**REPORT OF THE PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION ON THE ANNUAL PERFORMANCE PLANS (APPS) 2022/23 AND THE BUDGET VOTE 07 OF THE NATIONAL SCHOOL OF GOVERNMENT, DATE 06 MAY 2022**

1. **BACKGROUND**

The Portfolio Committee on Public Service and Administration (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plan, Annual Performance Plan and Budget allocations of the National School of Government tabled by the Minister in terms of the Public Finance Management Act (Act No 1 of 1999), reports as follows:

1. **INTRODUCTION**

Parliament plays an important role in overseeing planning and performance of government departments and public entities as well as Chapter 9 and 10 institutions. The Public Finance Management Act, section 27 stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. Subsequent to that the Money Bills Amendment Procedures and Related Matters Act, No. 9 of 2009, section 10 (1) (c) clearly stipulates that the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and reporting.

In considering the strategic and annual performance plan, the Committee ensured that the National School Government’s plan and budget allocation serve the needs and aspirations of the public servants. Budget allocation serves as a key instrument for government to promote socio-economic development. Budget allocation plays a critical role as an economic instrument of the government to reflect on the country’s socio-economic policy priorities by translating priorities and political commitments into expenditures. Budget serves as a vital tool to operationalise government activities towards the achievement of its intended priorities. Furthermore, the budget highlights the constraints and trade-offs in policy choices.

On 03rd May 2022, the Committee considered presentation on the Strategic and Annual Performance Plan and budget allocation of the National School of Government (NSG). This report summarises the presentation received from the NSG, focusing on the 2019/24 Strategic Plan and 2022/23 Annual Performance Plan and Budget as well as allocations over the MTEF.

1. **OVERVIEW OF THE NSG**

The National School of Government (NSG) draws its mandate from the Constitution,and with particular reference to 195(1) (h), which stipulates that: “good human resource management and career-development practices, to maximise human potential, must be cultivated”. The applicability of this, and the other values and principles to the three spheres of government, organs of state and public enterprises indicates the requisite depth and the reach of the NSG in order to fulfil this constitutional mandate.

The NSG has to ensure that all of the basic values and principles are inculcated into the value system and performance of all public servants and representatives through education, training and development (ETD) initiatives. It does so through its curriculum design, development and delivery approach with the practical application of participatory, people-centred methodologies and the application of indigenous facilitation and learning techniques during the ETD initiatives, in building a caring ethos and citizen-centred service delivery focus amongst public servants. This approach consciously focuses on the application of the principles and values of the Constitution and the realisation of the public administrative justice to all whom we serve.

1. **LEGISLATIVE MANDATE**

Section 197 of the Constitution provides for a public service within public administration, which must function, and be structured, in terms of *nationallegislation*, and which must loyally execute the lawful policies of the government of the day. The NSG, as a national public service department, thus draws its mandate from national legislation – the Public Service Act, 1994 (Proclamation 103 of 1994), as amended. This is the core mandate which establishes the NSG for it to fulfil a function of providing training or causing the provision of training to occur within the public service. Accordingly, section 4 of the Act provides the following mandate:

1. There shall be a training institution listed as a national department (in Schedule 1 of the Act).
2. The management and administration of such institution shall be under the control of the Minister (Public Service and Administration).
3. Such institution, shall provide such training or cause such training to be provided or conduct such examinations or tests or cause such examinations or tests to be conducted as the Head of the institute may with the approval of the Minister decide or as may be prescribed as a qualification for the appointment or transfer of persons in or to the public service. The School may issue diplomas or certificates or cause diplomas or certificates to beissued to persons who have passed such examinations.

Whilst this piece of legislation empowers the NSG to fulfil its mandate, the limitation of the Public Service Act is that it is applicable to the national and provincial spheres of government. Another piece of enabling legislation - Public Administration Management Act, 2014 (Act No. 11 of 2014) - gives effect, *inter alia*, to the progressive realisation of the values and principles governing public administration across the three spheres of government.

1. **STRATEGIC GOALS OF THE NSG**

The NSG strategy is aligned to the MTSF as well as the performance agreement of the Ministry for Public Service and Administration (MPSA) and is able to contribute to all of the aforementioned outcomes through Education and Training Development (ETD) interventions.These outcomes and interventions are the reduction of wasteful, fruitless and irregular expenditure in public sector institutions; the reduction in incidents of corruption in the public sector; socio-economic rights; and gender mainstreaming in public sector institutions. The NSG has, with a focus on social compact and engagement with citizens, developed and implemented ETD interventions in supporting the progressive realisation of socio-economic rights of communities. This programme aims to capacitate Community Development Workers (CDWs), facilitate participatory community engagement for Ward Councillors, and Traditional Leaders for socioeconomic development.

