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Dear Mark

## Covering teachers' absence: follow-up 2023

I am writing to share findings from my follow-up work on covering teachers' absence. I published my previous report in November 2020, which was itself a follow-up to a 2013 report by my predecessor.

In 2020, I concluded that: 'The Welsh Government has taken action to support supply staff, tackle the root causes of teacher absence from the classroom, improve the management of absence and address some key concerns about agency contracts. However, gaps in data mean that it is still difficult to say whether some of these actions are having the intended effects.'

The previous Public Accounts Committee did not undertake detailed inquiry work on this topic. In May 2021, the Welsh Government provided a response to my two recommendations and accepted both in part.

- The first recommendation was on 'ensuring the quality and sufficiency of supply teachers for schools'. This included reinforcing the importance of effective management of staff absence, having long-term measures of success, and collaboration with other agencies on training and resources. It also included understanding whether schools were able to arrange enough cover in the context of emerging demands at the time and, for Welsh-medium schools and certain subjects, existing supply shortages.
- The second recommendation addressed the national procurement framework for agency staff in education. The framework in place at the time addressed many concerns that had been expressed about previous contracting

arrangements. However, its minimum rate of pay for supply teachers was likely to put pressure on school budgets. The recommendation related to the promotion and take-up of the framework and monitoring arrangements to ensure work is done within role descriptions.

I consider that now is a good time to assess progress because:

- In March 2021, the Petitions Committee published a report from its inquiry into a 'Fair Deal for Supply Teachers' petition. It made four recommendations, some of which echoed my own. Favouring a public sector solution, the Committee recommended the Welsh Government should further consider alternative arrangements for supporting schools to find and employ supply teachers. The alternatives suggested included direct employment and the introduction of centralised or regional supply arrangements.
- In its Programme for Government for 2021-2026, the Welsh Government committed to developing a sustainable employment model for supply teachers with fair work at its heart. A contract has been let to support the new National Supply Pool for Wales which will be rolled out from Autumn 2023.
- The Welsh Government has asked the Independent Welsh Pay Review Body (IWPRB) to review the terms and conditions of supply teachers. Previously, the IWPRB said that there would be significant implications from including individual contractors and agencies within the remit of the School Teachers' Pay and Conditions (Wales) Document. The IWPRB's report, expected in December 2023, will look at supply teachers directly employed by schools and local authorities. It will not include the majority of supply teachers who are mainly employed by agencies.
- During our work, the Welsh Government had been procuring a new national framework contract for supply teachers and other temporary staff in readiness for the 2023/24 academic year.

Our audit approach has involved interviews with officials from the Welsh Government, the Education Workforce Council, and representatives of supply teachers. We reviewed a range of Welsh Government policy documents along with its response to the Auditor General's recommendations and those of the Petitions Committee. We analysed relevant expenditure data and considered the scope of the new national framework contract, although we have not examined the detail of the procurement arrangements. We also issued a short survey inviting views from local authority directors of education, receiving seven responses.

While this letter sets out key findings from our high-level follow up work, we have not intended it to be an exhaustive account of overall developments in this area since my previous report.

Based on the work undertaken, I have concluded that the Welsh Government has taken a range of relevant actions in response to my 2020 recommendations which it mostly accepted. However, reflecting similar issues to those raised in my previous report, gaps in data, for example on take-up of professional learning opportunities, a lack of evaluation to date and the absence of a clear picture of what constitutes good quality and sufficient supply across the education system, mean it is not clear if all actions have been effective. The bullet points below summarise my findings.

- On ensuring the quality and sufficiency of supply teachers for schools:
  - The Welsh Government has publicised its guidance on managing attendance of the school workforce and improved the methodology for collecting data on teachers' sickness absence but there remains no data on the extent of absence for other reasons.
  - Schools are ultimately responsible for ensuring cover is available in the classroom and the quality of teaching, but the Welsh Government has not set out how it will know if its own supporting actions are effective.
  - The Welsh Government has taken steps to provide access to professional learning opportunities for supply teachers and cover staff but there is no data on their take-up or its impact.
  - There continue to be reports of shortages of suitable cover in some areas, subjects, and Welsh-medium, while the overall number of registered supply teachers has fallen.

- On the national framework contract for agency staff in education and relevant wider developments:
  - While it has not put in place any systematic monitoring since October 2020, the Welsh Government has not been informed of any instances of supply teachers or other cover staff being asked to work outside their advertised role and has reinforced its expectations.
  - Use of the national framework contract has increased slightly from an already high rate, so more supply cover arrangements are benefiting from its safeguarding and employment requirements.
  - Schools and local authorities spent £101 million on agency staff in education through the framework contract in 2022-23. This was just over 10% more in real terms than in 2021-22 and over three times more than in 2018-19 under the previous contract.
  - Pay for agency supply teachers has increased, with the minimum daily rate for supply teachers employed through the contract rising to £152 in May 2023.
  - The Welsh Government has established a new national framework contract, building on the 2019/20 – 2022/23 arrangements but with further enhancements in the professional learning offer and employment safeguards.
  - Supply teachers' representatives are cautiously optimistic about the Welsh Government's new option for schools and local authorities to directly employ supply teachers through the National Supply Pool for Wales which offers access to the teachers' pension fund, but likely uptake is unknown, and costs will be higher than currently.

**Annexes 1 and 2** provide more detail and **Annex 3** contains some supporting financial analysis. I am not making further specific recommendations to the Welsh Government. I would however expect that the Welsh Government will continue to monitor the use and effectiveness of its framework contract as well as evaluating the new option to employ supply teachers directly to ensure it is effective for schools and supply teachers. Likewise, I would expect the Welsh Government to review the effectiveness of its professional learning offer and the National Professional Learning Entitlement in respect of supply teachers and other cover staff. Also, I continue to believe that there is merit in the Welsh Government setting out what high quality cover and capacity would look like in the education system.

