



**NATIONAL ECONOMIC DEVELOPMENT AND LABOUR COUNCIL
(NEDLAC)**

**Annual Performance Plan 2022/23
DRAFT FOR MANCO JAN 2022 v2**

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Executive Authority Statement

It gives me pleasure to present the Annual Performance Plan of Nedlac for the 2022/23 Financial Year. Nedlac continues to steer the ship of social dialogue in South Africa, tackling significant social, labour market and economic issues, including economic recovery, the Covid-19 pandemic, social protection and extension of worker rights.

This Annual Performance Plan continues the strategic direction of Nedlac to enhance social dialogue, facilitate processes of engagement, consultation and agreement on policy and legislative issues and enable collaboration on issues where all social partners have something to contribute.

The recent Covid-19 pandemic experiences have demonstrated a need for us to adjust our social protection policies to be more accommodating, especially for the informal sector, platform and precarious workers generally. Nedlac will facilitate discussions amongst the social partners on possible amendments.

In 2022/23, I hope to see Nedlac strengthen its structures and posture as it finalises new governance arrangements and builds a clear public profile. Further, I anticipate that it will continue to contribute to the reform of the labour market and its institutions for the benefit of all workers, the recovery of the economy, the ending of the Covid-19 pandemic and reaching finality on the future of social protection in South Africa.

Nedlac must also address and anticipate challenges around climate change, energy and new technologies, and their implications for the future of the world of work, with an eye to negotiating a just transition.

The budget over the previous and forthcoming financial year prioritises the capacity building of social partners. This building of skills and expertise is critical for effective and active engagement between social partners. I trust that they are getting value and contributing more meaningfully to Nedlac in return.

I want to thank the Executive Council, Management Committee, Overall Convenors, management and staff of Nedlac for their ongoing commitment and dedication to keeping social dialogue vibrant and Nedlac an influential institution.

Mr T.W. Nxesi – MP

Signature: _____

Executive Authority of Nedlac

Date: _____

Executive Director's Statement

In 2020/21 Nedlac revised its Strategic Plan, which set Nedlac on a new strategic path with a new theory of change. This theory of change involves Nedlac focusing on three key outcomes:

- Ensuring an efficient and effective, and well governed organisation;
- Enabling processes to consider legislation and policy, reach agreements or enhance social dialogue on critical socio-economic issues; and
- Building the capacity of the Nedlac secretariat and social partners.

The Annual Performance Plan for 2021/22 was the first year of implementing this revised document. In general, it confirms that the Strategic Plan was in the right direction and the overall relevance of Nedlac processes and outputs has improved. It is very encouraging that the social partners have embraced this new approach, but there have been teething problems, particularly regarding the revised indicators in respect of the effective functioning of Nedlac and the capacity building of social partners.

This Annual Performance Plan builds on the theory of change agreed in 2020 and responds to the changing socio-economic environment and challenges and strives for excellence in the functioning of Nedlac.

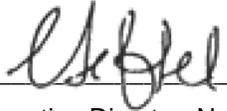
While no significant changes have been made to the performance indicators, this plan and its associated budget continue to build on new ways to improve the effectiveness of social dialogue and social compacting. These include:

- Proactively addressing the **changing nature of the work at work** which is becoming a current reality, spurred on by the Covid-19 pandemic. In particular, attention needs to focus on the extension of decent work and social protection to informal and atypical workers.
- Continuing to build a **safe 'new normal' society as the Covid-19 pandemic shifts to an epidemic**. In particular, this plan envisages ongoing co-operation at a national level to facilitate behavioural change and vaccination roll out so that our economic recovery can be furthered and at a workplace level to create safe workplaces.
- Enable ongoing collaboration in identified areas so that the **economy recovers**;
- Considerably enhancing the resources to **build the capacity** of the Nedlac secretariat and social partners and implementing new ways of doing this; and
- Concluding the process of the Governance Task Team so that **Nedlac is fit for purpose** and an organisation of excellence.

The budget of R59.8 million has been substantially restructured to achieve these aims. Over half of the budget is dedicated to human resources and human resource capacity. The organisation pivoted to work primarily online, which has released resources to achieve this.

I trust that social partners will continue to embrace the new theory of change and new ways of working and continue to bring to Nedlac the energy and dedication of the past period.

Lisa Seftel

A handwritten signature in cursive script, appearing to read 'L. Seftel', is written over a horizontal line.

Executive Director: Nedlac

Official Sign-Off

It is hereby certified that this Annual Performance Plan:

- i. was developed by the management of NEDLAC under the guidance of the Department of Employment and Labour;
- ii. was prepared in line with the Strategic Plan of NEDLAC;
- iii. considers all the relevant policies, legislation and other mandates for which NEDLAC is responsible; and,
- iv. Accurately reflects the performance targets which NEDLAC will endeavour to achieve given the resources made available in the budget for the 2022/23 financial year.

