



LGSETA

CREATING GREATER IMPACT

Grants Policy

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DISCLAIMER:

This document supersedes previous policies and procedures. It is the duty of the employee to familiarize himself / herself with all relevant policies and procedures. Non-compliance to this policy will lead to corrective measures being initiated.



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DEFINITIONS

APP	Annual Performance Plan
ATR	Annual Training Report
CEO	Chief Executive Officer
DHET	Department of Higher Education and Training
Employee	a municipal official, entity employee; councillor or traditional leader
ETQA	Education and Training Quality Assurance
HET	Higher Education and Training
LPD	Learning Programmes Department
NQF	National Qualifications Framework
NSDS III	National Skills Development Strategy 3
NSF	National Skills Fund
PIVOTAL	Professional, vocational, technical and academic learning programmes that results in qualifications or part qualifications on the NQF and as contemplated in the grant regulations
PTP	Pivotal Training Plan
PTR	Pivotal Training Report
QCTO	Quality Council for Trades and Occupations established term of section 26H of the Act
RPL	Recognition of Prior Learning
SAQA	South African Qualifications Authority
SDA	Skills Development Act
SETA	Sector Education and Training Authority
SSP	Sector Skills Plan
WSP	Workplace Skills Plan



1. BACKGROUND

- 1.1. The LGSETA was established in terms of the Skills Development Act (SDA). In accordance with the SDA, the Minister of Higher Education and Training publishes Grant Regulations governing the allocation of SETA levy income in the form of mandatory and discretionary grants.
- 1.2. The SETA Grant Regulations (Government Gazette no. 35940) also regulate the manner in which the discretionary grants are to be allocated, and they enjoin the LGSETA to develop a policy relating thereto.
- 1.3. This document constitutes the policy referred to above.

2. PURPOSE AND OBJECTIVES OF THIS POLICY

- 2.1. In line with the SETA Grant Regulations and DHET Guidelines on the implementation of the Regulations, the purpose of this policy is to set out how LGSETA intends to disburse grants to support the implementation of its Sector Skills Plan (SSP), Annual Performance Plan (APP) and national objectives as laid out in the National Skills Development Strategy (NSDSIII).
- 2.2. The SSP has been developed on the basis of best available research and in consultation with relevant stakeholders. It seeks, through skills development, to:
 - 2.2.1. Facilitate the growth and performance of the local government sector
 - 2.2.2. Expand employment opportunities in the local government sector
 - 2.2.3. Assist the local government sector to adapt to changes in the economy and needs of the country
- 2.3. The policy furthermore aims at;
 - 2.3.1. Ensuring that the skills levy is effectively targeted to meet the skills needs of employers and employees in the local government sector;
 - 2.3.2. Articulating how the LGSETA aims to achieve national objectives as set out in the National Skills Development Strategy (NSDSIII); and
 - 2.3.3. Informing the LGSETA member organisations and stakeholders how grants and LGSETA funded projects can be accessed to enable their proper participation.
- 2.4. The LGSETA will monitor the use of funds and will measure the successful achievement of its objectives by, amongst others, measuring its impact on