I am copying this letter to the Chair of the Children, Young People and Education Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Adrian Crompton', with a long horizontal stroke underneath.

**ADRIAN CROMPTON**  
**Auditor General for Wales**

cc. Jayne Bryant MS, Chair – Children, Young People and Education Committee

## Annex 1: Ensuring the quality and sufficiency of supply teachers for schools

- 1 This annex provides our assessment of progress against the first of the recommendations in the Auditor General's 2020<sup>1</sup> report.

In 2020, we recommended that the Welsh Government:

- reinforces in its policy development and implementation that effective management of staff absence is fundamental to ensure positive learner outcomes.
- sets out some clear longer-term measures of success against which progress in improving the quality and sufficiency of supply teachers can be judged.
- works with the Education Workforce Council, regional education consortia and agencies to promote the availability of training and resources to supply teachers and learning support workers, particularly as part of its work to prepare the teaching profession for the curriculum reform roll-out from September 2022.
- clarifies if schools can arrange enough cover to release staff to prepare for the roll-out of the new curriculum from September 2022 as well as responding to demands resulting from the coronavirus pandemic. This is particularly important for Welsh-medium schools and subjects where supply shortages already exist.

- 2 The Welsh Government accepted points one, three and four of our recommendations. It did not fully accept point 2. It stated that overall achievement of this recommendation would be delivered through ongoing and future policy development on professional learning and Initial Teacher Education (ITE), the School Workforce Annual Census (SWAC), and Education Workforce Council (EWC) workforce survey. It also noted the provision of additional school funding to recruit additional staff to manage the COVID-19 response.

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<sup>1</sup> Auditor General for Wales, [Covering Teachers' Absence: Follow-up](#), November 2020

**The Welsh Government has publicised its guidance on managing attendance of the school workforce and improved the methodology for collecting data on teachers' sickness absence but there remains no data on the extent of absence for other reasons**

- 3 The Welsh Government told us it intended to reinforce in its policy development and implementation that effective management of staff absence is fundamental to ensure positive learner outcomes. To this end, it has publicised its non-statutory guidance on the effective management of school workforce attendance<sup>2</sup> in 'Dysg', its newsletter for the education community. The Welsh Government had updated the guidance in February 2020 partly to reflect changes stemming from the national framework contract for agency staff in education introduced in September 2019. It will need to consider if the guidance needs to be updated to reflect the new framework contract from September 2023 and other changes (see **paragraphs 38-47**). Information for supply teachers on its digital platform for schools and education professionals (Hwb) was updated in July 2023 to include information on the new National Supply Pool for Wales and the 2023/24 – 2025/26 framework.
- 4 The Welsh Government has encouraged local authorities and schools to use the framework contract for agency staff, highlighting its safeguarding and quality requirements and employment benefits, including minimum pay for supply teachers (see **paragraph 34**). All local authorities make use of it to some extent although two areas – Isle of Anglesey and Gwynedd – make very little use of it (see **Annex 3, Exhibit 2**). Schools in these two areas have continued to employ cover directly from a pool of staff administered by the local authority.
- 5 Our previous reports have highlighted the lack of information on the extent of teachers' absence from the classroom other than for reasons of sickness. This continues to be the case.

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<sup>2</sup> Welsh Government, [Effective management of school workforce attendance](#), Guidance document no: 258/2020, February 2020

6 From 2020/21, the Welsh Government improved the methodology for collecting data on sickness absence, providing for greater coverage<sup>3</sup>. Reporting is also now on an academic year rather than calendar year basis. These changes mean that we cannot directly compare teachers' sickness absence data from 2020/21 onwards with earlier years. Data for 2021/22<sup>4</sup> shows that sickness absence was higher in 2021/22 than 2020/21 on several indicators. For example:

- In 2021/22, 39,000 periods of sickness absence were either opened or closed. This is more than twice as many as in 2020/21 (17,475).
- In 2021/22, 65.2% of teachers took at least one period of sickness absence. Again, this is higher than 2020/21 (40%).
- In 2021/22, 8.3% of teachers lost more than 20 working days to sickness absence, up from 5.5% in 2020/21.
- In 2021/22, an average of 12.8 working days were lost per teacher who took absence, up from 11.9 in 2020/21.

7 However, care has to be taken interpreting any trend as the 2020/21 academic year was atypical due to the impact of the COVID-19 pandemic. For example, the Welsh Government has noted that before the pandemic, and under the previous data collection arrangements, the figure for the proportion of teachers taking at least one period of sickness absence per year ranged between 61.1% and 62.1% in the three calendar years 2017-2019.

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<sup>3</sup> Previously figures were based on an aggregated data collection from local authorities. More recent figures are from the School Workforce Annual Census. They draw on data maintained throughout the year in HR/payroll systems. They also now include data from schools that have opted-out of payroll and/or HR service level agreements with their local authority. See Welsh Government, [School Workforce Annual Census data: background, quality and methodology information](#), July 2023.

<sup>4</sup> See Welsh Government, [School Workforce Census results: as at November 2022](#), July 2023, and StatsWales, [Teacher sickness absence \(SWAC\)](#), last updated July 2023.



**Schools are ultimately responsible for ensuring cover is available in the classroom and the quality of teaching, but the Welsh Government has not set out how it will know if its own supporting actions are effective**

- 8 The Welsh Government did not fully accept our recommendation about setting out some clear longer-term measures of success against which progress in improving the quality and sufficiency of supply teachers can be judged. Its reasoning was that measuring the quality or capability of school staff (both permanent and temporary) is a matter for individual school leaders<sup>5</sup>. However, the Welsh Government's response described how it planned to address shortages, build capacity, and promote quality. It has supported schools and local authorities, for example by issuing guidance, managing, and developing the framework contract, and providing access to professional learning for cover staff.
- 9 We understand the differing responsibilities for delivering cover and ensuring quality, but still believe there is merit in the Welsh Government setting out what good quality and capacity would look like across the education system. This would enable scrutiny and evaluation of the effectiveness of its actions in achieving its desired outcomes.

