

**INSURANCE SECTOR EDUCATION AND TRAINING AUTHORITY
(INSETA)**

ADDENDUM TO ANNUAL PERFORMANCE PLAN

2020 - 2021



Working together for a skilled tomorrow

Foreword: Chief Executive Officer

I have pleasure in presenting the revised Annual Performance Plan for the Insurance Sector Education and Training Authority (INSETA) for the period 1 April 2020 to 31 March 2021. This document is presented in terms of the Skills Development Act 97 of 1998, the National Skills Development Plan 2030 and the Public Finance Management Act (Act 1 of 1999, as amended). Its revision is based on the changes in the service delivery and operating environment brought about by the national response to COVID-19

This document considers the ever changing and volatile nature of the skills development arena and illustrates what INSETA plans to do to appropriately respond to these changes in support of the Insurance sector. Within this volatile arena the economic recession has been exacerbated by the national lockdown that was a response to curb the spread of the COVID-19. Outside of COVID-19, the changes in the skills development arena include the implementation of the National Skills Development Plan 2030 from 1 April 2020. Focus areas are strategically articulated in line with the Guidelines for the Revised Framework for Strategic and Annual Performance Plans presented by the Department of Planning, Monitoring and Evaluation (DPME).

The educational and training landscape has been severely impacted by the National Lockdown and the continued relevance of INSETA depends on its agility to embrace and adapt to change. In consultation and partnership with its stakeholders, INSETA aims to respond with impactful solutions that will make a positive impact to the sector and society at large. The focus of performance in the short- and medium-term will require introducing mechanisms to address occupational shortages and skills gaps that will take into consideration new skills and modes of delivery required in response to the impact of COVID-19.

INSETA is committed to deliver quality service and value for stakeholders while driving continuous improvement in the implementation of its strategy. We are appreciative of the guidance of the Accounting Authority and the Executive Authority in directing the development of this document; and the support of management and staff who have contributed towards the document.

Through living its Vision, Mission and Values which are incorporated in the delivery of its mandate, INSETA hopes to make this a plan that will have an impact on all its current and prospective beneficiaries and the communities in which they live and operate. This plan also looks into the coming year in order to respond impactfully to the effects of COVID-19 in a progressive manner that will harness all lessons learnt during this challenging time.

Signature: _____



Ms Nadia Starr
Chief Executive Officer

Foreword: Accounting Authority Chairperson

I have pleasure in presenting the revised Annual Performance Plan for the Insurance Sector Education and Training Authority (INSETA) for the period 1 April 2020 to 31 March 2021. This revision is aimed at incorporating strategies INSETA will put in place to effectively respond to the impact of COVID-19 on skills development.

The joint Board and Management Strategic Planning process in 2019 enabled INSETA to carefully review its operating environment and make choices on the direction it will take in line with the new National Skills Development Plan 2030 towards achieving its purpose and mandate. This work has been further developed by the new Board and now includes strategies to support its sector to survive the negative impact of COVID-19 on business and on skills development. This plan aligns with stakeholder priorities as identified in the Insurance Sector Skills Plan and engagements INSETA has had with its various stakeholders and experts in skills development. The Accounting Authority has approved this Annual Performance Plan and has oversight on its implementation and how the organisation plans to reach its goals and achieve its objectives; including how INSETA Management will ensure business continuity to reach its mandate while making sure that they manage the risk of spreading the Coronavirus to its employees.

The INSETA strategy is closely aligned with the National Skills Development Plan and was developed to reflect government priorities and actions reflected in the Medium-term Strategic Framework (MTSF) for the period 2020-2024. This plan also takes cognisance of the White Paper on Post School Education and Training, the Human Resource Development Strategy and the National Development Plan. In addition, this plan takes into consideration regulations and legislation to prevent the spread of the COVID-19 and support businesses in the Insurance sector that are negatively impacted by the national Lockdown in response to COVID-19. INSETA is committed to contributing to these national strategies, regulations and plans especially in relation to reducing inequality, eradicating poverty, arresting unemployment and ensuring equal access to education.

The INSETA Strategy is revised and updated in line with the Framework for Managing Programme Performance Information issued by National Treasury in terms of the mandates set out in section 215 and 216 of the Constitution. This is done particularly to respond to the change in skills requirements and access to learning as a result of COVID-19.