Farhaan Shamsodeen

Signature *Fshamsodeen*

Chief Financial Officer

Date: 28 January 2022

Lisa Seftel

Signature: *LSeftel*

Executive Director

Date: 28 January 2022

Approved by:

Minister Thembelani Waltermade Nxesi

Signature _____

Executive Authority

Date: _____

PART A. OUR MANDATE

1. Updates to the relevant legislative and policy mandates

There are no revisions to the legislative mandate of Nedlac. Exco is considering a new Code of Good Practice: Protest Action to Promote or Defend the Socio-Economic Interests of Workers. It integrates and updates the Section 77 Code of Good Practice and the Protocol to set out the substantive issues to be considered and the procedures to be adopted when considering section 77 referrals.

In summary, the Code:

- Addresses and defines, more thoroughly, specific issues such as those of “consideration” and “socio-economic interests”;
- Includes a definitions section to provide certainty in respect of terminology used;
- Clarifies the roles of the Standing Committee, facilitators and other appropriate forums in the consideration of section 77 referrals and defines, in more precise terms, the timelines applicable to the consideration process;
- Introduces to NEDLAC the notion of proportionality, as enforced by the Labour Court, in relation to the duration and nature of protest action, having regard to the importance of the issues in dispute; and
- Seeks to align, more effectively, the substantive and procedural requirements of the Code with developing case law and the guidelines of the International Labour Organisation.

2. Update to institutional policies and strategies

In the 2021/22 financial year, updates were done to institutional strategies and policies in line with the Revised Strategic Plan 2020/21 -2024/25.

In respect of institutional strategies, the most significant shift was the restructuring of the Nedlac secretariat. The following are the key features of the restructured secretariat:

- The senior management of Nedlac now consists of a Chief Financial Officer, Executive Manager: Programmes, two Senior Managers responsible for an Economics Unit and a Labour and Development Unit within the Programmes Department and a Senior Manager responsible for Corporate Services
- A new Department, that of Corporate Services has been introduced which is responsible for risk management, communications, human resources, facilities and ICT
- The functions of business planning and reporting have moved into the Office of the Executive Director
- The salaries of staff were benchmarked against similar organisations and new job grading in line with the Patterson system was approved by Exco and implemented.

All staff were successfully deployed into the new structure and training was introduced to address any gaps.

Nedlac has also developed and is implementing facilities management and digitalisation strategies guided by and new operational model. This operating model sets out how Nedlac can work productively on a day to day basis – including through a combination of online and onsite working.

In respect of policies, the following policies were revised or introduced during the 2021/22 financial year:

- ICT Governance Charter
- Comprehensive ICT policy
- Risk Management Policy
- Risk Management Strategy
- Fraud Prevention Strategy
- Mobile Device and Data policy
- Performance Information Management Policy

Accompanying plans were also developed and implemented in respect of risk management, fraud prevention and business continuity.

A Code of Ethics was introduced that sets out the expected ethical behaviour of all Nedlac staff and stakeholders.

3. Update to relevant court rulings

One significant court ruling pertaining to Nedlac occurred in the Labour Appeal Court (LAC) over the past year. This was the case Congress of South African Trade Unions and Another v Business Unity of South Africa and Another (JA97/2019) [2020] ZALAC 51; (2021) 42 ILJ 490 (LAC); [2021] 4 BLLR 343 (LAC) (27 November 2020).

The LAC determined that Section 77 of the Labour Relations Act (LRA) did not expressly provide for time limits pertaining to the right to conduct protest action, Therefore, the LAC disagreed with a previous Labour Court's interpretation of section 77 of the LRA.

PART B. OUR STRATEGIC FOCUS

4. Updated situational analysis

4.1 External environment

This Annual Performance Plan continues to respond to very significant shifts in the external environment. South Africa is facing its most severe economic and health crisis. When South Africa entered the Covid-19 pandemic it was faced with low levels of employment and weak job creation, far below the standards of most middle-income countries. Jobs have been severely impacted, and economic recovery is slow. Statistics South Africa reported that unemployment rates surged from 32.6% in quarter one of 2021 to 34.4% in quarter two. As many as 75% of young people are unemployed. Several factors caused the increased rate of unemployment. These include the continued lockdown regulations due to the Covid-19 pandemic as well as significant public violence in July 2021 in the Gauteng and KwaZulu-Natal provinces, two key economic hubs, which claimed more than 350 lives and saw thousands of businesses looted and shuttered. It is estimated that the unrest cost the country about R50 Billion in lost output and placed at least 150,000 jobs at risk.

Despite the Covid-19 pandemic, in the first quarter of 2021, real Gross Domestic Product (GDP) increased by 1.0% resulting to an annualised growth rate of 4.6%. In the second quarter of 2021, the GDP grew by 1.1%. The third quarter of 2021 saw GDP decreasing by 1.5%. The slowdown reflected the public violence which took place in July 2021 and had a negative impact on economic activity.