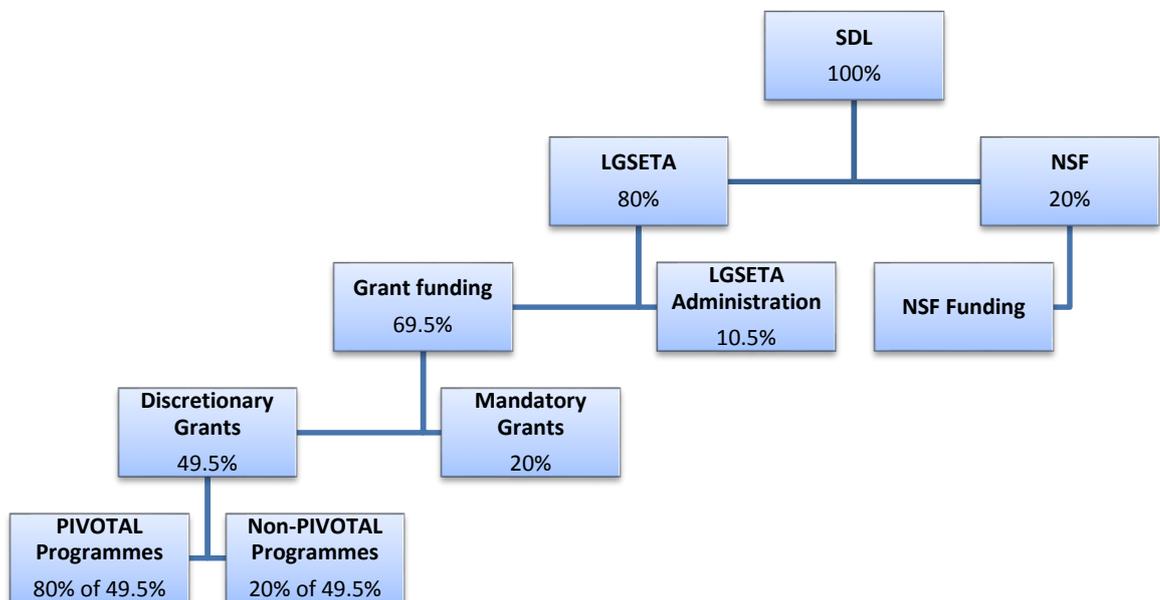


individuals, enterprises, sectorial development, and the development of the local government sector as a whole.

3. DISAGREGATION OF SKILLS LEVIES – PERCENTAGES AND TYPES OF GRANTS

3.1. In terms of the SETA Grants Regulations, the levy grant system is allocated as illustrated in Table 1 below:

Table 1: Disaggregation of Skills levies received by a SETA



3.2. In terms of Clause 3 (3) of the above referenced regulations, a SETA must transfer any unclaimed mandatory funds and any interest earned thereon by 15 August of each year to the discretionary fund.

3.3. LGSETA will thus transfer any unclaimed Mandatory Grants and/or unallocated funds from the administration budget to the discretionary fund pool. Any other funds received will also be channelled towards discretionary grants.



Administration Costs

- 3.4. The SETAs are limited to 10.5% of the total levies paid by employers to use for administration costs.
- 3.5. In addition to sub-regulation (1), a SETA may use the contributions received from public service employers in the national or provincial spheres of government as contemplated in section 30 of the Act, and relevant national and provincial public entities as contemplated in section 30A of the Act for its administration costs.
- 3.6. From 1 April 2013, a SETA will transfer as part of its administration costs as contemplated in sub-regulation (1) and approved in the annual SETA strategic plan, an amount that does not exceed 0.5% of the total levy paid by the employer to the QCTO for quality assurance functions as contemplated in section 26H of the Act, and the actual quantum of funds to be transferred will be determined by the Minister by 31 July of each year.

Mandatory Grants

- 3.7. The mandatory grant is 20% of an employer's 1% skills levy. A SETA will only pay out an employer's mandatory grant if the eligibility criteria for payment of mandatory grants are met.
- 3.8. The submission deadline for the WSP and ATR is 30 April. Mandatory grants will be paid quarterly. Any mandatory grants not claimed by the 30 June will be transferred into the SETA's discretionary fund by 15 August annually.
- 3.9. The Accounting Authority of the LGSETA may grant an extension of up to one month from the submission deadline to submit the WSP/ATR, subject to a written request by the levy paying employer.

Discretionary Grants

- 3.10. 49.5% of the levy is allocated to the discretionary grants. The discretionary grant will fund PIVOTAL and NON PIVOTAL programmes. A SETA is required to allocate 80% of its available discretionary grants within a financial year to PIVOTAL programmes that address scarce and critical skills in its sectors.
- 3.11. The discretionary grants are to be used to address the skills needs as set out in LGSETA's sector skills plans and the Annual Performance Plan.



4. MANDATORY GRANTS

- 4.1. Mandatory grants are designed to encourage the levy paying employers to plan & implement training for their employees and create training and work experience opportunities for the employed and unemployed people. The Mandatory Grant is also intended to ensure that employers provide the LGSETA with quality data and information on skills demand that can be used to inform the sector skills plan. LGSETA will allocate 20% of the skills development levy to the mandatory grants. The employer must reflect their skills needs in the WSP and ATRs.

Importance of WSP and ATR

- 4.2. These reports are meant to provide data to LGSETA on the work force and training needs of employers in the sector. The data is used by LGSETA to understand, and be able to plan and address, skills needs in the industry. It is critical that an employer submits data that is accurate and relevant for the reporting year as this information is used in the gathering of data for the sector skills plan, which in turn will guide the allocation of Discretionary Grants. Disbursements of Mandatory Grants are dependent on submission of WSPs and ATRs that are approved by LGSETA in line with the criteria set and approved by the Board.

Eligibility to qualify for the Mandatory Grant

- 4.3. LGSETA must allocate a mandatory grant to a levy paying employer who makes an application by 30 April and:
- 4.3.1. Employing 50 or more employees that has submitted an application for a WSP and ATR grant in accordance with sub-regulation (2) and as a minimum in the format contained in Annexure 2 of the SETA Grant Regulations as well as a PTR;
 - 4.3.2. Employing less than 50 employees that has submitted an application for a grant in accordance with sub-regulation (2) and such employers will be given the option of submitting a WSP and ATR using a simplified form provided by the SETA as well as submission of a PTR;
 - 4.3.3. Who, notwithstanding sub-regulation (2), has registered for the first time in terms of section 5 of the Skills Development Levies Act and the employer has submitted an application for a mandatory grant within 6 months of registration.