In conclusion, I wish to thank members of the INSETA Accounting Authority, Department of Higher Education and Training (DHET) for their support, INSETA Management and Staff for their continued dedication and hard work.



Mr Sihle Ngubane
Accounting Authority Chairperson

Part A:

Our Mandate

INSETA is required to promote, facilitate and monitor education and skills development provision in the insurance and related services sector. In addition, INSETA recognises that the COVID-19 pandemic calls for INSETA to step out of its mandate and put in place measures that will discourage the spread of COVID-19 in the workplace and ensure continuity of skills development and access to learning for learners.

The INSETA strategy is aligned with the government strategic priority of “a skilled and capable workforce to support an inclusive growth path” in the Medium-term Strategic Framework (MTSF). INSETA has aligned this Annual Performance Plan with Department of Higher Education and Training (DHET) goals, the COVID-19 Regulations and the National Skills Development Plan (NSDP2030).

INSETA will also partner with various subsectors to focus on implementable interventions that address sustainability issues facing the sector; such as transformation, human capital development, support of Skills Development Providers to offer online learning, support of learners to access online learning, COVID-19 exposure risk management and the professionalization of the sector as a whole.

Annual Performance Planning Process

Guidelines for Post School Education and Training PSET Skills Development Provider SDPs for management of and response to the COVID -19 outbreak (30 April 2020) are to assist PSET institutions to put relevant protocols in place and these should be adhered to at the institutions. INSETA will assist its accredited SDPs in this regard.

1. UPDATES TO RELEVANT LEGISLATIVE AND POLICY MANDATE

1.1 Disaster Management Act 57 of 2002

The COVID -19 pandemic resulted in the Minister of Cooperative Governance and Traditional Affairs, declaring a national state of disaster on 15 March 2020 in terms of the Disaster Management Act. Subsequently, the President announced a 21-day national lockdown period, from 26 March 2020 until 16 April 2020, which was further extended until 15 August 2020. As a result, all Post School Education and Training (PSET) institutions stopped training and closed their sites of learning including workplace-based training sites.

The Disaster Management Act stipulates directions for reopening of institutions offering qualifications registered on the Occupational Qualifications Sub Framework (OQFS), as part of a risk -adjusted strategy for a phased -in return of skills development activities.

INSETA has aligned its communication and operational plans to support the implementation of the QCTO Gazette No. 43486: Directions regarding the reopening of institutions offering qualifications registered on the Occupational Qualifications Sub -Framework (OQSF) to support:

- learners to return safely back into institutions of learning and workplaces
- Skills Development Providers to ensure safety of learners and staff
- SMEs with skills that will assist them to navigate the economic challenges brought about by COVID-19

1.1.1 Skill Development Providers will be supported in their journey to ensure that staff and learners are able to access institutions as safely as possible and ensure that the mitigation of health and safety risks are built into the daily life and work of all INSETA-Accredited Skills Development Providers.

1.2 Skills Development Levies Act 9 of 1999

The effect of COVID-19 on this act is that, on 21 April 2020, the President announced the introduction of a four-month payment holiday for companies' skills development levy contributions as a way of relieving the financial pressure on levy-paying companies.

In response to the Covid-19 pandemic, the National Treasury issued Instruction Note and Circular that would enable SETAs emergency procurement of essential safety products required for protection against the COVID-19 pandemic.

Even during emergency procurement of COVID-19-related goods and services, INSETA ensures that its procurement processes remain fair, equitable, transparent, competitive and cost-effective. These processes remain compliant with the country's imperatives of promoting structural transformation and broadening participation in the economy to strengthen economic development and empowerment of previously disadvantaged groups and individuals. In line with transformation and empowerment imperatives, INSETA will seek through its procurement strategy to put the SMME, the black owned and female SMMEs in particular, at the heart of the new economy.

1.3 NQF Act 67 of 2008

The COVID-19 lockdown not only affected Skills Development Providers who had to cease their training activities to curb the spread of COVID-19, but also businesses that were hosting learners on various learning programmes. INSETA recognises that the COVID -19 pandemic will have a significant impact on the types of skills required and on skills development delivery; both at workplaces and at Skills Development Providers' sites, for some time to come.