A further indication of the predicament in which South Africa finds itself is the budget deficit. The Medium-Term Budget Policy Statement (MTBPS) presented early in November reflects a commitment to stabilising South Africa's fiscal position over the medium term – with the deficit projected to narrow from 13% of GDP in 2020/21 to 7% of GDP in 2023/24. However, this is insufficient to reverse the rising trend in debt, which will increase to 87% of GDP in 2023/24. As a result, debt service costs will continue to increase to 18% of total government expenditure – crowding out other forms of spending.

4.2 Internal environmental analysis

The staff and social partners at Nedlac were directly affected by the Covid-19 pandemic with the passing away in June 2021 of one of the Nedlac staff members, Simnikiwe Sikiwe, who was a critical and dedicated staff member working on the Job Summit and Economic Recovery and Reconstruction Plan. Rob Legh from B4SA, who played a leading role in the UI sub-committee of the Covid-19 Nedlac Rapid Response Task Team, also passed away in June 2021 from Covid-19 related complications.

While in 2020, the internal environment was disrupted by the impact of the Covid-19 epidemic and the changing new roles required of Nedlac, 2021/22 was a year of greater accommodation to these changes. The restructuring of the Nedlac referred to above enabled Nedlac to be more responsive to the challenges of the country and the needs of the social partners.

The current number of Nedlac staff is 34 with a breakdown between men and women as follows: 27 women and seven men. Of the women 25 are black and two are white. The staff complement should increase to 40 when vacancies and new posts are filled.

There has been a significant improvement in supply chain management processes, including introducing training and contracting a six-month resource to put in place systems and processes to guide all staff. There has also been an improvement in internal controls.

A communication service provider was appointed for three years to improve media monitoring, build an understanding of the role of Nedlac in the media and assist Nedlac to communicate when required.

PART C: MEASURING OUR PERFORMANCE

5. Institutional Programme Performance Information

5.1. Programme 1: Administration

Purpose: This programme aims to build an organisation with competent competencies, capabilities, and resources to deliver on the organisation's strategy successfully.

Outcomes, Outputs, Performance Indicators and Targets

No.	Outcome	Output	Output indicator	Audited/actual performance			Estimated performance 2021/22	Medium-term targets		
				2018-19	2019-20	2020-21		2022-23	2023-24	2024-25
1.1.	Nedlac accounts for the use of its financial resources	Unqualified Auditor General Report obtained.	Unqualified audit opinion obtained by 31 March each year.	Unqualified audit opinion for 2017/18 financial year obtained	Unqualified audit opinion for 2018/19 financial year obtained	Unqualified audit opinion for 2019/20 financial year obtained	Unqualified audit opinion for 2020/21 financial year obtained by 31 March 2022	Unqualified audit opinion for 2021/22 financial year obtained by 31 March 2023	Unqualified audit opinion for 2022/23 financial year obtained by 31 March 2024	Unqualified audit opinion for 2023/24 financial year obtained by 31 March 2025

No.	Outcome	Output	Output indicator	Audited/actual performance			Estimated performance 2021/22	Medium-term targets		
				2018-19	2019-20	2020-21		2022-23	2023-24	2024-25
1.2.	Nedlac is efficient	Annual stakeholder satisfaction survey completed.	Percentage of positive responses achieved in respect of stakeholder satisfaction.	Not Applicable (new target)	Not Applicable (new target)	Not Applicable (new target)	75% positive responses achieved in respect of stakeholder satisfaction	75% by 31 March 2022	75% by 31 March 2023	75% by 31 March 2024
1.3.		Well managed building	Percentage of annual facilities management plan implemented	Not Applicable (new target)	Not Applicable (new target)	Not Applicable (New target)	100% of facility related complaints resolved within agreed timeframes	90%	90%	90%
1.4.		Well managed IT facilities	Percentage of IT related complaints resolved within agreed timeframes	Not Applicable (new target)	Not Applicable (new target)	Not Applicable (New target)	100% of IT related complaints resolved within agreed timeframes.	100%	100%	100%
1.5.		Procurement processes completed timeously	Percentage of awards over R500 000 issued to suppliers within two months from the closing date of adverts	Not Applicable (new target)	Not Applicable (new target)	Not Applicable (New target)	100% of awards over R500 000 issued to suppliers within two months from the closing date of adverts	100%	100%	100%