- 4.4. An employer may make an application to the LGSETA for an extension of submitting the WSP/ATR. Such an application for extension must be made before 30 April. The request must be made in writing to the LGSETA. The LGSETA may grant an extension of up to one calendar month in order to enable the employer to be eligible to claim their mandatory grants before the 31 May.

Criteria for Approval of a Mandatory Grant

- 4.5. A grant will be paid to an employer whose WSP, ATR and PTR meet the following criteria:
- 4.5.1. Submission of WSP, ATR, PTR and a Mandatory Grant application in terms of sub-regulation (1) by 30 April of each year;
 - 4.5.2. WSP and ATR must accurately reflect the employment profile of the Entity in required format (e.g. using OFO codes);
 - 4.5.3. An employer registered with SARS and contributing towards Skills Development Levies;
 - 4.5.4. Submission of WSP, ATR and PTR on the approved template;
 - 4.5.5. Submission of EMP 201 form and a cancelled cheque;
 - 4.5.6. Assurance that the ATR on the implementation of the previous WSP is credible;
 - 4.5.7. Submission of the original signed Authorisation and Stakeholder Support Declaration by 30 April of each year;
 - 4.5.8. There must be evidence of consultation and sign-off by labour representative (Local Labour Forum (LLF) / Training / Skills Development Committee) of the Workplace Skills Plan and Annual Training Report (unless explanation is provided and approved by the LGSETA Board);
 - 4.5.9. Learning interventions proposed must be aligned to SAQA registered qualifications and unit standards where such qualifications and unit standards are available; and
 - 4.5.10. Assurance that the WSP, ATR and PTR are complete and credible.
- 4.6. The LGSETA may, when necessary, request the below information:
- 4.6.1. Minutes of Training Forum meetings must be submitted in support of applications;
 - 4.6.2. Learning interventions to be carried out by an accredited institution; and



- 4.6.3. Learning interventions proposed through skills programme should demonstrate the skills to be acquired and their benefit to skilling the recipients.
- 4.7. This information does not however, affect approval or payment of a mandatory grant. LGSETA may at its discretion, select to verify the information submitted to ensure that it is relevant and accurate.
- 4.8. The employer that meets the above criteria will be eligible to receive the 20% of their annual skills levy payments allocated for mandatory grants.
- 4.9. The disbursement of the funds will take place in accordance with the LGSETA financial management policies and employers will be notified in writing of the outcome of the applications.

Time Frames for processing of Applications, Communication of Decisions and Payment Schedules

- 4.10. Employers will be notified of the approval of the Mandatory Grant on or before 30 June after submission of the required documents;
- 4.11. The mandatory grant contemplated in sub-regulation (1) will be paid to the employer in four quarterly instalments, in the quarter following receipt of levies from SARS; and
- 4.12. If the mandatory grant is not claimed within the specified period, LGSETA will transfer the levy paying employer's unclaimed mandatory grant to the discretionary grant by 15 August of each year.

5. DISCRETIONARY GRANTS

- 5.1. A key focus of discretionary grants is to ensure proper implementation and achievement of the goals and objectives of the LGSETA.

Purpose and Allocation of Discretionary Grants

- 5.2. The allocation of discretionary grants is informed by:
 - 5.2.1. National skills development imperatives in respect of the sectors covered by the LGSETA, the New Growth Path, the Industrial Policy Action Plan, the National Skills Accord, the Green Accord, the Beneficiation Strategy of South Africa, the National Development Plan, Strategic Integrated Projects, the Rural Development Strategy, the Back to Basics Strategy, the Environmental

- Strategy, the Human Resource Development Strategy and the white paper on Post school Education and Training;
- 5.2.2. The discretion of the Accounting Authority in response to overall performance of the LGSETA in relation to its Discretionary Grant portfolio; and
 - 5.2.3. Ministerial pronouncements and injunctions.