The key strategic priorities of the Vote set for 2022/23 are:

* 1. **Utilising digital learning opportunities**

Given that the primary mode of education, training and development (ETD) delivery was based on face-to-face contact learning, there was an urgent need to review the delivery modality and shift as many courses and programmes onto the open distance eLearning (ODeL) and virtual learning platforms. The NSG digital learning approach is also informed by research undertaken by the Public Service Sector Education and Training Authority (PSETA) on emerging technologies in the public service, which makes the following recommendations in relation to eLearning enablers:

* A more ubiquitous access to laptops and data needs to extend across all public service levels if required for remote or virtual working. This is also a pre-requisite for eLearning.
* The detracting feature of low bandwidth is that it does not offer rich content, webinars or online lecture capturing and streaming functionalities and is limiting the ubiquity of eLearning platforms.
* The use of more suitable video streaming or changes to site restriction rules in order to make content more widely available and accessible.
	1. **Institutionalising digital transformation**

The NSG has embarked on a journey of digital transformation, with the development of a draft strategy and implementation plan. This was precipitated by the COVID-19 pandemic and the urgency for the NSG to digitize its business operations. Digital transformation has been broader than digitizing the NSG business processes but rather how the NSG becomes a systems integrator within the broader public sector ecosystem. The work undertaken in developing the framework was largely influenced by key documents such as the National Digital and Future Skills Strategy (2020) and the PSETA research on Emerging Technologiesin the Public Service Sector and their Skills Implications (2020).

Additionally, the principles of Batho Pele underpinning efficient service delivery remained a critical factor, when considering bridging the digital service delivery gap and serving a smart citizenry. With the exponential increase in technologies such as smart phones, and social media platforms, there is an emergence of a global phenomenon of a smart citizenry.

The Digital Transformation Strategy will contribute towards the digital positioning of the NSG as key within the ecosystem of public sector education, training and development as part of the overall change process of the organisation. Furthermore, the NSG will develop or facilitate ETD interventions to enhance digital skills in the public sector. It will also engage with key institutions to fast track digital transformation in the public sector.

* 1. **Focus on Executive Education**

The NSG seeks to improve the quality of public sector leadership and management by providing a range of premium programmes for senior managers, executives and public representatives in all spheres of government, public enterprises and organs of state. These programmes and interventions will be established as executive education opportunities, which combine the science and art of leadership, innovation, and execution in complex and dynamic environments. The executive education of the NSG will be underpinned by values and principles of ethical and development oriented service. It will also influence public policies and how state institutions respond to these policies. The programmes will take on a blended approach, including classroom interaction, online learning, and onsite experimentations. Identified programmes will include current bespoke executive programmes and new interventions with both a sector and cross sector focus.

* 1. **Maintaining the curriculum framework**

The NSG curriculum framework is made up of 152 accredited and non-accredited courses and programmes covering the ETD occupational bands. All learning programmes are internally quality assured. Credit bearing programmes aligned to registered qualifications on the National Qualifications Framework (NQF) are externally accredited by quality assurance bodies. The NSG reviews curriculum every three years and will strengthen this review process through a peer review mechanism. In this financial year, the NSG will emphasise quality assurance on course content, including a review of Nyukela. It will also work towards developing a full qualification. The NSG will also emphasise the determination of training needs across departments using baseline documents (e.g. audit reports and service delivery improvement plans) and working in consultation with the Auditor-General of South Africa and departments such as the Public Service and Administration, the Planning Monitoring and Evaluation and the National Treasury.

* 1. **Implementing a strategy towards the professionalisation of the public service**

The current Medium Term Strategic Framework commits explicitly to the professionalisation of the public service as imperative for building of a capable, ethical and developmental state. The work of professionalising the public service is part of the bigger project of strengthening state capacity. The NSG, working jointly with the Department of Public Service and Administration (DPSA) and the Office of the Public Service Commission (OPSC) is finalising a national implementation framework for the professionalisation of the public service, as envisaged in the National Development Plan (NDP).

* 1. **Mainstreaming gender, youth and disability**

Mainstreaming of gender, youth and disability in all programmes and activities of the School is key in ensuring that the empowerment of these designated groups is prioritised. To attain this, departments need to develop and implement plans, programmes, budgets and systems that are responsive to the needs of women, youth and persons with disabilities. The Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing (GRPBMEA) is one such plan that the NSG will implement and monitor. As aptly stated in the GRPBMEA Framework, ‘Investing in women’s empowerment and reducing the gender gap is an important driver of inclusive economic growth and development and will benefit both women and men, boys and girls.’ This includes the economic development and growth of women, men, boys and girls with disabilities to ensure their economic emancipation. This is particularly critical because poverty and economic oppression have been linked to high incidents of gender-based violence and femicide as well as the inability of those affected to remove themselves from such situations.