No.	Outcome	Output	Output indicator	Audited/actual performance			Estimated performance 2021/22	Medium-term targets		
				2018-19	2019-20	2020-21		2022-23	2023-24	2024-25
1.6.		Staff developed through training interventions.	Percentage of training budget spent	Not Applicable (new target)	Not Applicable (new target)	Not Applicable (New target)	100% of planned training interventions delivered.	80%	80%	80%
1.7.	Governance is effective	Revised governance documents	Percentage of milestones of Governance Task Team achieved	Not Applicable (new target)	Not Applicable (new target)	Not Applicable (New target)	80% of the milestones for the year 2020/21 met	80% of milestones for the 2022/23 year met.	80% of milestones for the 2023/24 year met (if applicable)	Not Applicable
1.8.	Nedlac is effective in inputting into policy and legislative processes	Legislation and policy tracked after leaving Nedlac.	Legislative and policy tracker report delivered twice per annum	Not Applicable (new target)	Not Applicable (new target)	Not Applicable (New target)	2 x monitoring products submitted to Manco by 31 March 2022	2 x policy and legislative trackers produced per year.	2 x policy and legislative trackers produced per year.	2 x policy and legislative trackers produced per year.

Indicators, Annual and Quarterly Targets

No.	Output Indicator	Annual target	Quarterly target			
			1st	2 nd	3 rd	4 th
1.1.	Unqualified audit opinion obtained by 31 March each year.	Unqualified audit opinion for 2020/21 financial year obtained by 31 March 2022.	No target	Unqualified audit opinion for 2020/21 obtained.	No target	No target
1.2.	Percentage of positive responses achieved on the satisfaction of social partners in relation to the effective functioning of Nedlac.	75% by 31 March each year	No target	No target	No target	75% by 31 March each year
1.3.	Percentage of annual facilities management plan implemented	90% of facilities management plan implemented by the end of the financial year	No target	No target	No target	90% of facilities management plan implemented.
1.4.	Percentage of IT-related incidents resolved as per timeframe for each incident.	100% of IT-related incidents resolved.	100%	100%	100%	100%
1.5.	Percentage of awards over R500 000 issued to suppliers within two months from the closing date of adverts	100% of awards over R500 000 issued to suppliers within two months from the closing date of adverts	100%	100%	100%	100%
1.6.	Percentage of training budget spent	80% of the training budget spent by the end of the financial year.	No target	No target	No target	80% of training budget spent
1.7.	Percentage of milestones of the	Percentage of milestones of Governance Task Team	Milestones planned for this quarter met	Milestones planned for this quarter met	Milestones planned for this quarter met	80% of milestones met

No.	Output Indicator	Annual target	Quarterly target			
			1st	2 nd	3 rd	4 th
	Governance Task Team achieved	implementation plan implemented				
1.8.	Legislative and policy tracker report delivered twice per annum	2 x legislative and policy tracker produced	No target	1 x tracker report produced	No target	1 x tracker report produced

Explanation of planned performance over the year

The planned indicators above will contribute to an effective and accountable institution. To achieve this, Nedlac will account for the use of its financial resources; its staff will be productive, its governance will be efficient, will strive towards enhancing its monitoring and evaluation processes to enable effective decision making.

Planned performance for the year includes:

- Building a new operating model based on efficient digitalisation;
- Improvement of existing software by for example introducing a cloud based payroll system and employee self-service programme.
- Reviewing and improving the remuneration structure.

By consistently obtaining an unqualified opinion, Nedlac will ensure that it accounts for the use of its financial resources in an accurate manner. Further, emphasis will be placed on strengthening the internal control environment. The supply chain management unit has refined its processes to ensure that it can increase its efficiency in appointing service providers to support the procurement needs of Nedlac better.

Regarding monitoring and evaluation, the Strategic Plan indicates that there should be a mid-term report that evaluates Nedlac's performance at midterm. Due to the ongoing Governance Task Team work, it is proposed that this mid-term report is not done for this term. Some of the research that the Governance Task Team commissioned involved reviewing the performance of Nedlac by stakeholders

5.2. Programme 2: Core Operations

Purpose: To ensure that the leadership of business, community, government and labour cooperate to identify and implement ways to address relevant and important social and economic issues.

Outcomes, Outputs, Performance Indicators and Targets

No.	Outcome	Output	Output indicator	Audited/actual performance			Estimated performance 2021/22	Medium-term targets		
				2018-19	2019-20	2020-21		2022-23	2023-24	2024-25
2.1.	Successful social dialogues to enhance engagement	Social dialogues convened and reported on.	Percentage of dialogues reports submitted to social partners within 14 working days of convening of dialogue.	Not Applicable (new target)	Not Applicable (new target)	Not Applicable (new target)	100%	100%	100%	100%
2.2.	Agreements on key socio-economic issues reached	Agreements concluded.	Percentage of agreements successfully concluded within nine months of an issue being tabled at Nedlac, except where stipulated exclusions apply.	Not Applicable (new target)	Not Applicable (new target)	Not Applicable (new target)	75% of agreements successfully concluded within six nine months of issue being tabled at Nedlac, except where stipulated exclusions apply.	100%	100%	100%
2.3.	Processes successfully enabled	Completed processes	Percentage of reports on processes	Not Applicable (new target)	Not Applicable (new target)	Not Applicable (new target)	100%	100%	100%	100%