Key Principles to be applied in respect of Implementation of this Policy

- 5.3. Without being exhaustive, and without detracting from the Accounting Authority's discretion, the following key principles will be applied in the implementation of this policy:
 - 5.3.1. Funding will be directed at scarce and critical skills as set out in the SSP and the APP
 - 5.3.2. The allocation of funds will be based on equitable, fair and transparent processes without prejudice to any individual or stakeholder
 - 5.3.3. The LGSETA, in determining its performance agreement with the Minister, will incorporate the sector and national priorities
 - 5.3.4. The LGSETA will minimise surpluses at the end of each financial year
 - 5.3.5. The LGSETA will ensure the prevention of fruitless and wasteful expenditure
 - 5.3.6. Priority will be given to LGSETA accredited learning programmes

Key use of Discretionary Grant Funding towards LGSETA Funded Projects

- 5.4. Funding for Discretionary Grants by the LGSETA is divided between Special Projects and Regular Projects
 - 5.4.1. **Special Projects** are projects aimed at ensuring the participation of public institutions, non-profit making organisations and designated groups or individuals in the LGSETA's skills development work. The purpose of these projects is to provide opportunities to meet the priorities of government and/or the Accounting Authority. These types of projects originate primarily from analyses of the LGSETA's responsiveness to, amongst others, performance against its own objectives and to Government pronouncements. Special projects shall be addressed through special initiatives in line with the LGSETA's development requirements as approved by the Accounting Authority, and can be embarked upon at any point during the financial year. Approval for special

projects rests with the LGSETA Accounting Authority. A maximum of 30% of the LGSETA Discretionary Grant Funding will be allocated for special projects. These Special Projects must be aligned with the strategic projects of government and must focus on building local government skills in driving the strategic projects. Rural projects and projects for the disabled must form part of these special projects. In adjudicating the special projects LGSETA must give consideration for women specific projects as well as youth as the most marginalised groupings who need skills to access job opportunities or create jobs themselves and where necessary initiate these projects directly as special projects.

- 5.4.2. **Regular Projects** are normal projects that address LGSETA objectives as set out in the Service Level Agreement between the LGSETA and DHET. One or more funding windows shall be created during a financial year for entities to submit their applications for funding of regular projects.

Administration of Discretionary Grants

- 5.5. The LGSETA shall direct funds to programmes as follows:
- 5.5.1. A minimum of 80% to PIVOTAL programmes. PIVOTAL is defined as “Professional, Vocational, Technical and Academic Learning linked to fully occupationally-directed qualifications that are credit bearing. It normally starts at a college or university and would include supervised practical learning in a workplace;
 - 5.5.2. A Maximum of 20% to other programmes or SETA related initiatives;
 - 5.5.3. Up to 7.5% of any grant or funded project may be used for administration or project management costs.
 - 5.5.4. PIVOTAL learning programmes include:
 - 5.5.4.1. Bursaries to support employees to take part in programmes that result in an occupational qualification;
 - 5.5.4.2. Apprenticeships leading to a trade test and artisanal qualification;
 - 5.5.4.3. Internships for learners studying for an occupational qualification and who require work experience and learning as part of the qualification;
 - 5.5.4.4. Internships for learners who have completed their occupational qualification and who are seeking a period of workplace experience in their chosen

- occupation. The work experience must be structured and supervised by a suitably qualified person;
- 5.5.4.5. Undergraduate / graduate placements and candidacy programmes that enable qualified individuals to become professionally registered;
 - 5.5.4.6. Recognition of prior learning for people with experience but not the formal qualification;
 - 5.5.4.7. Adult Education and Training
 - 5.5.4.8. Learnerships; and
 - 5.5.4.9. Part qualification skills programmes, made up of a combination of unit standards that fall within a qualification, with the aim of increasing the skill level of employed learners.
- 5.6. In allocating discretionary funds the LGSETA will prioritise PIVOTAL programmes. The proportion of funds allocation to each of these categories will be determined by the Accounting Authority by taking into account the priorities for the year as set out in the strategic plan and annual performance plan of the LGSETA, guided by the SSP.

Reduction of the Carry Over and Elimination of Reserves

- 5.7. At the end of each financial year, the LGSETA shall have spent, or committed through obligations in line with the SETA Grant Regulations, at least 95% of discretionary funds available to it by March each year and up to maximum of 5% of uncommitted funds shall be carried over to the next financial year. It is therefore essential for the LGSETA and its stakeholders to work together to put in place contracts as speedily as possible once a grant is approved

Eligibility to apply for Discretionary Grant Funding for Regular Projects

- 5.8. The Grant Regulations encourages access to Discretionary Grants to be accessible to all legal persons or enterprises of different sizes (including small and micro enterprises, Non-Government Organisations (NGOs) and cooperatives in the sector) to apply for any category of grant, or participate in any type of skills development programme