COVID-19 has resulted in a changed skills development landscape and lack of physical access to learning institutions. To ensure that learning continues during this time, INSETA's response will be to:

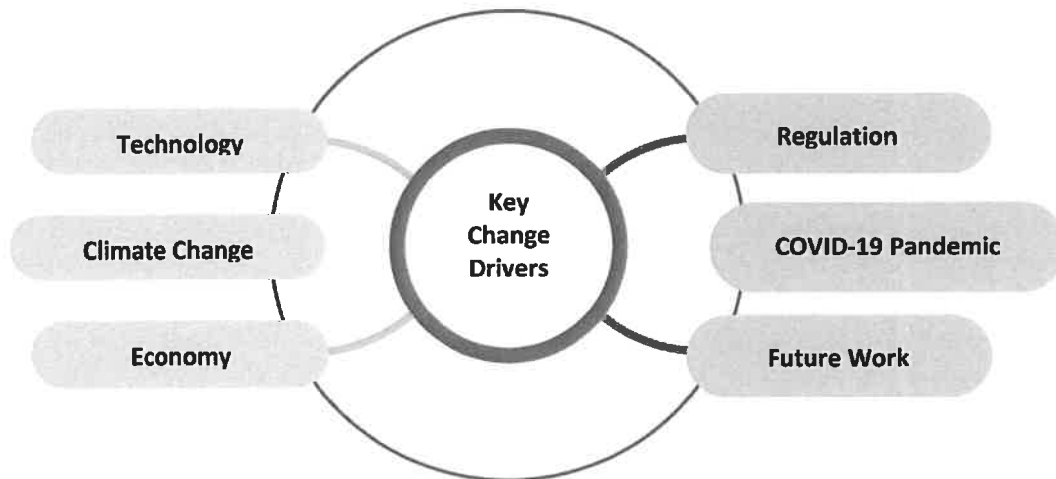
- provide funding for learners to purchase equipment required to access learning remotely when they cannot physically come into classrooms
- develop and workshop policies to support Skills Development Providers to navigate online learning delivery and online assessments
- have processes in place to ensure that online Verification of learning is made possible

1.4 Financial Advisory and Intermediaries Services Act 37 of 2002

On consulting with SMEs during the COVID-19, it became clear that SMEs require support regarding being trained to be able to connect with their clients online and continue to conduct business, even during lockdown. INSETA will prioritise this support for SMEs in the insurance sector.

2. CHANGE DRIVERS IN THE EXTERNAL ENVIRONMENT

INSETA has identified the following external change drivers as impacting on skills demand and supply in the sector:



To address the above-mentioned challenges, INSETA plans to direct its procurement activities towards supporting SDPs and SMEs with skills that enable them to leverage or master these change drivers to better operate safely and effectively in the post-COVID-19 environment.

2.1 PESTEL Analysis used to Monitor External Factors driving change in the Insurance Sector

Economy

The COVID-19 pandemic has adversely affected South African economy generally and impacted the Insurance sector particularly. Because insurance has always been regarded as grudge purchase, payment of insurance premiums is always first to be cut from household expenses and purchase of new insurance products is not thought of.

The lockdown which took effect from the 27 March 2020 has led to a sharp slowdown in economic activity across virtually all sectors, with SMEs in the insurance sector being hard-hit.

Because at times like these, stakeholders can feel isolated from peers and unsure of whether information they receive is authentic or not, INSETA will continue to conduct online information-sharing sessions/webinars to keep stakeholders posted on developments in the skills development space.

INSETA will also assist SMEs with IT skills that will enable them to stay connected to their clients and stay in business.

Social

To address youth unemployment, INSETA has changed its Bursary model to allow employers to recruit bursary beneficiaries. This results in learners upfront linkage and access to workplaces for vacation work while studying and ultimately for employment on completion of their studies.

INSETA will continue to fund learners through bursaries as most higher education institutions are able to:

- comply with the government requirements to ensure that institutions are ready to accommodate learners safely to curb the spread of COVID-19
- respond with online learning, textbooks and assessments.