No.	Outcome	Output	Output indicator	Audited/actual performance			Estimated performance 2021/22	Medium-term targets		
				2018-19	2019-20	2020-21		2022-23	2023-24	2024-25
		and Nedlac Reports	concluded within six months from the date of tabling at the relevant structure except where stipulated exclusions apply.							
2.4.		Reports arising out of Section 77 of the LRA produced expeditiously	Percentage of Section 77 final reports produced within five working days from date of the resolution of Section 77 notices.	100%	100%	100%	100%	100%	100%	100%

Indicators, Annual and Quarterly Targets

No.	Output indicator	Annual target	Quarterly target			
			1 st	2 nd	3 rd	4 th
2.1.	Percentage of dialogue reports submitted to social partners within 14 working days of the convening of a dialogue.	100% of dialogue reports submitted to social partners within 14 working days of convening dialogue.	100%	100%	100%	100%
2.2.	Percentage of agreements successfully concluded within nine months of an issue being tabled at Nedlac, except where stipulated exclusions apply	100% of agreements successfully concluded within nine months of an issue being tabled at Nedlac, except where stipulated exclusions apply.	100%	100%	100%	100%
2.3.	Percentage of reports on processes concluded within six months from the date of tabling at the relevant structure at Nedlac, except where stipulated exclusions apply	100% of processes concluded within six months of being tabled by 31 March 2023.	100%	100%	100%	100%
2.4.	Percentage of Section 77 final Reports produced within 5 working days from date of the resolution of Section 77 notices	100% of Section 77 final reports concluded within five working days from the date of the resolution of Section 77 notices	100%	100%	100%	100%

Explanation of planned performance for Programme 2

Nedlac seeks to reach consensus and conclude agreements on matters of social and economic policy; consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament; consider all significant changes to social and economic policy before they are implemented or introduced in Parliament. Mechanisms for the implementation of the economic recovery action plan and engagements on measures to address the impact of Covid-19 are included in this programme.

Performance of this programme requires that Nedlac systematically and consistently ensure that the dialogues, agreements and processes it initiates and are responsible for are well stewarded and as far as possible reach conclusion in reasonable periods. The effective participation in socio-economic policy making and legislation further contributes to a well-coordinated policy formulation and policy ownership by stakeholders. This is both a procedural and a technical challenge and will require a skilful engagement and leadership. This is the reason for the focus on ensuring that processes are effectively driven and successfully concluded.

In light of the continuing plight of the Covid-19, climate and technological changes, slow economic growth, and rising levels of poverty and unemployment, the focus areas pertaining to economic issues will be centred on mechanisms towards the realisation of economic recovery, promotion of trade and industrial matters including support for SMMEs, informal economy and localisation; job creation; just transition, promotion of Covid-19 vaccination. Furthermore, public finance management issues will remain central in the work of Nedlac, including sessions where social partners will provide inputs into the Medium-Term Budget Policy Statement and National Budget. From the Development and Labour perspective, matters about labour law reform, social security, land reform, public infrastructure, corruption, gender-based violence, education, skills development and the resolution of Section 77 notices will be among key issues of engagement by social partners.

In further pursuing its mandate, Nedlac strives to resolve challenges about socio-economic issues in line with the Section 77 Protocol and Labour Relations Act. The primary objective of the Section 77 process is for parties to agree on mechanisms to address the identified socio-economic challenges. The effective resolution, therefore, minimises the number of protest actions and their adverse impact on the economy. The indicator on the number of working days taken to conclude Section 77 final reports from the date of the resolution of all Section 77 notices is a significant element in the consideration of socio-economic issues lodged in terms of Section 77 of the Labour Relations Act. Through the Section 77 final report, the Standing Committee pronounces a declaration on resolving the socio-economic issues raised by registered trade unions or federations at Nedlac.

5.3. *Programme 3: Constituency Capacity Building*

Purpose: To enhance the ability of social partners to engage on and negotiate on social and economic issues through the provision of tools of the trade, training and technical support

Outcomes, Outputs, Performance Indicators and Targets

	Outcome	Outputs	Output Indicator	Audited/actual performance			Estimated performance 2021/22	Medium-term targets		
				2018-19	2019-20	2020-21		2022-23	2023-24	2024/5
3.1.	Enhanced constituency' capacity building	Constituency capacity building interventions implemented	Percentage of capacity building budget spent	Not Applicable (new target)	Not applicable (new target)	Not applicable (new target)	Target partially met	70%	70%	70%

Indicators, Annual and Quarterly Targets

No.	Output Indicator	Annual target	Quarterly target			
			1 st	2 nd	3 rd	4 th
3.1.	Constituency capacity building interventions completed.	70% of the capacity building budget spent	No target	No target	No target	70% of the capacity building budget spent.