- 5.9. Discretionary grant may be paid to a legal person, including
- 5.9.1. an employer within the jurisdiction of a SETA, including an employer who is not required to pay a skills development levy in terms of the Skills Development Levies Act;
 - 5.9.2. other legal person contemplated in sub-regulation (7) that meets the criteria for the payment of such grant; and
 - 5.9.3. an employer contemplated in section 30 and 30(A) of the Act who has submitted to its relevant line SETA or Public Service SETA (PSETA) within the time frames prescribed a WSP and ATR as a minimum.
 - 5.9.4. a public education and training institution;
- 5.10. **Project proposals addressing one (or several) of the following themes will be eligible for funding:**
- 5.10.1. PIVOTAL programmes ideally delivered through public education and training institutions;
 - 5.10.2. Learning interventions aligned to SAQA registered qualifications and unit standards where such qualifications and unit standards are available;
 - 5.10.3. Prioritise artisan training by enrolling an apprentice and ensuring that he/she is exposed to theoretical learning, workshop training and practical work experience;
 - 5.10.4. Includes a workplace learning component commitment for a student who must do practical work as part of his/her qualification;
 - 5.10.5. Requires co-funding to provide for a structured work placement for students already studying towards a qualification regarded as scarce or critical;
 - 5.10.6. Enrolment of a staff member or a municipal employee or unemployed young person in a specific learnership or skills programme which will ensure that such a person gains specialised knowledge and experience which is needed in the industry; and
 - 5.10.7. The learnerships and skills programmes must be linked to occupationally directed qualifications.
- 5.11. The application for DG should set out the overall goal and objective and how these link to addressing sector skills needs, learning programme(s), number of learners per learning programme, the major milestones over the proposed period, and cost



projections for completion. Where appropriate, subsequent yearly commitments/awards will be related to satisfactory performance, in terms of outputs, verified expenditures, and the approval of future annual activity, future outputs, and spending forecasts

- 5.12. The applicant needs to ensure that the service provider selected to provide the training is an accredited and qualified provider. The applicant should ensure that the training programme(s) are accredited and leading to a recognized qualification. In instances where training is for a short course, the value and benefit of the training programme(s) to the learner and (potential) employer(s) must be demonstrated.
- 5.13. All funding applications must demonstrate capacity to successfully implement the proposed project proposed. The LGSETA will verify that the organisation has the capacity to deliver effectively, efficiently, and in a timely manner.

Target Beneficiaries

- 5.14. The Beneficiary profile of the recipients of training programmes must focus on the following Imperatives:
 - 5.14.1. Employment equity (improving the employee profile at all levels in terms of race, class, gender and disability);
 - 5.14.2. Provision of opportunities for young people (particularly those not currently in education and training or in work);
 - 5.14.3. Enabling access to special groups, such as women, youth, military veterans, people with disabilities;
 - 5.14.4. Addressing the challenge of managing and reducing the spread of HIV and AIDS within the sector;
 - 5.14.5. Supporting enterprise development within the sector, including co- operatives and community-based entities;
 - 5.14.6. Extending access to LGSETA priority programmes to rural areas;
 - 5.14.7. Improving the skills profile of those from poorer socio-economic backgrounds and assisting in career-pathing from lower graded to higher graded jobs within companies.
- 5.15. The LGSETA will prioritise approval of applications that contribute to growth and development, transformation and employment equity.

- 5.16. The LGSETA will not provide grant funding for:
- 5.16.1. Projects that have already commenced prior to the approval of the application.
 - 5.16.2. Set-up costs, e.g. start-up costs.
 - 5.16.3. Capital expenditure, e.g. building costs, equipment such as computers, etc.
 - 5.16.4. Existing operating expenses e.g. salaries of current employees who will undergo training.
 - 5.16.5. Organisational policy development.
 - 5.16.6. Interventions that result only in “awareness” for participants.

Application, Selection and Allocation Process for Regular Projects

- 5.17. The Accounting Authority shall approve a list of discretionary grants and projects for a particular funding window. Once the list has been approved, the LGSETA shall, by way of Discretionary Grant advertisements, invite all member organisations, NGOs, Non-levy Paying Entities, Public Institutions, Training providers and any other relevant entity to submit applications for discretionary grant funding.
- 5.18. Applications shall be submitted online, via the Discretionary Grant portal or designated email addresses.
- 5.19. **The LGSETA shall not consider a discretionary grant application if:**
- 5.19.1. The discretionary grant criteria aligned to the grant regulations are not met.
 - 5.19.2. The submission deadline and criteria have not been met.
 - 5.19.3. The LGSETA does not have an adequate budget to allocate the required award.