To this end, parallel to the implementation of the GRPBMEA, the NSG will also implement the National Strategic Plan on gender-based violence and femicide (NSP on GBVF). The NSP on GBVF focuses on six pillars; (i) accountability, co-ordination and leadership; (ii) prevention and rebuilding the social cohesion; (iii) justice, safety and protection; (iv) response, care, support and healing; (v) economic power; and (vi) research and information management.

* 1. **Delivering on Education, Training and Development (ETD) interventions**

The ETD interventions are delivered to public representatives and public servants and are clustered in accordance with the following occupational bands:

(i) **Cadet and Foundation Management**: Providing ETD interventions to graduates who wish to join the public service, public service interns and public servants up to occupation level 8 (support staff, administrators and supervisors). Emphasis is placed on understanding rules of government and service delivery excellence (especially as most front-line officials are in this band).

(ii) **Middle Management Development**: Providing ETD interventions for occupational levels 9-12 (junior and middle managers) with emphasis on occupational skills (know how), supply chain management, budgeting, supervisory skills and pathways to (further) qualifications.

(iii) **Senior Management Development and Professionalisation**:

Providing ETD interventions to senior managers between levels 13 and 14 (Directors and Chief Directors). Chapter 4 of the SMS Handbook determines a set of competencies that employees in these core categories should have. These including analytical skills, problem solving as well managing money and people. This is in addition to the core competencies required to perform as a professional – be it in finance, ICT, issuing of licenses/permits, policy formulation and monitoring, planning and implementing built environment projects like housing, road construction, water provision, etc.

(iv) **Executive Management and Leadership Support**:

This band is complex in a sense that it caters for occupational levels 15-16 (Deputy Director-General and Director-General) and Political Office Bearers. In addition to top-up training on the requirements of Chapter 4 of the SMS (for DDGs and DGs), this category of leadership in the public sector is expected to lead as experts and advisors both in the work of departments

and government and as nurtures of talent, stewards of public funds and champions of transformation. Therefore, the NSG is exposing this layer of government to design theories, modelling and forecasting, leadership by outcomes, talent management as well as the management of political-administrative interface - amongst others. For the Political Office Bearers, focus is placed on building capabilities in economic governance, political oversight and accountability, together with the appropriate creation and use of legislative and regulatory frameworks.

1. **BUDGET ANALYSIS**

The School’s overall budget allocation for 2022/23 is R228.1 million in 2022/23 financial year of which R115.7 million is transferred to the NSG Trading Account. This represents an increase of 11.22 per cent in nominal terms. However, in real terms the total budget for the School increased by 10.01 per cent between the 2021/22 and 2022/23 financial years. The budget of the School is divided into two programmes, which share the allocated budget almost equally. Programme 1: Administration consumes 49 per cent (R112.3 m) of the budget allocation whilst Programme 2: Public Sector Organisational and Staff Development consumes the remaining 51 per cent (R115 m). Of the remaining R112.3 million of the budget allocation, an amount of R59.7 million is allocated to Compensation of Employees and another R48.7 million to Goods and Services and R3.8 million to machinery and equipment.

**Table 1: National School of Government budget**

**Overall budget for 2022/23**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Programme** |  **Budget** | **Nominal Rand change** | **Real Rand change** | **Nominal % change** | **Real % change** |
| R million |  | **2021/22****Million** | **2022/23****Million** | **2022/23** |  **2022/23** |
| **Programme 1: Administration** |  |  110,9 | 112,3 | 1 475 | 3 363 | 1,33 per cent | -3.03 per cent |
| **Programme 2: Public Sector Organisational and Staff Development** |  | 103,4 | 115,7 | 12,297 |  7 313 | 11,89 per cent | 7,07 per cent |
| **TOTAL** |  |  **214,3** | **228,1** |  **8 788** | **10 676** | **11.22 per cent** | **10,01 per cent** |

Source: National Treasury (2022)

1. **PROGRAMME PERFORMANCE**

The NSG has two programmes whose budget and activities are as follows:

* 1. **Programme 1: Administration**

The purpose of this Programme is to provide strategic leadership, management and support services to the School. The budget for Programme 1 increased from R110.9 million in 2021/22 financial year to R112.3 million in 2022/23. This represents a -3.03 per cent decrease in real terms in the budget allocation between 2021/22 and 2022/23. The programme is one of the two major cost drivers under this Vote, consuming 49 per cent of the overall allocation. It is also the only programme that experiences an increase in nominal terms.