**The Welsh Government has taken steps to provide access to professional learning opportunities for supply teachers and cover staff but there is no data on their take-up or its impact**

- 10 Our 2013<sup>6</sup> and 2020 reports highlighted the need for professional learning for supply teachers and other cover staff and described barriers that they face. Our 2022 report on the new Curriculum for Wales<sup>7</sup> found that supply teachers

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<sup>5</sup> The Welsh Government distinguishes education responsibilities across three tiers. Welsh Government, [Education in Wales: Our national mission, Action Plan 2017-21](#), September 2017.

<sup>6</sup> Auditor General for Wales, [Covering Teachers' Absence](#), September 2013

<sup>7</sup> Auditor General for Wales, [The new Curriculum for Wales](#), May 2022

and teaching assistants face more difficulties than other teachers in accessing resources.

- 11 Since our 2020 report, the Welsh Government has continued to make professional learning materials available to supply teachers and others on Hwb which supply teachers can access. In addition, it provided funding totalling £915,000 in 2019-20 and 2020-21 to the Education Workforce Council to develop the Educators Wales website, which signposts registered users to professional learning materials on Hwb and elsewhere. However, uptake of these materials by supply teachers is unknown and their effectiveness has not been evaluated.
- 12 The Welsh Government has continued to promote the Education Workforce Council's professional learning passport as a tool for supply teachers to record and reflect on their professional learning. Any newly qualified teacher working towards registration is required to use the passport to provide evidence of learning. However, it is not known how many other supply teachers or teaching assistants use it.
- 13 The national framework contract states that agencies should provide 'regular and relevant professional learning opportunities and support, free of charge... recognising the changing education landscape in Wales'. It specifies a minimum level of compulsory training (safeguarding level one, manual handling, first aid and behavioural management). Information returned to the Welsh Government covering 2021/22 suggests agencies on the framework offered a wide range of learning and development. The nature of activities offered varied and, for all, exceeded the minimum requirement. However, the data does not make clear how many agency supply staff engage with the activities on offer, nor if the agencies evaluated their impact.
- 14 In February 2022, the Welsh Government proposed a new National Professional Learning Entitlement (the Entitlement)<sup>8</sup>. It is a national approach to career-long professional learning for the school workforce, including supply teachers and learning support workers. Details of the Entitlement, published in September 2022, show it includes both access to professional learning and an

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<sup>8</sup> Welsh Government, [National Professional Learning Entitlement](#), September 2022

expectation that teachers and others will actively engage with and pursue professional development.

- 15 Supply agencies were included in the Welsh Government's meetings to co-construct the Entitlement between April and June 2022. The new national framework contract from September 2023 includes a requirement for agencies to include access to the Entitlement in their terms of employment. As the framework is not yet operational, it is unclear how access to the Entitlement will be realised in practice.

**There continue to be reports of shortages of suitable cover in some areas, subjects, and Welsh-medium, while the overall number of registered supply teachers has fallen**

- 16 During the COVID-19 pandemic, the Welsh Government became aware that some schools were struggling to find adequate cover. It has told us that, while most agencies had supply teachers available, staff were reluctant to move between schools. The Welsh Government issued guidance to councils and schools to consider how they employed supply cover during the pandemic. It encouraged schools to issue long-term contracts if there was a continuing need for cover. The Welsh Government told us that agencies also tried to increase the workforce, for example by contacting people who previously did cover work. Some offered incentives where sourcing cover was particularly difficult.
- 17 All seven directors of education responding to our survey mentioned current difficulties identifying suitable cover. In particular, and consistent with issues identified in our previous report, they highlighted examples affecting rural areas, secondary schools, Welsh medium, and some subjects. These gaps also mirror areas where there have been shortfalls in recruiting to initial teacher education, for example for secondary education and Welsh<sup>9</sup>.

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<sup>9</sup> The Education Workforce Council sets allocations for initial teacher education (ITE) each year. The number starting secondary ITE was only 66% of allocation in 2021/22. The number training in Welsh fell slightly in 2021/22 compared to the previous year but otherwise was the highest since 2010/11. The number of trainees

- 18 The Welsh Government has been providing incentives to train in shortage areas for several years. In April 2023, it announced additional incentives for Welsh-medium teachers, including a £5,000 retention payment for secondary teachers who have completed three years of teaching after achieving qualified teacher status. Supply teachers who can demonstrate that they have undertaken the equivalent of three years secondary teaching and remain working in Welsh-medium secondary schools will be able to apply for the bursary.
- 19 The number of registered supply teachers has reduced from 4,635 in 2020 to 3,867 in 2023, a fall of 16.6%<sup>10</sup>. Some supply teachers took work in other sectors during the COVID-19 pandemic in 2019/20 and 2020/21<sup>11</sup>. From July 2020, some supply teachers and learning support workers were recruited to new roles created by schools using funding from the Welsh Government's 'Recruit, Recover, Raise Standards' programme to support pupils most affected by the pandemic<sup>12</sup>. By March 2023, £165.5 million had been distributed through the programme to schools and early years settings, creating an estimated 2,452 roles, mainly in learning support. This investment is continuing but at a reduced level for 2023-24 (£37.5 million) and 2024-25 (£28.5 million).

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for primary education has been above allocation in 2020/21 and 2021/22 following several years when it was less than required. Statistics for Wales, [Initial Teacher Education Wales, 2021/22](#), SB 19/23, May 2023.

<sup>10</sup> Education Workforce Council, [Annual Education Workforce Statistics for Wales, 2023](#)

<sup>11</sup> Work for supply teachers and other staff was limited by school closures and by a reluctance on the part of schools and/or teachers to move between schools or classes. Supply staff working for agencies may have qualified for some financial support under the UK Government's furlough scheme. Self-employed supply staff did not qualify for furlough support and those on fixed-term contracts in schools were paid until the contract ended.