Selection and Evaluation of the Applications

- 5.20. The allocation criteria set out above, or as specifically determined by the Accounting Authority shall be applied in the evaluation of discretionary grant applications.
- 5.21. Grant applications will be evaluated, subjected to a due diligence exercise, and recommended based on a set criteria.
- 5.22. The LGSETA will determine the relative merits of all applications received in response to the discretionary grants call in a fair and consistent manner.
- 5.23. The following measures will be taken to guarantee an accurate, transparent, objective and impartial assessment procedure:

- 5.23.1. A standard (model) assessment form which contain indicators per criterion defined by the evaluations committee to determine in a consistent manner, the extent that applications satisfied the programme criteria;
- 5.23.2. To avoid conflicts of interest, anyone with a present or past connection with any of the applicant organisations will be excluded from the assessment.

Allocation of the Discretionary Grants

- 5.24. Allocations will be made via a four stage process as follows:
 - 5.24.1. **Stage 1:** Selected entities will be subjected for the due diligence exercise.
 - 5.24.2. **Stage 2:** Entities found to be adequate during the due diligence, in terms of the LGSETA requirements, will be given an “Intention to Contract” based on the level of the entities’ capacity as determined solely by the LGSETA. The “Intention to Contract” will list requirements to be fulfilled, and applicable timeframes, for the LGSETA to proceed to contract with the entity. The requirement for the joint appointment of the training provider between the LGSETA and the entity concerned will be fulfilled as part of this stage.
 - 5.24.3. **Stage 4:** In addition to the due diligence exercise, the LGSETA may conduct workplace vetting visits to satisfy itself that applicants have the capacity, resources and facilities to deliver the learning programme/s applied for.
 - 5.24.4. **Stage 3:** If the LGSETA is content to proceed and the conditions set out in the “Intention to Contract” letter are fulfilled, it will develop a contract to be signed between itself and the relevant entity.



Project Coordination

- 5.25. After the LGSETA has expressed its intention to contract with an entity, all the documents required in terms of that intention must be submitted to the Project Management Unit of the LGSETA. The Project Management Unit together with the Learning Programmes Department (LPD) and Education and Training Quality Assurance (ETQA) shall review the documents and the information submitted and, if satisfied approve them to proceed with relevant contracting.
- 5.26. After the contracts are signed, the provincial offices will conduct the required induction together with the training provider/employer.
- 5.27. Once training starts, the LGSETA will conduct regular monitoring and evaluation visits, some of which will be unannounced. Prior to the placement of learners, work place approval visits may also be conducted.
- 5.28. The ETQA of the LGSETA will, on its part, conduct external moderation visits as part of quality assurance of learner achievement.

Disbursement of the Discretionary Grants Funds and Risk Management

- 5.29. All projects funded in terms of the LGSETA's discretionary grant policy must have special and dedicated bank accounts into which all payment and disbursements will be made. The LGSETA will have access to statements pertaining to the account as and when it requests. Public institutions may open dedicated cost centres rather than special bank accounts.
- 5.30. In accordance with the monitoring and evaluation procedures applied by the LGSETA and in terms of the service level agreement which will be concluded with the LGSETA, invoices submitted to the LGSETA must be based on work done and must be accompanied by evidence that an activity claimed for has indeed been conducted/delivered.
- 5.31. Claims unaccompanied by the relevant evidence will not be processed and/or paid.
- 5.32. It is the responsibility of the entity to ensure that all requirements are met and the supporting documents are provided as per the service level agreement/contract when submitting a claim.

Discretionary Grant Contractual Deliverables and Payment Structure

In the execution of contractual deliverables and milestones, payments will be disbursed as outlined in the tables below:

Learnerships / AET

Tranches	Percentage	Deliverables
1 st tranche	10%	On meeting the suspensive conditions for contracting, submission of the mandatory learner documents, and signing of a contract between the LGSETA and the entity. <i>* The contract becomes effective only when signed by all parties</i>
2 nd tranche	30%	On proof of learners being registered on the relevant SETA Assurance Quality Partner (AQP) (also referred to as ETQA) management system or UMALUSI. <i>* Payments based on individual learner registration</i>
3 rd tranche	30%	On proof of 50% completion of individual learning programmes by means of progress monitoring report and/or moderation reports for every learner <i>* Payments based on proof of individual learner performance and attendance</i>
4 th tranche	30%	On proof of 100% successful completion of individual learning programme <i>* Payments based on individual learners successfully completing the learning programme</i>

Skills Programmes / RPL

Tranches	Percentage	Deliverables
1 st tranche	10%	On meeting the suspensive conditions for contracting, submission of the mandatory learner documents, and signing of a contract between the LGSETA and the entity. <i>* The contract becomes effective only when signed by all parties</i>
2 nd tranche	45%	On proof of learners being registered on the relevant SETA Assurance Quality Partner (AQP) (also referred to as ETQA) management system. <i>* Payments based on individual learner registration</i>
3 rd tranche	45%	On proof of successful completion of individual learning programme <i>* Payments based on individual learners successfully completing the learning programme</i>