Explanation of planned performance of Programme 3:

This programme requires social partners to develop plans that Nedlac will then be supporting financially and operationally to enhance the capacity of social partners to engage effectively on social and economic matters at Nedlac. The successful implementation of these plans is how Nedlac will assess its performance in this programme.

The planned performance for this programme includes:

- Ongoing provision of access to data and air time for organised labour and community;
- Training including through the hosting of the annual Labour School; and
- Technical support facilitated for constituencies.

6. Programme Resource Consideration

The medium-term budget outlook reflects significant shifts in how Nedlac intends to conduct its business – both in terms of the nature of the work and how work will be conducted. While enabling social partners to input into critical policy and legislative matters, pursuing the fight against poverty, unemployment and inequality, Nedlac also needs to respond to the twin challenges of fighting the Covid-19 pandemic and economic recovery. We will be shifting away from physical meetings to embrace online meetings, which are vital mechanisms for advancing social dialogue and increasing the focus on capacity building both within the Nedlac Secretariat and of social partners to respond to the new circumstances and responsibilities.

This has led to a high level reprioritisation of the budget with the most significant shifts being as follows:

- The realisation of Nedlac’s mandate heavily relies on an effective and efficient functioning organisation. Consequently, a significant shift in the budget has been directed towards building the capacity of the institution. A job evaluation and restructuring process were conducted during the 2020/21 financial year to ensure that Nedlac has a structure that can facilitate and co-ordinate complex processes particularly relating to economic recovery and secondly that the supportive governance, human resource and IT environment is effective and efficient. This resulted in an increase of 12% to the cost of employment budget. The cost of employment budget is 54% of the overall budget. This increase has been discussed with National Treasury and supported as the nature of Nedlac’s work is human resource focussed. The revised budget will enable Nedlac to fund 39 posts.
- Due to the introduction of online meetings, the travel and accommodation budget was reduced by 45%.- Similarly, the meetings, conferences and related expenditure was reduced by 74%
- The budget envisages that a maximum of one meeting per chamber/task team in the 2022/23 financial year will be held physically. Furthermore, small reductions have been made to the budget relating to the office and operational costs due to the shift to digitalisation and remote working. This expenditure is also linked to Nedlac’s long term strategic outcome of ensuring an effective and accountable institution.
- The capacity building budget of constituencies has been increased by 52%. The intention is to further capacitate the social partners in line with the capacity building policy with a variety of capacity building initiatives including training, tools of the trade and technical assistance. Expenditure in this regard will therefore contribute towards the realisation of the strategic oriented outcome of enhancing the capability of social partners to engage and negotiate on social and economic issues.

The tables below provide a budget summary for the medium-term.

Budget Summary

Revenue

	2022/23 '000	2023/24 '000	2024/25 '000
Allocation	58 884	59 110	61 764
Other Income	909	950	993
Total Revenue	59 793	60 060	62 757

Expenditure Per Programme

Objective/Activity

	2022/23 '000	2023/24 '000	2024/25 '000
Administration	45 095	45 362	47 176
Core operations	7 198	7 198	8 081
Capacity building funds	7 500	7 500	7 500
Total Expenditure	59 793	60 060	62 757

	2022/23 '000	2023/24 '000	2024/25 '000
Compensation of employees	32 400	32 667	33 974
<i>Goods and services</i>	27 393	27 393	28 783
Total Expenditure	59 793	60 060	62 757

The tables below indicate the overall budget over the MTEF.

	22/23	23/24	24/25
	R	R	R
Grants Received	58,884,000	59,110,000	61,764,000
Interest received	909,000	950,000	993,000
INCOME	59,793,000	60,060,000	62,757,000
Employee costs	32,400,000	32,667,000	33,974,000
COST OF EMPLOYMENT	32,400,000	32,667,000	33,974,000
Audit Fees	3,200,000	3,200,000	3,200,000
Bank Charges	22,000	23,000	25,000
Building Maintenance	500,000	500,000	500,000
Capital Expenses	1,400,000	1,367,725	1,300,725
Cell phone Allowance	158,400	158,400	158,400