<sup>12</sup> Andrews, G., Bajjada, T., Howells, J., KilBride, K., Morgan, N., Richardson, M., Wise, C., Bebb, H., Bryer, N. and Roberts, M., [Evaluation of Recruit, Recover, and Raise Standards & Early Years Programmes](#), Welsh Government, GSR report number 50/2023, May 2023

- 20 Our 2020 report said that supply cover would be needed to allow teachers to prepare for the roll-out of the new curriculum. The Welsh Government estimated the cost of this cover at £10.8 million in 2020/21 (estimates ranged from £5.4 million to £16.1 million). We were unclear if there were sufficient supply teachers available. To allow more time for necessary preparations, the Welsh Government legislated for an additional in-service training day in 2019/20, 2020/21 and 2021/22. This has been continued for a further three academic years from 2022/23. The lack of information on reasons for cover (see **paragraph 5**) means that we do not know how many of these expected days were covered in 2020/21 and 2021/22.

## Annex 2: The national framework contract for agency staff in education and relevant wider developments

- 21 This annex provides our assessment of progress against the second of the recommendations in the Auditor General's 2020 report. It also includes some updated analysis on spending on cover through the national framework contract and commentary on other wider developments relevant to the framework.
- 22 Initially covering the period from September 2019 to July 2022, the Welsh Government took up the opportunity to extend that framework by a year while it went through a procurement process for new arrangements from September 2023<sup>13</sup>.
- 23 When considering trends in expenditure under the framework, it is important to recognise the potential effects of the COVID-19 pandemic and their impact on like-for-like comparison. This includes school closures during 2019/20 and 20/21. An evaluation<sup>14</sup> found that schools did not typically spend money available through the Recruit, Recover, Raise Standards programme on supply cover. Nevertheless, there may have been some additional expenditure associated with recovery efforts.

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<sup>13</sup> The Welsh Government's National Procurement Service (NPS) established the framework. Since 2019, the Welsh Government has made changes to the way in which it manages procurement, including national contracts that cover other bodies. The NPS no longer exists as an entity. The arrangements for the national framework contract for agency staff are now managed as part of the wider programme of the Welsh Government's Commercial and Procurement Directorate. It is developed and let in partnership with local government.

<sup>14</sup> See **footnote 12**.

In 2020, we recommended that the Welsh Government:

- puts in place monitoring arrangements for the contract's operation to ensure that supply teachers, cover supervisors and learning support workers are working within their role description;
- encourages schools to use its national contract for agency staff to benefit from its quality standards and safeguarding arrangements; and
- monitors the rate of take-up of its national contract for agency staff to check if schools are switching to using agencies outside of the contract's requirements.

24 The Welsh Government accepted points two and three of this recommendation. It indicated that it did not accept point 1, although it has taken certain action (see below).

**While it has not put in place any systematic monitoring, since October 2020 the Welsh Government has not been informed of any instances of supply teachers or other cover staff being asked to work outside their advertised role and has reinforced its expectations**

25 The Welsh Government's response to our recommendation stressed the responsibilities of schools and their governing bodies for determining the types of cover roles required and ensuring staff members are working in the role appointed to. The Welsh Government indicated that it did not intend to put in place any systematic monitoring itself. However, it noted that it already collated data on spend against different roles to help monitor trends and fluctuations. The Welsh Government also noted that it had issued advice to agencies to request that adverts for cover clearly stated the role, requirements, and pay.

26 The 2019/20 – 2022/23 framework contract requires adverts to state the category of cover required. The Welsh Government has encouraged schools, individuals and agencies to report instances where cover staff have been asked to work outside of their specified role. The Welsh Government's Commercial Directorate told us that it has not had any such report since October 2020.

**Use of the national framework contract has increased slightly from an already high rate, so more supply cover arrangements are benefiting from its safeguarding and employment requirements**

- 27 Schools are responsible for staffing decisions, including how they will cover absence. They are not required to use the national framework contract to secure agency staff. However, the Welsh Government has promoted it to schools and local authorities so that they benefit from its requirements to support safeguarding, higher quality, and better employment conditions for cover staff. The improved conditions include a minimum rate of pay for supply teachers (see **paragraph 34**).
- 28 In our 2020 report, we highlighted a risk that schools could look to cut costs by switching to agencies outside the framework that are not required to pay a minimum rate to supply teachers. The National Procurement Service estimated that the education recruitment agencies initially on the 2019/20 to 2022/23 framework<sup>15</sup> had previously accounted for around 90% of overall agency expenditure. The Welsh Government estimates that the proportion of overall expenditure with agencies through the framework has increased from 89.6% in 2019-20 to 92% in 2021-22. This suggests that this risk has not materialised. **Annex 3** provides further analysis of expenditure.
- 29 Our previous report also highlighted a risk that schools could use more unqualified staff for cover, rather than teachers, as the cost differential grew. Our analysis of expenditure through the framework found that supply teachers accounted for a slightly lesser proportion of cover days booked through the contract in 2021-22 (37%) compared to 2019-20 (40%). Without doing more detailed work, we cannot know the extent to which schools have been using unqualified staff to reduce costs or other reasons.

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<sup>15</sup> Two of the 27 agencies initially on the 2019/20 – 2022/23 framework had left it at the time of our 2020 report. The previous two frameworks for 2012/13 – 2014/15 and 2015/16 – 2018/19 involved only one company, New Directions Education Ltd, which still attracts around one third of framework expenditure.



