested benefits**C.1a: Households with children**

	Couple with two children					Lone parent	
Hourly wages	2ft	1ft 1pt	1pt 1pt	1ft	1pt	ft	pt
£5.93							
Total disposable income	648.50	517.10	473.00	416.70	406.40	545.00	392.90
LCA Costs	634.30	509.50	509.50	365.00	365.00	548.50	423.70
Total disposable income minus LCA costs	14.30	7.60	-36.50	51.60	41.40	-3.60	-30.80
£6.00							
Total disposable income	650.00	518.50	474.40	416.80	406.60	545.70	393.30
LCA Costs	634.30	509.50	509.50	365.00	365.00	548.50	423.70
Total disposable income minus LCA costs	15.70	9.00	-35.10	51.70	41.50	-2.80	-30.40
£7.00							
Total disposable income	670.80	537.80	492.30	418.40	409.00	556.10	406.10
LCA Costs	634.30	509.50	509.50	365.00	365.00	548.50	423.70
Total disposable income minus LCA costs	36.50	28.40	-17.20	53.30	43.90	7.60	-17.60
£8.00							
Total disposable income	691.60	556.20	508.20	419.90	410.40	566.50	415.90
LCA Costs	634.30	509.50	509.50	365.00	365.00	548.50	423.70
Total disposable income minus LCA costs	57.30	46.70	-1.20	54.90	45.40	17.90	-7.80
£9.00							
Total disposable income	712.40	572.80	520.50	421.50	411.40	576.90	422.10
LCA Costs	634.30	509.50	509.50	365.00	365.00	548.50	423.70
Total disposable income minus LCA costs	78.10	63.30	11.00	56.40	46.30	28.30	-1.70

C.1b: Households without children

	Couple no children					Single Person	
Hourly wages	2ft	1ft 1pt	1pt 1pt	1ft	1pt	ft	pt
£5.93							
Total disposable income	394.40	330.60	315.20	309.80	286.20	209.90	187.80
LCA Costs	375.10	375.10	375.10	346.60	346.60	239.30	239.30
Total disposable income minus LCA costs	19.20	-44.50	-59.90	-36.80	-60.40	-29.40	-51.50
£6.00							
Total disposable income	398.00	331.10	315.70	310.10	286.40	210.00	187.90
LCA Costs	375.10	375.10	375.10	346.60	346.60	239.30	239.30
Total disposable income minus LCA costs	22.90	-44.00	-59.50	-36.50	-60.20	-29.30	-51.30
£7.00							
Total disposable income	450.40	344.60	321.90	313.70	288.80	225.20	190.30
LCA Costs	375.10	375.10	375.10	346.60	346.60	239.30	239.30
Total disposable income minus LCA costs	75.30	-30.60	-53.20	-32.90	-57.80	-14.10	-49.00
£8.00							
Total disposable income	502.80	384.20	327.50	317.30	290.30	251.40	192.60
LCA Costs	375.10	375.10	375.10	346.60	346.60	239.30	239.30
Total disposable income minus LCA costs	127.60	9.10	-47.60	-29.30	-56.30	12.10	-46.70
£9.00							
Total disposable income	555.10	423.50	331.80	321.60	291.20	277.60	194.50
LCA Costs	375.10	375.10	375.10	346.60	346.60	239.30	239.30
Total disposable income minus LCA costs	180.00	48.40	-43.30	-25.00	-55.40	38.30	-44.70

Source: GLA Economics

All figures rounded to nearest 10 pence

Table C.2: Weekly earnings, benefits, disposable income and costs for different hourly wages, including only non-means -tested benefits**C.2a: Households with children**