Cleaning	50,000	50,000	50,000
Consulting Fees	5,381,000	5,251,000	6,621,000
Courier	10,000	10,000	10,000
Electricity, Water, Rates & Taxes	830,000	840,000	850,000
Insurance	300,000	290,000	290,000
Legal Fees (internal)	620,000	720,000	740,000
Network Maintenance	200,000	200,000	200,000
Photocopier Costs	250,000	240,000	230,000
Security Costs	330,000	330,000	330,000
Staff Training & Development	810,000	820,000	825,000
Study Grants	810,000	820,000	825,000
Staff Wellness	200,000	200,000	200,000
Stationery	305,000	310,000	315,000
Sundry Expenses	200,000	200,000	200,000
Telephone and internet	2,200,000	2,250,000	2,300,000
Vehicle Running Costs	45,000	40,000	40,000
ADMINISTRATION	17,821,400	17,820,125	19,210,125
Annual Report	250,000	265,000	267,000
Printing – Publications	40,000	40,000	40,000
Monitoring and Evaluations	250,000	260,000	270,000
General Consulting	900,000	910,000	920,000
Subscriptions	10,000	10,000	10,000
Website	100,000	100,000	100,000
COMMUNICATIONS	1,550,000	1,585,000	1,607,000
Travel	1,503,379	1,518,379	1,533,379
Accommodation	87,900	102,900	115,900
TRAVEL & ACCOMMODATION	1,591,279	1,621,279	1,649,279
National Summit	100,000	100,000	100,000
Meetings and Conferences	536,400	536,400	536,400
Refreshments	168,577	167,252	167,252
Data costs	127,400	120,000	125,000
MEETINGS AND CONFERENCES RELATED COSTS	932,377	923,652	928,652
Business Constituency excluding employee costs and cell phone allowance	1,783,414	1,763,414	1,743,414
Community Constituency excluding employee costs and cell phone allowance	1,998,490	1,983,490	1,968,490

Labour Constituency excluding employee costs and cellphone allowance	1,716,040	1,696,040	1,676,040
CAPACITY SUPPORT	5,497,944	5,442,944	5,387,944
TOTAL EXPENSES	59,793,000	60,060,000	62,757,000
SURPLUS /(DEFICIT)	-	-	-

7. Risks

7.1. Strategic Risks

No	Risk	Mitigation measures
1.	Social dialogue and social compacting become ineffective	<ul style="list-style-type: none"> Nedlac secretariat to pro-actively facilitate engagement and responses to socio-economic challenges. Nedlac secretariat to enable constructive, high quality social dialogues to build trust between social partners and understanding on key socio-economic issues. Social partners to ensure representatives are mandated when engaging at Nedlac.
2.	Inability to achieve consensus between social partners and/or conclude processes due to the complexity of issues and/or different interests of social partners	<ul style="list-style-type: none"> Revised governance protocols to be introduced which sets out how to manage processes including when consensus is not achieved. Improved capacity building of social partners.
3.	Lack of clarity in the minds of the public on the role of Nedlac	<ul style="list-style-type: none"> Clear and consistent messaging to the public on the role of Nedlac.
4.	Loss of Nedlac information, institutional memory and reputation	<ul style="list-style-type: none"> Business continuity and disaster management plans in place Ongoing cyber security awareness Staff and social partners adhere to IT governance processes Disciplinary procedures are implemented when staff do not comply with Nedlac policies and procedures.

7.2. Operational risks

	Risk	Mitigation measures
1.	Insufficiently capacitated staff to deliver on Nedlac's mandate	<ul style="list-style-type: none"> Training interventions in place including coaching and mentoring Active performance management
2.	Lack of effective IT tools of the trade impacting on the ability of Nedlac users to perform. This includes network	<ul style="list-style-type: none"> Investment in quality IT infrastructure Ongoing user education including in respect of IT governance and IT policies.

	Risk	Mitigation measures
	coverage, quality laptops and user education	
3	Injury/ill-health of staff as a result of poor workplaces (at the office or home)	<ul style="list-style-type: none"> • OHS policies adhered to • Regular OHS training and wellness interventions • Regular updating of Covid-19 plan.
4	Weak financial management reduces the legitimacy of Nedlac	<ul style="list-style-type: none"> • Training on financial policies • Strengthened financial policies and procedures • The digitalisation of all financial processes including SCM and leave.

PART D. TECHNICAL INDICATOR DESCRIPTIONS

1.1. Indicator title	Unqualified audit opinion obtained by 31 March each year.
Definition	This indicator reflects the findings of the Auditor General's audit report on Nedlac for the preceding financial year which should reflect an unqualified opinion. The unqualified audit opinion for the audit of the 2021/22 financial year is expected to be obtained from the audit process of the Auditor-General by the end of the second quarter of the 2022/23 financial year.
Source of data	Audited Financial Statements Report of the Auditor General
Method of calculation or assessment	The audit report submitted by the Auditor-General for the period audited. Performance is determined through compliance with standards prescribed by the Auditor General.
Means of verification	Report of the Auditor General for 2021/22 financial year.
Assumptions	It is assumed that the standards Nedlac is required to meet are clearly communicated to it and understood by the relevant staff. It is also assumed that audit processes are undertaken within timeframes that allow targets to be completed.
Disaggregation of beneficiaries (where applicable)	Not applicable
Spatial transformation (where applicable)	Not applicable
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	Unqualified audit opinion.
Indicator responsibility	Chief Financial Officer