**Schools and local authorities spent £101 million on agency staff in education through the framework contract in 2022-23. This was just over 10% more in real terms than in 2021-22 and over three times more than in 2018-19 under the previous contract**

- 30 Without obtaining information from individual schools and councils, we cannot calculate total spending on cover, which would include spending through agencies outside of the national framework contract and direct employment by schools. The Welsh Government monitors spending through the framework contract.
- 31 In 2022-23, schools and local authorities spent £101 million on cover through the framework. This was 10.7% more in real terms (allowing for inflation) than the previous year (see **Annex 3, Exhibit 1**). It was over three times more than in 2018-19, the last full financial year of the previous contract when spend was £28.8 million in real terms. These figures include spending on non-classroom staff such as caretakers, administrative and catering staff (see **paragraph 50**).
- 32 Several factors will have contributed to the increase in spending through the framework, including:
- an increased number of days of cover – in 2022-23, schools and local authorities purchased 647,125 days of cover through the contract, 9% more than in 2021-22 (593,368);
  - an increase in daily charge to schools for supply teachers and teaching assistants (see **Annex 3, Exhibit 3**), reflecting an increase in the minimum pay for supply teachers above the rate of inflation (see **paragraph 34**); and
  - an increase in the proportion of total agency expenditure through the framework (see **paragraph 28**).
- 33 The framework contract requires agencies to state a maximum agency fee and provide invoices for schools that break down charges clearly. We have not checked whether those requirements are being met. Our 2020 report stated that, according to the Welsh Government, maximum fees ranged between £15 and £50 a day under the 2015/16 – 2018/19 framework contract. The Welsh Government told us that maximum fees ranged between £20 and £50 in the 2019/20 – 2022/23 contract. The Welsh Government estimates that the average agency fee for supply teachers was £20.49 in 2021-22, 11% of the total daily

charge (see **Annex 3, Exhibit 4**). The Welsh Government told us that in 2023/24, maximum fees range between £20 and £70.

### **Pay for agency supply teachers has increased, with the minimum daily rate for supply teachers employed through the contract rising to £152 in May 2023**

- 34 The 2019/20 – 2022/23 framework contract sets minimum pay for supply teachers equivalent to the bottom point of the main scale for teachers in Wales. This was £128 a day in 2019/20 (see **Annex 3, Exhibit 5**). It rose to £150 a day from 1 September 2022 – 11 May 2023 and £152 from 12 May 2023<sup>16</sup>, partly because supply teachers employed through the framework have benefitted from the Welsh Government’s decision to at least match pay in England. In September 2019, the UK Government committed to raise starting pay for newly qualified teachers to £30,000 by 2022/23. This was later delayed to 2025 but, as a result, the lowest point of the pay scale has risen at a higher rate than average teachers’ pay. The daily rate is also affected by the number of working days in the year so additional public holidays in 2021/22 (one) and 2022/23 (two) have slightly increased the daily rate in those years. It is not known how often schools pay supply teachers above the minimum.
- 35 The Welsh Government did not include a minimum pay rate for other cover staff in its 2019/20 – 2022/23 framework contract and does not include this in its new contract from September 2023. There is no national pay scale for school staff other than teachers. Some local authorities have committed to being national living wage employers which has led to increased pay for teaching assistants, and which may have benefitted supply staff too<sup>17</sup>.

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<sup>16</sup> The Welsh Government agreed a revised pay award for 2022/23 in April 2023. The School Teachers’ Pay and Conditions (Wales) Order 2022 came into force on 12 May 2023. The revised award raised the minimum point of the teachers’ pay scale from £28,866 to £29,278 and was backdated to 1 September 2022. As a result, the daily pay of supply teachers employed through the framework contract increased to £152. The increase in daily pay through the framework was implemented from 12 May 2023 and did not apply retrospectively.

<sup>17</sup> From April 2023, the national minimum living wage for people aged 23 and over is £10.42 per hour. Some employers voluntarily pay a minimum ‘real living wage’

**The Welsh Government has established a new national framework contract, building on the 2019/20 – 2022/23 arrangements but with further enhancements in the professional learning offer and employment safeguards**

- 36 During our follow up work, the Welsh Government has been through the procurement process for a replacement framework contract for 2023/24 – 2025/26. Working with local government, it awarded the contract in July 2023. Agencies will continue to pay a 0.5% fee for each day purchased through the national framework to the Welsh Government to cover the cost of managing the framework. The Welsh Government has not confirmed how much it received under this arrangement.
- 37 The 2023/24 – 2025/26 framework includes 41 agencies overall, with between 14 and 34 agencies in each local authority area. Its terms are broadly similar to the 2019/20 – 2022/23 contract but with some additional elements:
- Agencies will incorporate the National Professional Learning Entitlement (see **paragraph 14**) into their employment terms.
  - The Employment Agency Standards Inspectorate will consider some elements of the framework’s requirements in its inspection of agencies in Wales and share its reports with the Welsh Government. Agencies will also be required to partner with Jobs Aware, an organisation providing free advice to non-permanent workers. They must display the Jobs Aware logo on payslips.

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calculated on a different basis to the statutory minimum wage. In July 2023, this is £10.90 for people aged 18 and over outside of London.

**Supply teachers’ representatives are cautiously optimistic about the Welsh Government’s new option for schools and local authorities to directly employ supply teachers through the National Supply Pool for Wales which provides access to the teachers’ pension fund, but likely uptake is unknown, and costs will be higher than currently**

- 38 In March 2021, the Petitions Committee published a report of its inquiry ‘Fair Pay for Supply Teachers’ about supply teachers’ pay and conditions<sup>18</sup>. It made four recommendations, some of which covered issues similar to those addressed by our 2020 recommendations. The Committee recommended that the Welsh Government should consider alternative arrangements for supply teachers, stating that it considered that a public sector solution would have significant advantages compared to recruitment agencies.
- 39 In its response to the Committee’s recommendations, the Welsh Government highlighted that a Ministerial Supply Model Taskforce had considered the future delivery options for supply teaching in 2017 but did not find a single delivery model that it considered workable in Wales<sup>19</sup>. However, the Welsh Government said it would consider another independent review into the employment of supply teachers to inform any proposals for possible alternative models.
- 40 Meanwhile, the Welsh Government asked the Independent Wales Pay Review Body (IWPRB) to consider if the IWPRB’s remit should include the pay and conditions of supply teachers. In May 2021, the IWPRB reported that there would be significant implications from including individual contractors and agencies within the School Teachers Pay and Conditions (Wales) Document (STPC(W)D)<sup>20</sup>. The Welsh Government subsequently asked the IWPRB to consider the terms and conditions of supply teachers alongside a more general