	Couple with two children					Lone parent	
Hourly wages	2ft	1ft 1pt	1pt 1pt	1ft	1pt	ft	pt
£5.93							
Total disposable income	428.10	331.70	235.30	230.90	134.50	230.90	134.50
LCA Costs	634.30	509.50	509.50	365.00	365.00	548.50	423.70
Total disposable income minus LCA costs	-206.20	-177.80	-274.20	-134.20	-230.50	-317.60	-289.20
£6.00							
Total disposable income	431.70	334.70	237.70	232.70	135.70	232.70	135.70
LCA Costs	634.30	509.50	509.50	365.00	365.00	548.50	423.70
Total disposable income minus LCA costs	-202.50	-174.80	-271.80	-132.30	-229.30	-315.80	-288.00
£7.00							
Total disposable income	484.10	376.80	269.50	258.90	151.60	258.90	151.60
LCA Costs	634.30	509.50	509.50	365.00	365.00	548.50	423.70
Total disposable income minus LCA costs	-150.20	-132.70	-240.00	-106.20	-213.40	-289.60	-272.10
£8.00							
Total disposable income	536.50	417.90	299.40	285.10	166.60	285.10	166.60
LCA Costs	634.30	509.50	509.50	365.00	365.00	548.50	423.70
Total disposable income minus LCA costs	-97.80	-91.50	-210.00	-80.00	-198.50	-263.40	-257.20
£9.00							
Total disposable income	588.80	457.20	325.70	311.30	179.70	311.30	179.70
LCA Costs	634.30	509.50	509.50	365.00	365.00	548.50	423.70
Total disposable income minus LCA costs	-45.50	-52.20	-183.80	-53.80	-185.40	-237.30	-244.00

C.2b: Households without children

	Couple no children					Single Person	
Hourly wages	2ft	1ft 1pt	1pt 1pt	1ft	1pt	ft	pt
£5.93							
Total disposable income	394.40	298.00	201.60	197.20	100.80	197.20	100.80
LCA Costs	375.10	375.10	375.10	346.60	346.60	239.30	239.30
Total disposable income minus LCA costs	19.20	-77.10	-173.50	-149.40	-245.80	-42.10	-138.50
£6.00							
Total disposable income	398.00	301.00	204.00	199.00	102.00	199.00	102.00
LCA Costs	375.10	375.10	375.10	346.60	346.60	239.30	239.30
Total disposable income minus LCA costs	22.90	-74.10	-171.10	-147.60	-244.60	-40.30	-137.30
£7.00							
Total disposable income	450.40	343.10	235.80	225.20	117.90	225.20	117.90
LCA Costs	375.10	375.10	375.10	346.60	346.60	239.30	239.30
Total disposable income minus LCA costs	75.30	-32.00	-139.30	-121.40	-228.70	-14.10	-121.40
£8.00							
Total disposable income	502.80	384.20	265.70	251.40	132.90	251.40	132.90
LCA Costs	375.10	375.10	375.10	346.60	346.60	239.30	239.30
Total disposable income minus LCA costs	127.60	9.10	-109.40	-95.20	-213.70	12.10	-106.40
£9.00							
Total disposable income	555.10	423.50	292.00	277.60	146.00	277.60	146.00
LCA Costs	375.10	375.10	375.10	346.60	346.60	239.30	239.30
Total disposable income minus LCA costs	180.00	48.40	-83.20	-69.00	-200.60	38.30	-93.30

Source: GLA Economics

All figures rounded to nearest 10 pence

Table C.3 presents the wage level that different types of families require to achieve 60 per cent of median income, 65 per cent of median income and 70 per cent of median income. These calculations include means-tested benefits and tax credits.

Table C.3: Weekly incomes (£) for different types of families including benefits in the measure of disposable income

		Required hourly wage rate			
Household type	Weekly income	2ft	1ft 1pt	2pt	1ft
60% of median (Relative poverty measure)					
With two children aged 2-4 and 8-10					
1) Couple parents	296.85	6.70	7.10	11.05	10.00
2) Lone parent	202.10	N/A	N/A	N/A	7.70
With no children					
1) Couple	210.55	6.10	8.45	13.80	13.80
2) Single person	115.80	N/A	N/A	N/A	7.15
65% of median					
With two children aged 2-4 and 8-10					
1) Couple parents	321.60	7.90	8.85	13.75	12.85
2) Lone parent	218.95	N/A	N/A	N/A	9.30
With no children					
1) Couple	228.10	6.45	8.95	14.55	14.45
2) Single person	125.45	N/A	N/A	N/A	7.50
70% of median					
With two children aged 2-4 and 8-10					
1) Couple parents	346.35	9.05	10.10	>15.00	14.80
2) Lone parent	235.80	N/A	N/A	N/A	10.95
With no children					
1) Couple	245.60	6.75	9.40	>15.00	>15.00
2) Single person	135.10	N/A	N/A	N/A	7.90

Source: GLA Economics

All figures rounded to nearest 5 pence except

Similarly, Table C.4 shows the wage levels in the income distribution approach as above, but including only non-means-tested benefits.

