



Department  
for Education



Crown  
Commercial  
Service

# **Our deal for schools hiring agency staff: how fees are calculated**

Guidance on agency mark-up and temp-to-perm fees.

**August 2018**

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## Summary

This guidance describes the benefits of using the national deal developed by Crown Commercial Service (CCS) and the Department for Education (DfE) when hiring to all temporary and fixed-term teaching and non-teaching roles.

## Who is this guidance for?

This guidance is for staff responsible for hiring agency workers in all maintained schools, academies, trusts, nurseries, pupil referral units, children centres and further education institutions, across the UK.

## Key terms in this guidance

Please be aware of the following terms used throughout this guidance:

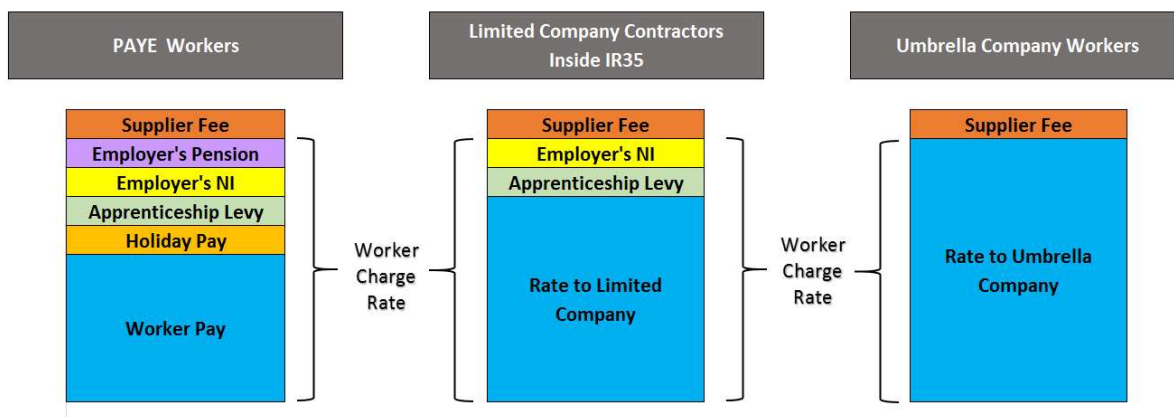
|                       |   |
|-----------------------|---|
| Agency Selection Tool | An offline tool provided to help locate recruitment agencies on the preferred suppliers list, and calculate temp-to-perm fees.                              |
| Deal                  | The Supply Teacher Framework that agencies bid against and were awarded to.   |
| School                | Any educational establishment covered by the terms and conditions of the national deal.   |
| Supplier              | A recruitment agency, awarded by CCS and the DfE, to provide temporary and fixed-term staff under the terms and conditions of the Supply Teacher Framework. |
| Worker                | Work-seekers employed either temporary (by a recruitment agency) or fixed term (by an educational establishment).   |

## Review date

This guidance will be reviewed before August 2019.

## Agency fees – ‘mark-up’

Under the deal, quotations from suppliers will clearly detail the Worker Charge Rate (inclusive of all employer on-costs) and the Supplier Fee, which is the ‘mark-up’ on the Worker Charge Rate. Every supplier must provide their mark-up percentage for each role type that they offer.



The example below shows the breakdown that three suppliers would provide for the supply of a Qualified Teacher – each one transparently showing their respective mark-up, (daily) supplier worker charge rate, and supplier fee.

|   | Supplier 1 (15%) | Supplier 2 (33%) | Supplier 3 (11%) |
|---|------------------|------------------|------------------|
| Worker Charge Rate<br>(including statutory costs) | £ 173.91         | £ 150.38         | £ 189.53         |
| Supplier Fee                                      | £ 26.09          | £ 49.62          | £ 20.47          |
| <b>Total Quote</b>                                | <b>£ 200.00</b>  | <b>£ 200.00</b>  | <b>£ 210.00</b>  |

## Temp-to-perm fees

Suppliers must adhere to strict controls on the use of temp-to-perm fees. The amount suppliers can charge you is restricted, based on the following factors:

- How many working weeks the worker has been in post;
- The supplier's mark-up;
- The daily rate for the worker;
- How many days the worker works for you per week;
- Whether you have given the supplier four weeks' notice.

