

## **Workplace Skills Plan submission deadline: 30 April - Don't fluff it!**



If your business has an annual payroll exceeding R500 000 or 50+ employees, then you should be hard at work preparing your Workplace Skills Plan (WSP) and Annual Record of Training (ATR) for submission to your relevant Sector Education and Training Authority (SETA) before 30 April.

The WSP is a strategically important document that defines your business plan for employee skills development for the coming year and is integral to unlocking the Skills Development component of the Broad-Based Black Economic Empowerment (BBBEE) Scorecard. A comprehensive WSP is also key to improving business performance by addressing the skills gap that exists among historically disadvantaged groups, and thus encouraging inclusive economic growth.

**Bottom line:** The WSP-ATR is a big deal in terms of your business sustainability and viability, so give it the care and attention it deserves.

### **Who submits a WSP and ATR?**

Companies with a payroll of more than R500k per annum should be registered to pay Skills Development Levies, and companies can then submit WSPs and ATRs. By doing so, companies can claim 20% of the SDL through a grant from the relevant Seta for their training and skills development initiatives, and very importantly, get 20 points towards their BBBEE scorecard.

A WSP identifies the skills needed in your workforce and defines your learning and development strategy for the upcoming financial year. The ATR, which is submitted with your WSP, is a record of all the documented skills development training that has already taken place in the current financial year, and

which is essential for you to claim the points towards your BBBEE verification. In other words, the ATR measures your company's skills development delivery measured against your previous year's WSP.

**Here's a handy checklist of what must be covered in your WSP-ATR:**

- Current Employee List
- Employee List for Previous Training Period
- Total Payroll Figure
- Comprehensive Training Completed Summary
- Proof of Training Completed
- Comprehensive Training Plan
- Proof of bank details
- Registered SDF
- SDF Appointment Letter
- Signed Authorisation Form
- Hard to fill vacancies with reasons
- Training Committee Members with ID numbers

**What Happens If I Don't Submit a Workplace Skills Plan?**

Failing to meet the deadline for the WSP submission can hold significant penalties, loss of the benefits of your L&D investment towards lifting or maintaining your BBBEE score, inability to claim any SDL grants, and serious opportunity costs, especially if your BBBEE level suffers as a result.

Your business can earn up to 20 points for the Skills Development element on the B-BBEE scorecard – that's two levels. So the loss of the 20 skills development points by not submitting your WSP-ATR on time will see your BBBEE level drop by two levels – your level 2 gets demoted to level 4 – with serious repercussions for your current and future business opportunities especially in the government, corporate and public sectors. No submission, no points! And any grant linked to the WSP will then also be suspended for the following year until the submission window opens again. In essence you're losing the benefits of two years of L&D investment, not just one!

You'll forfeit your mandatory grant which is 20% of your SDL spend to SARS – as well as any discretionary grants. This means losing invaluable opportunities to improve the skills of your own employees and your business competitiveness suffers as a result.

If your BBBEE level drops by two levels, you may find that you're unable to participate successfully in any tender bids, especially where those specify pre-qualifying criteria such as the submission of a WSP. The opportunity cost is huge.

Any financial benefits of the training undertaken are permanently lost to you, as you cannot account for them retroactively or recoup any of the levies in the following financial year. The doors are closed in terms of the BBBEE scorecard points you could have claimed.

**Consider the following scenario:** A company spends over R900k on training and development during the year and starts with their BBBEE verification just a few weeks ahead of the WSP submission deadline. However, the business has no WSP in place for the coming year, no skills audits were done, nor is there any documented ATR for their training spend. This means that not only is all their L&D investment for the year lost in terms of their BBBEE points, but they will have to wait another year to submit their WSP.

The business then decides to register a rushed learnership programme rollout before their financial year-end to make up for the error in terms of their lost skills development spend - however this provides no benefit for the current year as the learnerships will not be implemented and completed before the 29 Feb year-end - which means none of the spend will fall within the current financial year. Two levels on their BBBEE scorecard are wiped out with the loss of 20 points.

There's another big opportunity cost. By not planning ahead and having their WSP in place, the business also loses the opportunity to implement learnerships for their own employees, which would have meant their employees could improve their skills and productivity, while the business could have allocated the spend on their learnership training AND the salaries of their employed learners towards their skills development spend!

Overall, the lack of planning and knee-jerk reaction to rectify it will cost the business three times more in L&D spend than necessary. The HR and financial directors will find themselves in a tough spot accounting to their board for the gross oversight and lack of planning.

### **Your WSP-ATR submission is more than a compliance exercise**

Submission of a WSP and ATR should be more than a BBBEE compliance exercise. When done in the proper spirit and intent of the WSP and BBBEE scorecard, it's a strategic enabler to competitive advantage for your business and your people. It is time to abandon the tick-box approach to skills development, and to embrace the intent of these tools to address critical skills shortages, create jobs, progress careers and deliver a competitive advantage for businesses and our economy.