Table C.4: Weekly incomes (£) for different types of families including only non-means-tested benefits in the measure of disposable income

		Required hourly wage rate			
Household type	Weekly income	2ft	1ft 1pt	2pt	1ft
60% of median (Relative poverty measure)					
With two children aged 2-4 and 8-10					
1) Couple parents	296.85	10.45	11.20	>15.00	13.33
2) Lone parent	202.10	N/A	N/A	N/A	>15.00
With no children					
1) Couple	210.55	6.10	8.45	13.80	13.80
2) Single person	115.80	N/A	N/A	N/A	7.15
65% of median					
With two children aged 2-4 and 8-10					
1) Couple parents	321.60	10.90	11.85	>15.00	14.25
2) Lone parent	218.95	N/A	N/A	N/A	>15.00
1) Couple	228.10	6.45	8.95	14.55	14.45
2) Single person	125.45	N/A	N/A	N/A	7.50
70% of median					
With two children aged 2-4 and 8-10					
1) Couple parents	346.35	11.40	12.50	>15.00	>15.00
2) Lone parent	235.80	N/A	N/A	N/A	>15.00
With no children					
1) Couple	245.60	6.75	9.40	>15.00	>15.00
2) Single person	135.10	N/A	N/A	N/A	7.90

Source: GLA Economics

All figures rounded to nearest 5 pence except NMW



Abbreviations and endnotes

Abbreviations

APS	Annual Population Survey
ASHE	Annual Survey of Hours and Earnings
CIPFA	Chartered Institute of Public Finance and Accountancy
CPI	Consumer Price Index
DCLG	Department for Communities and Local Government
DWP	Department for Work and Pensions
FBU	Family Budget Unit
GLA	Greater London Authority
HEI	Higher Education Institute
LCA	Low Cost but Acceptable
LDA	London Development Agency
LFS	Labour Force Survey
LLW	London Living Wage
NES	New Earnings Survey
ODA	Olympic Delivery Authority
ONS	Office for National Statistics
RPI	Retail Price Index

Endnotes

- 1 The Living Wage is defined by the Family Budget Unit as, “a wage that achieves an adequate level of warmth and shelter, a healthy palatable diet, social integration and avoidance of chronic stress for earners and their dependents”.
- 2 The LCA budget standard was produced following work in 1997/98 by the FBU, then based in the Department of Nutrition and Dietetics at King’s College London. The funding for the work was provided by the Zacchaeus 2000 Trust. The work was based on two model families – a two adult household with two children aged ten and four and a one adult household with two children aged ten and four. The first study was carried out in York with later studies being carried out in East London, Swansea and Brighton.
- 3 For a discussion of the minimum wage and its determinants see, for example, the Low Pay Commission (1998) 'The National Minimum Wage: First Report of the Low Pay Commission', p15.
(<http://www.berr.gov.uk/files/file37987.pdf>)
- 4 Parker, H. (1998), Low Cost but Acceptable. A minimum income standard for the UK: Families with young children, London: Zacchaeus Trust. More details on this are provided in the first Living Wage report published in April 2005 by GLA Economics Living Wage Unit.
- 5 <http://www.hmrc.gov.uk/budget2010/individuals-all.htm>
- 6 <http://www.hmrc.gov.uk/budget2010/individuals-all.pdf>
- 7 <http://www.hmrc.gov.uk/rates/nic.htm>
- 8 CPI in September 2010
- 9 RPI in September 2010
- 10 Wingfield, D., Fenwick, D. and Smith, K. (2005), 'Relative Regional Consumer Price Levels in 2004', Economic Trends 615. London: Office for National Statistics (ONS).
www.statistics.gov.uk/articles/economic_trends/ET615Wingfield.pdf