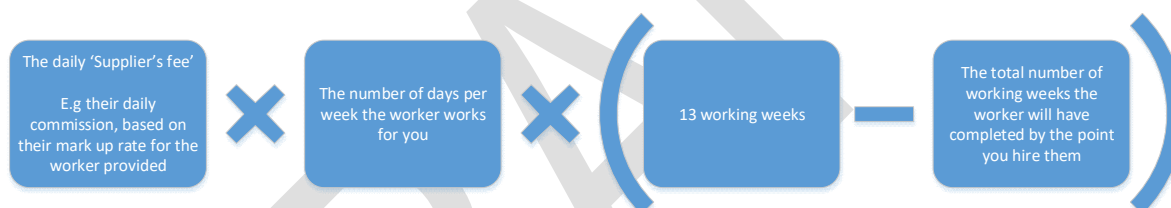
## How do temp-to-perm fees work?

Suppliers must adhere to strict controls on the use of temp-to-perm fees (also known as 'finder's fees'):

- Suppliers cannot charge you any temp-to-perm fee for hiring a worker directly if the worker has been in post for over twelve working weeks, and you have given the supplier at least four working weeks' notice;
- Suppliers can only charge temp-to-perm fees where you directly hire a worker who has been in post for twelve weeks or less, or where they've been in post for longer than 12 weeks but you failed to give four working week's notice. Where this is the case, the amount you can be charged by suppliers is strictly limited under the deal.

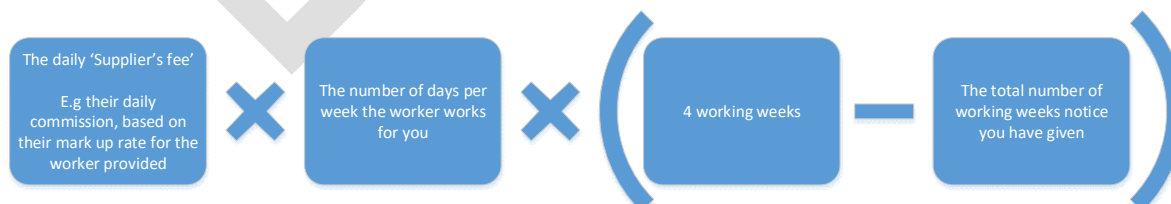
The deal contains a consistent, standardised approach to transfer fees so that schools can be confident in knowing the terms and conditions that apply.

If you hire a worker who has been in post for **eight weeks or less**, the amount you can be charged is calculated as follows:



If you hire a worker who has been in post for **more than nine weeks but less than thirteen weeks** the amount you can be charged is calculated as above, but the working weeks element may increase if you have not given the required notice period of four working weeks before hiring the worker. The maximum it can increase to is four working weeks (see example two below).

If you hire a worker who has been in post for **more than twelve weeks** the amount you can be charged is:



So if you hire the worker in the 14<sup>th</sup> working week, but didn't give any notice, you would be charged four working weeks' of the supplier's fee.

## Working Weeks

Fees are calculated based on Working Weeks, not calendar weeks. A working week is defined as the time that a school normally holds classes during a school term. School holidays and bank holidays are therefore factored out when calculating temp-to-perm fees. A working week consists of five working days where the school is in session, and starts from the first day a worker is hired:

| Mon                | Tue | Wed                     | Thu             | Fri           | Sat | Sun | Mon               | Tue             | Wed             | Thur                    | Fri                       |
|--------------------|-----|-------------------------|-----------------|---------------|-----|-----|-------------------|-----------------|-----------------|-------------------------|---------------------------|
| School in session  |     |                         |                 | Holiday/break |     |     | School in session |                 |                 |                         |                           |
|                    |     | Hire worker on this day |                 | Bank Holiday  |     |     | Bank Holiday      |                 |                 | End of 1st working week | Start of 2nd working week |
|                    |     | 1st working day         | 2nd working day |               |     |     |                   | 3rd working day | 4th working day | 5th working day         | 6th working day           |
| First working week |     |                         |                 |               |     |     |                   |                 |                 |                         |                           |

When calculating fees, working weeks will be rounded up based on working days – e.g.:

| Working days | Working days / 5 | Working weeks |
|--------------|------------------|---------------|
| 20           | 4                | 4             |
| 16           | 3.2              | 4             |

## Notice Periods

If you wish to use the temp-to-perm provision without being charged a transfer fee, then the assignment must last at least twelve Working Weeks and you must give your supplier a minimum of four weeks' notice during that period.

If a worker has been in a post for twelve working weeks, and you have given your supplier four weeks' notice, your supplier will not charge any temp-to-perm fee.

In addition, you can provide your supplier with an early notice of your intention to hire a worker, which will bring the length of assignment to the twelve week point, providing this period is not less than 4 weeks.

We therefore advise schools to give notice at the earliest opportunity, as this will always minimise the potential fee payable for not giving enough notice.

### Example.

Details to follow – suggestion to have a single scenario with three different examples which show potential savings if the correct, timely considerations are made.



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