Candidacy

Tranches	Percentage	Deliverables
1 st tranche	10%	Meeting the suspensive conditions for contracting, submission of project plan, signing of a contract between the LGSETA and the entity. <i>* The contract becomes effective only when signed by all parties.</i>
2 nd tranche	30%	Submission of all comprehensive list of all the beneficiaries on a letterhead and proof of all relevant documentation in accordance with LGSETA's requirements.
3 rd tranche	30%	Submission of: <ul style="list-style-type: none"> • evidence of mentor and candidate meetings • signed logbooks/experience reports
4 th tranche	30%	On proof of successful completion of programme <ul style="list-style-type: none"> • Proof of professional registration

Internships / Work Integrated Learning

Tranches	Percentage	Deliverables
1 st tranche	30%	On meeting the suspensive conditions for contracting, submission of the mandatory learner documents, and signing of a contract between the LGSETA and the entity. <i>* The contract becomes effective only when signed by all parties</i>
2 nd tranche	30%	On proof of learner attendance and stipends paid to individual learners <i>* Payments based on attendance registers and proof of stipend payments</i>
3 rd tranche	30%	On proof of learner attendance and stipends paid to individual learners <i>* Payments based on attendance registers and proof of stipend payments</i>
4 th tranche	10%	On successful completion of individual learning programme <i>* Payments based on attendance registers and proof of stipend payments</i>

Bursaries (paid directly to the institution of study and/or service provider)

Tranches	Percentage	Deliverables
Once off payment	Up to 100% of the awarded bursary	On meeting the suspensive conditions for contracting, submission of the mandatory learner documents, and signing of a contract between the LGSETA and the entity or student. <i>* Payments are made to the training institution and/or service provider on submission of proof of registration, study fees and accommodation costs (where applicable)</i>

Apprenticeships

Tranches	Percentage	Deliverables
1 st tranche	10%	On meeting the suspensive conditions for contracting, submission of the compulsory learner documents, and signing of a contract between the LGSETA and the entity. <i>* The contract only becomes effective when signed by all parties</i>
2 nd tranche	15%	On proof of learners being registered on the relevant SETA Assurance Quality Partner (AQP) (also referred to as ETQA) management system) <i>* Payments based on individual learner registration</i>
3 rd tranche	25%	Progress Monitoring Report and/or Moderation Reports confirming that the new artisan learners are in process of being trained on site in the relevant trade <i>* Payments based on proof of individual learner performance and attendance</i>
4 th tranche	25%	On proof of 50% completion of individual learning programmes by means of progress monitoring report and/or moderation reports for every learner <i>* Payments based on proof of individual learner performance and attendance</i>
5 th tranche	15%	Trade Assessment: <ul style="list-style-type: none"> • Readiness Assessment and Trade Test Application • Trade Test Date • Trade Test Statement of results <i>* Payments based on proof of individual learner progress and attendance</i>
6 th tranche	10%	On certification: <ul style="list-style-type: none"> • Individual Red Seal Certificates <i>* Payments based on proof of individual learner progress and attendance</i>



Disputes

- 5.33. In an event where a dispute arises between an employer and LGSETA in as far as the implementation of this policy is concerned, such disputes shall be referred to the LGSETA CEO in writing. The CEO's office shall act as mediator. Should the dispute not be resolved successfully, either party has the right to escalate the matter to a higher body (such as the LGSETA Board or a delegated board committee).
- 5.34. In an event where a dispute arises between an employer and the learner, the LGSETA may act as a mediator. Disputes that arise as a result of employment relationship between the learner and the employer, such disputes will be dealt with under the ambit of the labour laws.

Accountabilities

Adherence to Signed Agreements

- 5.35. Applicants will be held accountable for the success of funded programmes. Ability to effectively manage projects within the respective organisations is a basic requirement. Applicants are responsible for the planning, monitoring, filing, reporting, assessing and generally managing processes to ensure a high quality output.
- 5.36. The LGSETA will undertake regular employer and/or training provider site visits, and will ask for submission of evidence by employer for the training funded in order to:
- 5.36.1. Measure the impact of the training implemented by various employers;
 - 5.36.2. To ensure that the financial and human resources allocated are clearly accounted for; and
 - 5.36.3. To ensure that the training conducted and funded by LGSETA does indeed address the areas addressed in its Sector Skills Plan.
- 5.37. In the event of a grant being used outside the scope set out in the agreement between the LGSETA and the recipient organization, or in the event of the terms of that agreement not being adhered to, the LGSETA reserves the right to terminate the agreement and where necessary to take appropriate measures to recover funds.