- 11 Details of the calculation, including changes in the prices of items in the basket and their impact on living costs, are set out in Appendix A.
- 12 For an explanation of the methodology used to calculate entitlement to these benefits and tax credits, see the 2005 Living Wage report. Appendices B and C provide more information on the various tax credits and benefits and how they fit into these calculations.
- 13 Based on the Low Pay Commission's recommendations published in March 2010, the NMW (adult rate) for workers aged 22 years and older was increased to £5.93 from October 2010. The youth rate, for workers aged between 18 and 21 years, is £4.92, whilst 16 and 17 year olds receive £3.64.
- 14 This follows the assumptions used in the initial Family Budget Unit (FBU) work.
- 15 Note that using the income distribution approach, most families with children fall below the poverty threshold on the basis of the NMW.
- 16 See http://research.dwp.gov.uk/asd/hbai/hbai2008/pdf_files/full_hbai09.pdf
- 17 See http://research.dwp.gov.uk/asd/hbai/hbai2008/pdf_files/chapters/chapter_2_hbai09.pdf
- 18 It should be noted that this measure does not take into account childcare costs.
- 19 See http://www.statistics.gov.uk/downloads/theme_labour/ASHE-2009/tab5_2a.xls
- 20 Details of this process (called 'equivalisation'), and the Income Distribution approach more generally are discussed in Appendix E of the 2005 Living Wage report.
- 21 The unrounded poverty threshold wage is £7.32 per hour.
- 22 Formerly called the Labour Force Survey
- 23 To recap: The Living Wage equals 1.15 times the Poverty Threshold Wage. In turn the Poverty Threshold wage is an average of two calculations, the first by the Basic Living Costs approach and the second by the Income Distribution approach.
- 24 It should be noted that this does not indicate that these workers in London are being paid illegally low wages. Young workers and trainees can legally be paid less than the adult rate of the NMW.
- 25 Hence the current NMW referred to throughout this report is £5.93.
- 26 The NMW was introduced in April 1999, and was set at the "deliberately cautious level of £3.60 an hour" – see National Minimum Wage, Low Pay Commission Report 2007
- 27 ONS - whole economy, seasonally adjusted (excluding bonuses and arrears) (K54L)
- 28 This is to fund the increase in the child element of the child tax credit.
- 29 The weighted mean takes into account the different number of (three-bedroom) council houses in each borough, and weights the average by this number. The unweighted mean is a simple average of all boroughs for which data is available.

- 30 The Housing Corporation ceased operating on November 30th 2008. The Housing and Regeneration Act 2008 established two new agencies; The Tenant Services Authority (TSA) and The Homes and Communities Agency (HCA), which have both taken over the functions of the Housing Corporation.
- 31 <http://www.london.gov.uk/rents/>
- 32 We have increased the categories of housing thought to be available to couples without children and we now include one bedroom houses and cottages.
- 33 Based on Valuation Office Agency data.
- 34 Childcare costs survey 2011, Daycare Trust
- 35 However, changes to the benefits system mean that families where one person is earning in excess of £44,000 per annum will no longer receive child benefit starting in 2014



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Chinese

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Vietnamese

Nếu bạn muốn có văn bản tài liệu này bằng ngôn ngữ của mình, hãy liên hệ theo số điện thoại hoặc địa chỉ dưới đây.

Greek

Αν θέλετε να αποκτήσετε αντίγραφο του παρόντος εγγράφου στη δική σας γλώσσα, παρακαλείστε να επικοινωνήσετε τηλεφωνικά στον αριθμό αυτό ή ταχυδρομικά στην παρακάτω διεύθυνση.

Turkish

Bu belgenin kendi dilinizde hazırlanmış bir nüshasını edinmek için, lütfen aşağıdaki telefon numarasını arayınız veya adrese başvurunuz.

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਹੇਠ ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

Hindi

यदि आप इस दस्तावेज की प्रति अपनी भाषा में चाहते हैं, तो कृपया निम्नलिखित नंबर पर फोन करें अथवा नीचे दिये गये पते पर संपर्क करें

Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি (কপি) চান, তা হলে নীচের ফোন নম্বরে বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں چاہتے ہیں، تو براہ کرم نیچے دئے گئے نمبر پر فون کریں یا دیئے گئے پتے پر رابطہ کریں

Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، يرجى الاتصال برقم الهاتف أو مراسلة العنوان أدناه

Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.

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