

B-BBEE – Skills Development Introduction

Skill Development is one of the priority elements of the BEE scorecard and must contribute to the country's economic growth and social development with an emphasis on critical skill development needed for economic growth and supporting employment creation.

Before we look at the scorecard, we need to look at the principal elements.

Let's start with:

Criteria to score points:

- SETA Approved WSP, Annual Training report and Pivotal report;
- Implementation of Priority skills program generally and for black people.

A measured entity with an annual payroll of more than R500 000 it required to submit a Workplace Skills Plan. If a measured entity does not have and approved WSP then no points can be awarded under the Skills Development scorecard.

The skills development target is based on leviable amount which is calculated on Skills Development Levy for the measurement period.

The following is included under Skills Development expenditure:

- Legitimate expenses for any learning program offered to employees evidenced by an invoice or internal accounting records;
- Informal and workplace training (category F and G under the Learning Program Matrix) cannot represent more than 25% of total value of expenditure.
- Legitimate training cost such as catering, travel and accommodation and appointing a skills development facilitator or training manager cannot exceed more than 15% of the total value of the expenditure. This does not apply to bursaries.
- Salaries or wages for employees can only be claimed if the employee participates in a learnership, internship or apprenticeship (category B, C, D under the Learning Program Matrix). Salaries for employee can not be claimed for bursaries.
- Bursaries or Scholarships for student. The educational institution must be registered with the department of basic or higher education. Training cost can include fees, stipends, learning material and accommodation or subsistence.
- Mandatory sectoral training does not qualify
- Foreign training is recognized as long as it meets SAQA requirements.

Now that we understand the principals, let's look at the scorecard:

B-BBEE Elements and Indicators		Generic		QSE		
		Weighting	Target		Weighting	Target
	Skills Development	25		Skills Development	30	
1	Learning Programs for black people	6	3.50%	Learning Programs for black people	15	3%
2	Bursaries for black student at Higher Education Institutions	4	2.50%	Learning Programs for black females	7	1%
3	Learning Programs for black employees with disabilities	4	0.30%	Learning Programs for black disabled people	3	0.15%
4	Black people participating in learnerhsip, internship and apprenticeship	6	5%			
	Bonus Points			Bonus Points		
5	Absorption	5	100%	Absorption	5	100%

You will note that the targets for Skills Development between the QSE and Generic scorecard differ and therefore it is crucial to plan and ensure all the indications are met within the measurement period.

The indicators under the QSE scorecard is rather straight forward as long as it can be included under skills development expenditure as previously mentioned. No EAP targets are applicable to the QSE scorecard.

The compliance target for indicator 1, 2 and 4 under the Generic scorecard are based on the EAP targets amended from time to time. This will include both gender and sub race groups as per the definition of black in the amended codes.

Most of the skills development expenditure mentioned earlier falls under the 3.5% target including scholarships at institutions registered with the department of basic education based on the latest amendments.

The 2.5% target refer specifically to bursaries for black student at Higher Education Institutions. When referring to the learning program matrix it also states that a bursary is theoretical knowledge resulting in a degree, diploma or certificate.

Although the codes prohibits any conditions under skills development expenditure, if the right to recover or the condition include successful completion within a period allocated or continued employment for a period following successful completion which is not more than the period of studies, it will be recognized.

Indicator 3 under the Generic scorecard requires skills spent on black disabled employees, therefore the disabled person needs to be an employee at time of expenditure.

Indicator 4 is measured on headcount and the target is based on number of employees of the measured entity. It is important to note the definitions of these learning programs as each has its own sets of requirements to qualify as such.

With regard to absorption under both the QSE and Generic scorecard it needs to be noted that the definition has changed under the new amendments. It now measured the entities ability to successfully secure a long-term contract of employment. This will have a negative

impact on entities who previously gained these points through fixed-term employment. The measured entity needs to develop a training tracking tool to score under this indicator.

The Learning Program Matrix Annexure 300 A can be referred to in order to categorize skills development expenditure. It is important to ensure the training is categorized correctly as it can impact scoring.

Learning Programme Matrix

Cat	Programme	Narrative Description	Delivery Mode	Learning Site	Learning Achievement
A	Bursaries or scholarships	Institution-based theoretical instruction alone – formally assessed by educational institutions established by or registered with the Department of Basic Education or the Department of Higher Education & Training.	Institutional instruction	Institutions such as universities and colleges, schools, ABET providers	Recognised theoretical knowledge resulting in the achievement of a degree, diploma or certificate issued by an accredited or registered formal institution of learning
B	Internships	Institution-based theoretical instruction as well as some practical learning with an employer or in a simulated work environment – formally assessed through the institution	Mixed mode delivery with institutional instruction as well as supervised learning in an appropriate workplace or simulated work environment	Institutions such as universities and colleges, schools, ABET providers and workplace	Theoretical knowledge and workplace experience with set requirements resulting in the achievement of a degree, diploma or certificate issued by an accredited or registered formal institution of learning

C	Learnerships	Recognised or registered structured experiential learning in the workplace that is required after the achievement of a qualification – formally assessed by a statutory occupational or professional body	Structured learning in the workplace with mentoring or coaching	Workplace	Occupational or professional knowledge and experience formally recognised through registration or licensing
D	Learnerships or Apprenticeships	Occupationally-directed instructional and work-based learning programme that requires a formal contract – formally assessed by an accredited body	Institutional instruction together with structured, supervised experiential learning in the workplace	Institution and workplace	Theoretical knowledge and workplace learning, resulting in the achievement of a South African Qualifications Authority registered qualification, a certificate or other similar occupational or professional qualification issued by an accredited or registered formal institution of learning

E	Work-integrated learning	Occupationally-directed instructional and work-based learning programme that does not require a formal contract – formally assessed by an accredited body	Structured, supervised experiential learning in the workplace which may include some institutional instruction	Workplace, institutional as well as ABET providers	Credits awarded for registered unit standards, continued professional development, improved performance or skills (e.g. evidence of outputs based on Performance Development Programme)
F	Informal training	Occupationally-directed informal instructional programmes	Structured information sharing or direct instruction involving workshops, seminars and conferences and short courses	Institutions, conferences and meetings	Continuing professional development, attendance certificates and credits against registered unit standards (in some instances)
G	Informal training	Work-based informal programmes	Informal training	Workplace	Increased understand of job or work context or improved performance or skills