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<sup>18</sup> Welsh Parliament Petitions Committee, [Petition P-05-805 Fair Deal for Supply Teachers](#), March 2021

<sup>19</sup> Ministerial Supply Model Taskforce, [Report to the Cabinet Secretary for Education](#), February 2017

<sup>20</sup> Independent Welsh Pay Review Body, [Independent Welsh Pay Review Body: third report 2021](#), May 2021

review of teachers' pay and conditions<sup>21</sup>. The wider review has been delayed and a report on terms and conditions for supply teachers directly employed by schools is expected in December 2023. It will not consider the terms and conditions of agency supply staff<sup>22</sup>.

- 41 In June 2021, in its Programme for Government 2021-26, the Welsh Government included a commitment to 'develop a sustainable model for supply teaching that has fair work at its heart'<sup>23</sup>. In December 2022, the Welsh Government announced that it intended to deliver the commitment by procuring an e-booking platform to support an employment model in which local authorities and schools directly employ supply teachers and teaching assistants<sup>24</sup>. This procurement was conducted alongside the new framework contract and the Welsh Government intends that the platform is rolled out from September 2023.
- 42 The National Supply Pool for Wales will allow local authorities and schools to access a talent pool or database of individuals to approach when they need temporary staff. Supply teachers will register with the supply pool rather than with each local authority. They will have access to the teachers' pension scheme. The Welsh Government has said that terms and conditions will reflect any changes to supply teachers' terms and conditions it makes in response to the IWPRB report (see **paragraph 40**). The National Supply Pool for Wales will start in one local authority and be rolled out gradually. Supply teachers' representatives are cautiously optimistic about the National Supply Pool for

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<sup>21</sup> Minister for Education and Welsh Language, [School teachers' pay and conditions year 4 remit: matters for report](#), December 2021

<sup>22</sup> In March 2022, 81% of supply teachers said that most of their employment was through an agency compared to 77% in 2021 and 58% in March 2018. See Education Workforce Council, [Data insights, Supply school teacher data](#), 2022.

<sup>23</sup> Welsh Government, [Programme for Government, 2021-26](#), June 2021 (updated December 2021)

<sup>24</sup> A third party will undertake employment checks before supply teachers and teaching assistants can register with the e-platform.

Wales, although its impact will depend on uptake by local authorities and schools.

- 43 The Welsh Government developed its approach following discussions with the Welsh Local Government Association and the Association of Directors of Education Wales. The Welsh Government is meeting the core cost of providing the service up to £231,750 + VAT per year. The final cost will depend on take-up of the platform by schools and local authorities.
- 44 For schools, however, the new arrangements will be more expensive than the framework arrangements, due to higher employers' contributions to the teachers' pension scheme<sup>25</sup> and the statutory requirement to pay any directly employed teacher 'to scale' so that their pay reflects their years of work. We have calculated that if all supply teachers employed under the framework in 2022-23 had been employed under the new arrangements, the total cost would have increased by at least £2.3 million<sup>26</sup>. This assumes that supply teachers employed in this way are paid at the minimum point of the main teachers' pay scale. In reality, the additional cost is likely to be higher as supply teachers will be 'paid to scale'.
- 45 The new model has similarities to 'supply pools' currently provided by at least two local authorities (see **paragraph 4**). Those local authorities support a register of supply teachers and teaching assistants which schools approach directly. Our 2013 report found that many councils had stopped providing supply pools, citing high administration costs and/or lack of use.
- 46 The rate at which schools will make use of the new employment option is unknown. Directors of education responding to our survey said the new arrangements might improve quality if schools build relationships with specific teachers by regularly employing them as supply teachers. Some directors said the new process could be more streamlined than the current arrangements for

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<sup>25</sup> The employers' contribution to the teachers' pension scheme is 23.68% of pay as opposed to an average of 3% employers' contributions for agency staff.

<sup>26</sup> This assumes current agencies employers' contribution at 3% and an average agency fee of £20.49 (see **Annex 3, Exhibit 4**). The estimate does not include the cost of developing the software or licence fees.

hiring supply teachers and others directly. However, others were uncertain if schools will choose to use the new option; they said its success will depend in part on having enough teachers and teaching assistants signed up to it and ensuring administration is not onerous for schools.