Technology

COVID-19 necessitated the requirement for companies to be agile and adapt to new ways of conducting business that will take the safety of their staff and clients into consideration. To remain competitive and differentiated in an increasingly fluid society and marketplace that has been majorly impacted by the effects of COVID-19 lockdown, Insurance companies need to be trailblazers in developing and launching innovative and responsive products that are easily accessible technologically. Because customers require seamless, quick and transparent interactions, this requires a new kind of tech-savvy salesperson.

3. INSETA PERFORMANCE CHALLENGES

Performance Challenges	Mechanisms to address Performance Challenges
Employers unable to host learners they initially applied for due to stringent COVID-19 safety requirements.	Decrease the number of learners allocated funding for workplace-based learning programmes.
Small and some medium companies giving up learners they wanted to host in their companies due to closure of their businesses as impacted by COVID-19 Lockdown.	Reallocate funding to programmes that will be easier to implement, like Bursaries implemented through Public Education Institutions and support like providing laptops

4. SWOT ANALYSIS

The following have been identified as additional threats to the INSETA's ability to implement its mandate:

- i. Decrease in numbers and/or lack of companies able to host unemployed Youth due to the impact of COVID-19 to support learners in workplace-related programmes and its ultimate performance.
- ii. Decrease in INSETA funds due to 4-months SDL holiday

Decisions based on the SWOT

- i. Revision and adjustment of APP targets to ensure that critical skills development needs of the sector are catered for under constrained financial resources as affected by COVID-19
- ii. To mitigate impact of rapid change in technology that was exacerbated by COVID-19 lockdown, INSETA decided to:
 - Provide laptops and remote internet access to INSETA Staff to ensure continued work in support of stakeholders
 - Provide laptops to learners in certain INSETA-funded Bursary programmes to ensure their access to learning
 - Use technology to hold information sessions with stakeholders
 - Develop online assessments policy to ensure quality learning assessments
 - Re-confirm the number of Youth that companies are able to host during the COVID-19 lockdown

5. REVISED TARGETS AND BUDGET

PERFORMANCE INDICATORS	2020-2021 SETA-FUNDED TARGETS	REVISED 2020-2021 SETA-FUNDED TARGETS	COST DRIVER	TOTAL PROJECT COST
Number of unemployed learners enrolled for WIL programmes from TVET	700	600	Stipends	R44 263 125,00
Number of unemployed learners enrolled for workplace experience/ Internships	1225	700	Stipends	R56 115 000,00
Number of Workers enrolled for Learnership Programmes	1050	600	Tuition	R12 900 000,00
Number of unemployed learners enrolled for Learnerships programmes	1450	950	Tuition, Assistive devices, stipends, RE & Class of Business Training	R59 178 750,00
Number of Workers enrolled for Candidacy programmes	100	75	Tuition	R403 125,00
Number of Workers enrolled for bursary programmes (new entries)	1050	600	Tuition	R19 350 000,00
Number of Workers enrolled for bursary programmes (continuing)	325	125	Tuition	R4 031 250,00
Number of workers enrolled for Skills programmes	5000	2500	Tuition	R16 125 000,00
Number learners enrolled for AET programmes	30	20	Tuition	R107 500,00
Number of unemployed bursary learners enrolled (new enrolments)	950	725	Tuition, accommodation & books	R68 598 437.50
Number of unemployed bursary learners enrolled (continuing)	225	60	Tuition, accommodation & books	R10 655 937.50
Number of Workers Recognition of Prior Learning (RPL)	120	100	Tuition	R2 150 000,00
Number of CET Managers receiving training on financial and Leadership Management	20	20	Tuition	R129 000,00
Number of Co-operatives supported (including Burial Societies) with training interventions	150	100	Tuition	R645 000,00
Number of Small Business supported with training interventions	300	300	Tuition	R2 418 750,00
Number of people trained on entrepreneurship skills & supported to start their businesses	10	10	Innovation Special Project	R2 147 765,00
TOTAL				R299 218 640,00