REFERENCES

1. SETA Grant regulations Gazette No. 35940
2. Skills Development Act 1998
3. Skills Development Levies Act 1999
4. NSDS III
5. South African Qualifications Authority Act 1995
6. Public Finance Management Act 1999
7. DHET guide on Grant Regulation Implementation

Approved by: N. NQANDELA Date: 30/06/15

Signature N. Nqandela

Administrator of Local Government Sector Education Training Authority

ANNEXURES
Unit Threshold per Learner for Use in the Discretionary Grant Application

Learning Pathways	Description of the learning pathway	Unit cost per learner	Learner Stipend
Learnerships			
LI01 Learnership Employed	<p>Structured learning program over a period of between 12-24 months.</p> <p>It includes theoretical & practical workplace experiential learning and leads to an occupationally related qualification registered on the NQF.</p>	R18 000	Not applicable
LI02 Learnership Unemployed	<p>Structured learning program over a period of between 12-24 months.</p> <p>It includes theoretical & practical workplace experiential learning and leads to an occupationally related qualification registered on the NQF.</p>	R36 000	R1 500
Skills Programme			
LI03 Skills Programme Employed	<p>Designed and intended to be an occupational based, short term learning program, which when successfully completed, will constitute between 20 and 50 credits towards a qualification registered on the NQF. Skills Programs are from 3 days to 3 months.</p>	R5 000	Not applicable
LI04 Skills Programme Unemployed	<p>Designed and intended to be an occupational based, short term learning program, which when successfully completed, will constitute between 20 and 50 credits towards a qualification registered on the NQF. Skills Programs are from 3 days to 3 months.</p>	R5 000	Not applicable



Adult Education Training			
LI05 Adult Education Training Employed	<p>Is the foundation for lifelong learning in terms of sustainable level of literacy, numeracy & basic (general) education.</p> <p>It is conducted over a period of 12 months</p>	R5 000	Not applicable
LI06 Adult Education Training Unemployed	<p>Is the foundation for lifelong learning in terms of sustainable level of literacy, numeracy & basic (general) education.</p> <p>Is conducted over a period of 12 months.</p>	R5 000	Not applicable
Artisan apprenticeships			
LI07 Artisans Apprenticeship	<p>A non-unit standard based registered qualification, which is governed by the Skills Development Act.</p> <p>An apprenticeship comprises the integration of workplace and institutional learning.</p> <p>Is a 3 year intervention that culminates into a national qualification.</p>	R46 450	Inclusive
LI08: Artisans (Where recruited learners are currently Artisan Aides)	<p>A non-unit standard based registered qualification, which is governed by the Skills Development Act.</p> <p>This intervention is targeted at those learners who are currently working as aides to artisans.</p>	R46 450	Inclusive
Internship			
LI09: Internships: For learners with HET	<p>This is a 12 month workplace experience program, designed for candidates who have already completed a NQF level 5 qualification that is relevant to employment in the Local Government sector, but have not yet gathered the necessary practical experience to enable them to obtain employment.</p>	R46 000	R3 500

LI10: Internships: For learners with post NVC and Vocational (TVET) qualification	This is a 12 month workplace experience program, designed for candidates who have already completed a NQF 1, 2, 3 or 4 national vocational qualifications that is relevant to employment in the Local Government sector, but have not yet gathered the necessary practical experience to enable them to obtain employment.	R21 600	R1 500
LI11: Work Integrated Learning	This is a 12 / 18 / 24 month workplace experience program designed for candidates who have already completed N6 qualification and the practical experience is necessary to enable them to obtain a qualification.	R24 000 for 12 months	R1 800
		R36 000 for 18 months	R1 800
		R47 000 for 24 months	R1 800
Bursaries			
LI12: Bursaries for Employed Learners	Is a monetary award made to learners. This intervention is a grant awarded to employed. Learners enrolled on part qualifications or full qualifications registered on the NQF.	R30 000	Not applicable
LI13: Bursaries for Unemployed Learners	Is a monetary award made to learners. This intervention is a grant awarded to unemployed. Learners enrolled on part qualifications or full qualifications registered on the NQF.	R45 000	Not applicable
RPL			
RPL for artisans	RPL is the process through which non-formal learning and informal learning are measured, to: <ul style="list-style-type: none"> • provide for the awarding of credits for, or towards, a qualification or part qualification registered on the NQF; • provide an alternative access route into a programme of learning 	R 5000 RPL (evaluation) R41 450 (max for gap training and final assessment)	Not applicable
RPL for other occupational qualifications		R 5000 RPL (evaluation) R13 000 (max for gap training and final assessment)	Not applicable