The growth experienced in allocation to this Programme is mainly attributable to the significant growth evident in the Management and Corporate Services sub-programmes, which increase by 39.17 per cent and 17.39 per cent, respectively. The Branch: Corporate Management and Business Enablement ensures that the NSG performs as a fully functional integrated institution, creating an enabling environment for the core business functions to deliver on the overall mandate. Corporate Services also dominates expenditure under the Programme, consuming R91.8 million (84 per cent) of the budget allocation to the Programme. This is followed by Management, which consumes R16.7 million (15.29 per cent) of the allocation. The Management sub-programme also looks after the Office of the Principal, which leads the organisational change and transformation agenda, whilst at the same time ensuring adherence to good corporate governance practices, and financial viability and sustainability of the trading entity of the NSG.

Organisation transformation is a current project of the School to repurpose training programmes, human and financial resources to adapt to the long-term effects of the COVID-19 pandemic on funding and training. The School reduced the average number of days for debt collection to 60 days. All disciplinary cases were resolved within 60 days from the date of receiving the case. The School facilitated three agreements supporting international exchanges and capacity building initiatives.

The Programme has three targets for the financial year, which are to implement 50% of Total Quality Management Policy and System for the National School of Government. The School will map and implement four business processes in line with operations management plan and implement four ICT business solutions to enable NSG operations. Furthermore, implement 100% of the management improvement plan based on the previous audit outcome to ensure reduction of audit findings implemented. The School will implement 50% of the NSG Brand and Marketing Strategy. The School intends to engage in 20 communication interventions promoting NSG offerings in the public sector.

* 1. **Programme 2: Public Sector Organisational and Staff Development**

The Public Sector Organisational and Staff Development (Programme 2) is responsible for facilitating transfer payments to the Training Trading Account, which provides education, development and training to public sector employees. The budget allocation for Programme 2 decreased from R103.4 million in 2021/22 financial year to R115.7 million in 2022/23. In real terms the budget allocation of Programme 2 increased by 7.07 per cent between 2021/22 and 2022/23. This programme consumes 51 per cent of the overall budget. The Programme’s budget (R101.3 million) is allocated to the National School of Government Training Trading Account sub-programme, which provides education, development and training to public sector employees. From the National School of Government Trading Account, the total revenue is R220 million of which an amount of R101.3 million must be generated through courses fees and other sources of funding. Through the training of a total of 40 460 leaners, the NSG plans to raise this revenue amount. The allocation to compensation of employees amounts to R106 million and an amount of R114.5 million to goods and services.

The School introduced the use of the e-Learning modality that enables it to offer e-Learning courses and to establish communities of practice, as well as open online courses. The School undertook training needs analyses with public sector institutions. The School completed research projects to inform training needs and opportunities.

The Programme has twenty-one targets for the financial year 2022/23, among which are to generate R101.8 million in revenue and other funding sources. The School will further implement 75% of business development interventions resulting in opportunities for uptake of the NSG offerings.The National Development Plan emphasises the importance of professionalising the public service. The NDP highlights that building a skilled and professional public service requires a vision on how public servants experience and expertise develops during their careers. Therefore, the NSG plays a fundamental role in ensuring that public service is professionalised by providing compulsory induction to all public servants.The School document four areas of good practice in the public sector to enhance Education, Training and Development. Furthermore, the School will develop five research reports informing Education, Training and Development.

The programme will complete five skills assessment reports informing ETD needs. The programme will develop and review eight courses/programmes/interventions responsive to identified skills gaps and government priorities. Six impact evaluation studies will be conducted. In 2021/22 financial year, the School developed the National Implementation Framework on the professionalisation of the public service and develop a post-graduate qualification developed for the NSG. In 2022/23 financial year, the School will identify two functional area professionalised with professional bodies.

In this financial year, the School will document four areas of good practice in the public sector to enhance ETD interventions. Furthermore, the School will develop an annual report on analysis of Workplace and Sector Skills Plans to inform ETD interventions.

The School will facilitate 20% partnership to support ETD interventions and host five thought platforms/seminars. The School intends to develop the framework for performance management system for ETD practitioners. Moreover, facilitate accreditation of the post-graduate qualification. The School will facilitate and manage accreditationprocess to maintain the status of the NSG as an accredited training provider. In addition, the programme will develop five thought leadership platform/seminars in this financial year. The School will quality assure eight programmes/courses by the NSG Quality Assurance Committee.