6. REVISED BUDGET PER PROGRAMME

Programme	Admin Budget (10%)	Mandatory grant (20%)	Discretionary Grant budget / PIVOTAL (92%)
Programme 1: Administration			
Corporate services	1 803 973		
Finance, SCM, Facilities	8 692 793		
Quality Council for Trades & Occupations levy (QCTO)	3 532 857		
Governance (Audit & Risk)	5 474 612		
Human Resources	31 499 753		
Information Technology	7 411 695		
	R 59 415 684		
Programme 2: Skills Planning			
Sector Skills Plan	904 014		
Mandatory Grants		R91 000 987	
Programme 3: Learning Programmes			
Bursary grant funding			103 038 750
Learnerships, apprenticeship, skills programmes, work experience/ internships and WIL grant funding			188 581 875
Adult education and training grant			5 450 250
Special Projects (Entrepreneurship Innovation)			2 147 765
			299 218 640
Programme 4: Quality Assurance			00
Total budget per programme	R60 319 697	R91 000 987	R299 218 640,00

7. PROGRAMME RESOURCE CONSIDERATION

Due to the reduction in the administration levy income from R 73 million to R 53 million, INSETA reduced its administration expense budget to R 60 million. The effect of the budget at R60 million is that the percentage budgeted spent on administration as percentage of levies will be 11.93% instead of the legislated 10.5%. The 11.93% is inclusive of the actual QCTO payment at 0,699% as opposed to 0.50%.

The COVID 19 has also impacted on the funding for the annual performance plan in that INSETA has been forced to drop its targets because projected funds will drop from R397 million to R299 million.

	Audited			Budget			Medium Term expenditure		
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23		
INCOME									
Levy income (80%)	431 422 000	459 298 000	502 345 000	522 098 854	404 448 831	585 896 506	614 019 706		
Administration (10.5%)	56 149 000	60 340 000	65 927 000	68 525 475	53 083 909	76 899 375	80 590 545		
QCTO Income (0.5%)	2 673 762	2 873 333	3 139 381	3 263 118	2 527 805	3 661 875	3 837 645		
Admin income (10%)	53 475 238	57 466 667	62 787 619	65 262 357	50 556 104	73 237 500	76 752 900		
Mandatory (20%)	109 491 000	110 567 000	125 877 000	130 524 714	101 112 208	146 475 000	153 505 800		
Discretionary (49.5%)	265 782 000	288 391 000	310 541 000	323 048 666	250 252 714	362 522 131	379 923 361		
Levy interest and penalties	12 373 000	6 465 000	4 910 000	4 910 000	-	4 865 832	5 099 392		
Interest income	25 900 000	25 826 000	33 257 000	36 234 281	38 854 705	33 031 592	32 393 975		
Other income	34 000	-	227 000						
TOTAL INCOME	469 729 000	491 589 000	540 739 000	563 243 135	443 303 536	623 793 930	651 513 073		
EXPENDITURE									
Administration expenditure	55 605 000	59 408 000	56 470 000	62 752 070	60 319 698	76 899 375	80 590 545		
QCTO expenditure	2 107 000	2 422 000	3 221 000	3 353 502	3 532 857	3 661 875	3 837 645		
Administration expenditure	53 498 000	56 986 000	53 249 000	59 398 568	56 786 841	73 237 500	76 752 900		
Mandatory Grant Expenses	94 764 000	103 800 000	113 185 000	117 472 242	91 000 987	131 825 874	138 155 220		
Discretionary expenditure	314 553 000	235 612 000	239 834 000	475 173 889	299 218 640	415 068 681	432 767 308		
Pivotal (86%)				475 173 889	257 328 030	356 959 066	372 179 885		
Catalytic (14%)					41 890 610	58 109 615	60 587 423		
TOTAL EXPENDITURE	464 922 000	398 820 000	409 489 000	655 398 201	450 539 324	623 793 931	651 513 073		
Surplus/ (Deficit) before CAPEX	4 807 000	92 769 000	131 250 000	-92 155 066	-6 135 789	-0	0		
CAPEX - Administration expenditure				-3 288 381	-1 100 000				
Surplus/ (Deficit) after CAPEX				-95 443 446	-7 235 789	-0	0		

Admin Expenditure as percentage of levy income
ANNUAL PERFORMANCE PLAN: 2020 – 2021

10,50% 11,93% 10,50% 10,50%