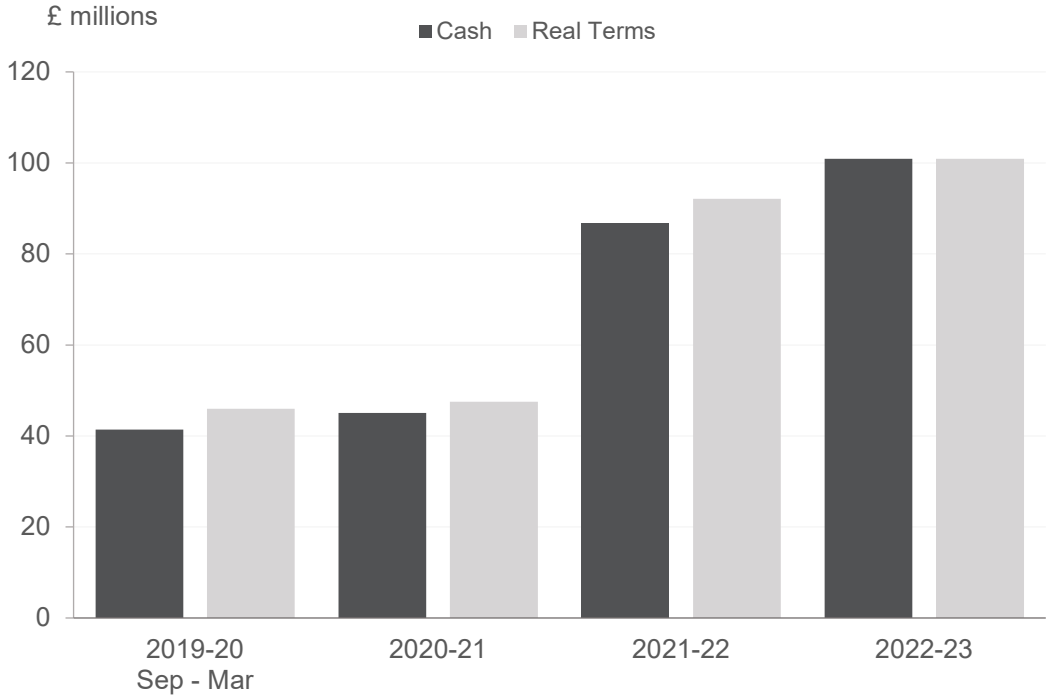
- 47 Isle of Anglesey Council currently maintains a supply pool for its schools but told us that it plans to move its in-house arrangements to the new platform from Autumn 2023. It has informed unions and existing supply staff of this and asked supply staff for permission to transfer their information to the new system. Once it is ready, the council will provide demonstrations and training for schools. Council officials think it will free-up significant administrative capacity. Powys County Council, which already has an arrangement with a recruitment company to provide a 'supply pool' for its schools, told us that this is a popular option for supply teachers. Powys schools also use the framework contract (see **Annex 3, Exhibit 2**) as the pool does not meet all their requirements.

### **Annex 3: Financial analysis relevant to the national framework contract for agency staff in education**

- 48 This annex includes the exhibits referenced in **Annex 2**. It draws on the most recent available data. The Welsh Government was able to provide total expenditure for 2022-23. However, it did not provide more detailed breakdown of expenditure, for example by category of staff.
- 49 Some analysis refers to financial years (e.g., 2022-23 format). Data related to pay is shown in academic years (e.g., 2022/23 format) as teachers' pay is set from 1 September.
- 50 Totals include expenditure on non-classroom staff, for example caretakers, administrative staff or catering agency workers. In our previous report, we noted that between October 2019 and March 2020, 11% of total spending through the framework was on non-classroom agency staff.



**Exhibit 1: expenditure by schools and local authorities through the Welsh Government’s framework contract for temporary staff in education, 2019-20 to 2022-23 (cash and real terms at 2022-23 prices) <sup>1, 2, 3</sup>**



**Notes:**

- 1 The figure for 2019-20 covers the period from September 2019 to March 2020 because the new framework contract commenced at the start of the academic year.
- 2 2019-20 and, in particular, 2020-21, include periods when schools were mainly closed due to the COVID-19 pandemic. All pupils returned to school from the beginning of the summer term on 12 April 2021.
- 3 Real terms analysis applies HM Treasury GDP deflators, June 2023.

Source: Audit Wales analysis of Welsh Government data

**Exhibit 2: school and local authority spending through the framework contract for temporary staff in education, by local authority, 2021-22** <sup>1, 2, 3</sup>

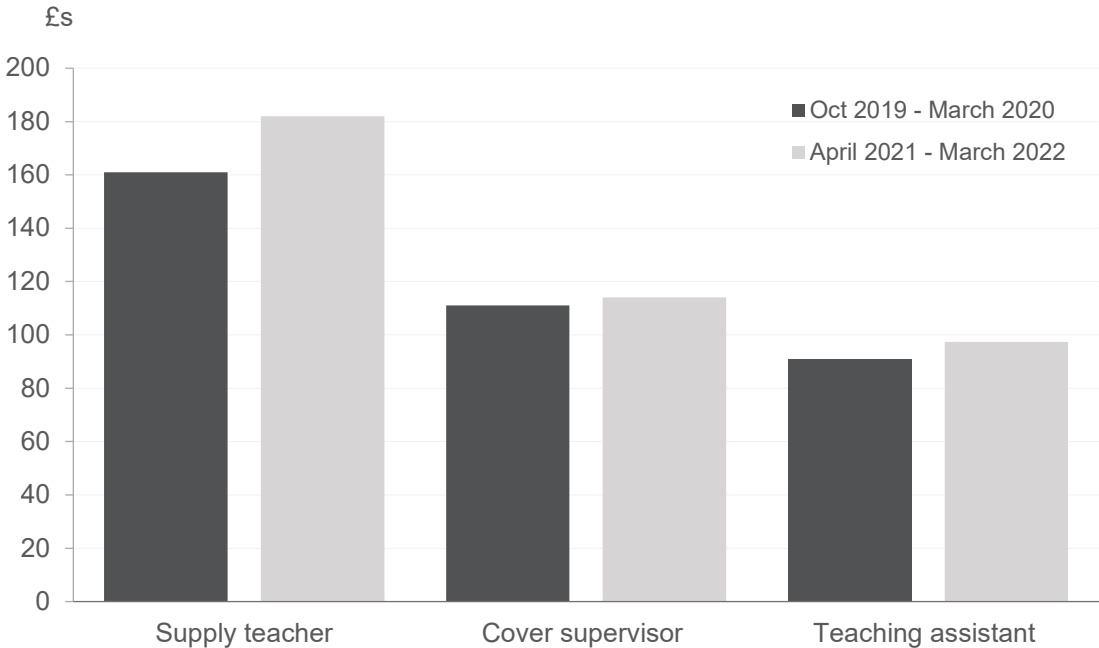
<b>Local Authority</b>	<b>2021-22 (£s)</b>	<b>Spend per pupil (£s)<sup>3</sup></b>
Blaenau Gwent	3,023,291	323
Bridgend	7,498,907	324
Caerphilly	7,664,095	276
Cardiff	7,825,671	138
Carmarthenshire	6,265,882	228
Ceredigion	1,138,528	119
Swansea	4,926,405	137
Conwy	2,262,149	144
Denbighshire	3,637,211	227
Flintshire	4,123,159	177
Gwynedd	109,405	6
Isle of Anglesey	16,431	2
Merthyr Tydfil	2,624,976	288
Monmouthshire	1,775,074	154
Neath Port Talbot	5,501,844	259
Newport	2,967,069	109
Pembrokeshire	2,385,872	139
Powys	2,724,655	159
Rhondda Cynon Taf	9,714,548	250
Torfaen	1,867,424	131
Vale of Glamorgan	2,922,850	125
Wrexham	3,852,686	200
<b>Wales</b>	<b>84,828,130</b>	<b>180</b>