The School will implement four compulsory programmes and train 40 460 learners on compulsory and demand-led ETD interventions.Cumulatively train 50% of senior managers in the public service on how to deal with all forms of discrimination. Furthermore, the school will roll out training (Teaching for All) to teachers and school management teams in five provincial departments of education. The School will identify eight ODeL courses/programmes/interventions skills gaps that need to be developed or reviewed. Furthermore, the School intends to successfully close 100% of ODeL Help desk tickets. The Schooll undertake annual perception survey to determine the learner satisfaction on NSG’s ETD interventions.

1. **OBSERVATIONS AND FINDINGS**

The Portfolio Committee identified the following matters in relation to the Budget Vote 7:

* 1. The Committee noted and welcomed the Annual Performance Plan 2022/23 of the National School of Government. The APP contextualises the work of the NSG, which aims to strengthen state capacity and building a professional, capable, ethical and developmental State through education, training and development.
	2. There was a budget ceiling on compensation of employees in the National School of Government, however, the Committee was of the view that crucial vacancies should be filled in spite of the decision.
	3. The NSG played a pivotal role in the development of the Draft National Implementation Framework towards the Professionalisation of the public service. The Committee noted the progress made whereby the School facilitated the public consultations on and peer review of the Framework in order to finalise recommendation to Cabinet for the adoption of a final framework. The Committee welcomed the announcement that professionalization of the public service will introduce a course layer that deals with consequence management.
	4. The NSG will be launching the Executive Education Programmes in the 2022/23 financial year.
	5. The Committee noted a high rate on Nyukela programme uptake since it was introduced as a mandatory training programme for all senior management. The School had enrolled a total of 11 668 public servants for the course and 6893 had successfully completed. More public servants are encouraged to enrol for the programme in order to prepare them for future responsibility in senior management.
	6. With regards to the Ethics Course, the Committee noted the progress made by the School in training a total of 15 834 and 15 473 learners completing the course. However, the Committee has emphasised the importance of conducting an impact evaluation on the outcomes of the training courses, more than the uptake numbers.
	7. The Committee noted that training courses and programme offerings have been tailored around a new hybrid model in order to attract more public servants in all corners of the country.
	8. The Committee still had concerns with the School’s Funding Model. Revenue generation is always inadequate.
	9. The Committee was concerned about the impact of global warming and the inadequacy of early warning systems.
1. **RECOMMENDATIONS**

The Portfolio Committee recommends that the National School of Government undertake the following:

* 1. The School should develop a fully-fledged Funding Model to maintain self-generated income through the Training Trading Account. The NSG should provide the Committee with an update by November 2022.
	2. The NSG should move with speed towards the execution of the National Implementation Framework on the Professionalisation of the public service once Cabinet approves it. The NSG together with the Department of Public Service and Administration should ensure that all government departments and entities abide by the Framework.
	3. The NSG should provide its trainees with qualification (certificates)after having enrolled and completed training courses, even as balance must be struck betweeneducation and training being certification driven, more so than imparting impactful knowledge to the public servants.
	4. The NSG should conduct impact evaluation of its training programmes to measure the efficacy and application of knowledge with the aim of improving performance.
	5. The NSG should create more awareness campaigns on the Nyukela programme annually in order to attract young people employed in both public and private sector aspiring to consider public service as career of choice.
	6. The School should offer mostly accredited courses so that full recognition is afforded to employees being trained, so that they have opportunities for development and promotion.
	7. The School should consider, where possible,to offer most of its training courses through e-Learning platforms, as part of modernising its business and saving costs on the logistics such as venues.The School has to devise a strategy to attract public servants to enrol for online courses.The School has to approach all data network companies to donate data for NSG courses to be offered on a zero rated basis. Zero rated data for training courses will assist the School to attract more public servants to enrol for training and development interventions that will assist government officials to learn, serve and grow. The Committee was of the firm view that virtual learning platforms will reduce logistical costs of the NSG and other government departments.
	8. Due to global warming, the School was urged to conceptualise courses on climate change in order to empower the public service to respond to natural disasters.

**10. CONCLUSION**

The National School of Government continues to rollout courses and training programmes relevant to government officials from entry level to senior management and the Executive. Education, Training and Development programmes offered by the School assist public officials to enhance performance and to contribute towards a professional, capable and ethical public administration. The NSG should play a leading role and be a leading institution within the ecosystem of public sector education, training and development. Repositioning of the NSG to be leading in terms of ETD requires a sustainable funding Model in order to keep it afloat.

**The Portfolio Committee recommends as follows:**

That the House adopt and approve the Budget Vote 07 of the National School of Government.

Report to be considered