Notes:

- 1 The Welsh Government told us that the total spending figure is slightly lower than represented in **Exhibit 1** due to data errors in supplier submissions which prevent payments being allocated to local authorities, for example spelling errors or incorrect data entry. This affects 2.2% of total expenditure.
- 2 The Welsh Government had not provided data for 2022-23 at the time of writing.
- 3 Pupil numbers from StatsWales, [Pupils by local authority and age group 2021/22](#), August 2022 update

Source: Audit Wales analysis of Welsh Government data

**Exhibit 3: average daily charge to schools by category of staff, October 2019-March 2020<sup>1</sup> and April 2021-March 2022 (cash terms) <sup>1, 2</sup>**



**Notes:**

- 1 Data is not available by category for September 2019.
- 2 The Welsh Government was unable to provide data for 2022-23 at the time of writing.

Source: Audit Wales analysis of Welsh Government data

**Exhibit 4: estimated breakdown of agencies' daily charge for supply teachers (2021-22)** <sup>1, 2</sup>

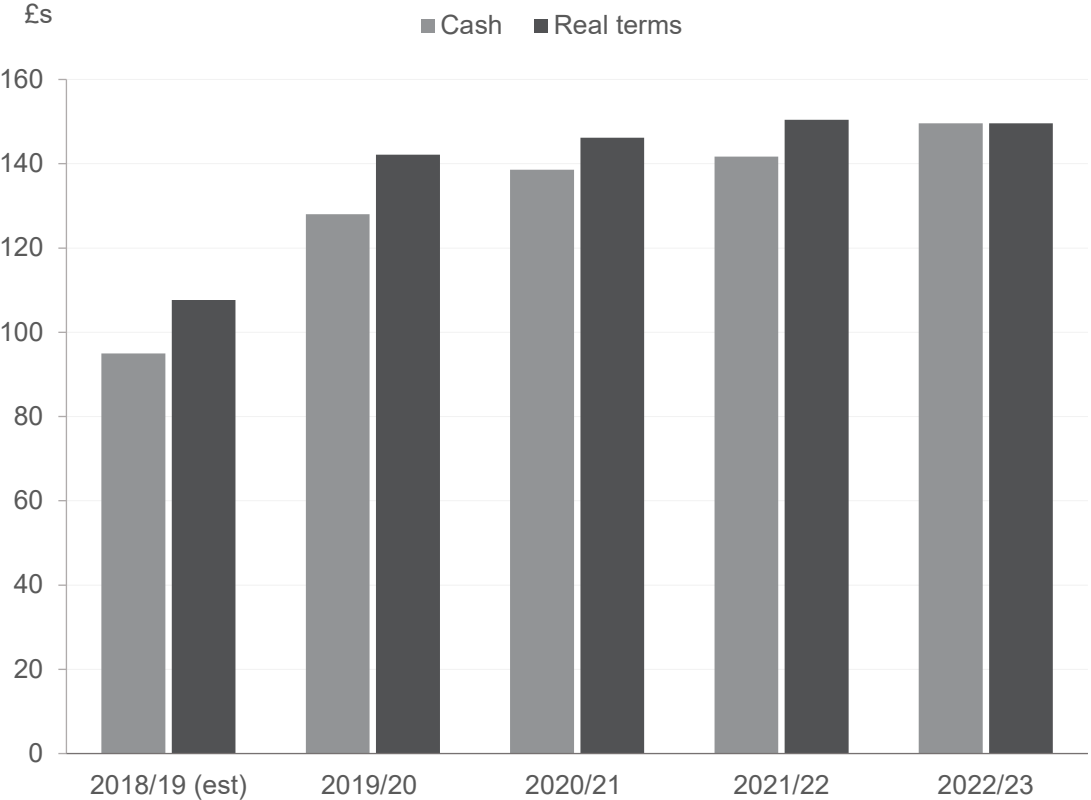
<b>Breakdown of payments (estimates)</b>	<b>£s</b>	<b>% of total</b>
Pay to teacher (pay + holiday pay) <sup>2</sup>	140.14	77.0
National Insurance (including tax free threshold)	15.73	8.6
Pension (3%)	4.20	2.3
Apprenticeship levy (0.5%)	0.70	0.4
Welsh Government commercial levy (0.5%)	0.70	0.4
Agency fee	20.49	11.3
<b>Total</b>	<b>181.96</b>	<b>100</b>

Notes:

- 1 The Welsh Government was unable to provide data for 2022-23 at the time of writing.
- 2 Assumes average pay of £140.14. Minimum pay was £138.56 in March-August 2021, rising to £141.72 in September 2021-March 2022.

Source: Welsh Government data

**Exhibit 5: minimum daily pay for supply teachers under the framework contract for temporary staff in education, 2019/20 to 2022/23, and estimated average pay for 2018/19 (cash and real terms at 2022/23 prices)**



Note: The Welsh Government estimated average pay for supply teachers in 2018/19 as £95 (2018/19 being the last academic year before the 2019/20 – 2022/23 framework contract). Pay for 2022/23 is based on the initial pay award from 1 September 2022 (see **paragraph 34** and **footnote 16**).

Source: Audit Wales analysis of Welsh Government data

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