1.2. Indicator title	Percentage of positive responses achieved on the satisfaction of social partners in relation to effective functioning of Nedlac.
Definition	<p>Nedlac will survey its partners and stakeholders on the extent to which they are satisfied with the efficiency of its operations. The survey will focus on assessing the level of satisfaction of Nedlac social partners on the efficiency of the institution.</p> <p>The survey will be administered electronically to social partners in Quarter Four. The computer system will generate a report. The employee responsible for conducting the report will analyse the computer-generated report and report on the survey results and make recommendations if required for consideration by the Manco.</p> <p>Stakeholders will be asked to rate Nedlac's performance on a scale of 1 to 5. Anything from Level 3 is considered positive feedback. At least 75% of respondents should provide positive feedback.</p>
Source of data	Report arising from Nedlac's Annual Stakeholder Satisfaction Survey
Method of calculation/ assessment	The percentage will be calculated by considering a total number of responses with a rating of Level 3 and above, divided by the total number of responses received, multiplied by 100.

1.2. Indicator title	Percentage of positive responses achieved on the satisfaction of social partners in relation to effective functioning of Nedlac.
Means of verification	Report arising from Nedlac's Annual Stakeholder Satisfaction Survey
Assumptions	It is assumed that stakeholders will provide the necessary feedback and that it will be a fair and accurate indication of their level of satisfaction.
Disaggregation of Beneficiaries	Not applicable
Spatial Transformation	Not applicable
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	75% or more survey respondents indicating that they are satisfied with the efficiency of Nedlac.
Indicator responsibility	Strategic Support Manager

1.3. Indicator title	Percentage of annual facilities management plan implemented
Definition	<p>The Nedlac House is utilised as a physical venue for engagements by social partners and offices for staff to conduct their work when not working remotely. It is therefore essential that the Nedlac facilities are well maintained.</p> <p>In this context:</p> <ul style="list-style-type: none"> • "facilities" refers to the built environment in which Nedlac is located, including the parking and common areas. • "management plan" refers to a plan setting out preventative maintenance that needs to be done to keep the facilities well maintained within the financial year. <p>This indicator intends to ensure that initiatives that are undertaken to maintain the facility are implemented.</p>
Source of data	<p>Facility management plan</p> <p>A register recording the initiatives concluded as set out in the facilities management plan.</p>
Method of calculation or assessment	Performance in terms of this indicator is measured by calculating the total number of initiatives, divided by the total number of initiatives set out in the facilities management plan, multiplied by 100%.
Means of verification	Facilities project register
Assumptions	It is assumed that the necessary steps including procurement can be executed.
Disaggregation of beneficiaries (where applicable)	Not applicable
Spatial transformation (where applicable)	Not applicable
Calculation type	Non-cumulative
Reporting cycle	

	Annually
Desired performance	90% of facilities management plan implemented.
Indicator responsibility	Facilities Manager

1.4.	Percentage of IT related complaints resolved within agreed timeframes
Definition	<p>To be an effective organisation, the IT systems and hardware needs to be fully operational 24/7. The intention behind this indicator is to ensure that any complaint or lack of performance of systems is addressed speedily.</p> <p>In this context:</p> <ul style="list-style-type: none"> • “IT-related complaints” refers to complaints or lack of performance regarding IT matters that have been formally logged in terms of the IT system. • “Resolved” means that the matter has been addressed and the complainant has been informed that it is has been resolved without them objecting to the resolution notice. • The term “high, medium or low” is determined by the ticket logging application in place <p>The IT incident report will be generated and provided by the IT manager. It will specify the categories of incidents and turn-around times for the resolution of each category. The incidents will be broken down into the following three categories based on the urgency of the matter:</p> <ul style="list-style-type: none"> • High urgency: Within 4 hours turnaround time • Medium urgency: Within 24 hours turnaround time • Low urgency: Within 48 hours turnaround time <p>These turnaround times would be calculated from the time a support engineer attends an incident. The incident will be deemed resolved once an engineer has resolved the incident and the end-user has been informed that it is resolved without them objecting to the resolution notice through an email.</p> <p>Incidents will be lodged electronically by the end-user. The end-user will be informed of the outcome of the ticket and be requested to indicate their objection to the resolution if any, within 24 hours of receipt of the email. If no email is received, then the matter is deemed as having been resolved. If the end-user cannot use the electronic system, they may lodge a request through a phone call, and the ticket will be registered on the system and assigned to a support engineer.</p> <p>The IT ticket system will record and generate a report of all the tickets received, the date of receipt of such incidents and the date on which each ticket has been resolved.</p> <p>If the end-user is not available when the support engineer is available to address the incidents, then the ticket will be closed after 24 hours and reopened once the end user is available or a new ticket will be opened. Communication and data about the ticket will be stored in the reference number of the ticket</p>
Source of data	IT complaints register.
Method of calculation or assessment	Performance in terms of this indicator is measured by calculating the the total number of complaints successfully resolved within the stated time frames, divided by the total number of complaints lodged.

1.4.	Percentage of IT related complaints resolved within agreed timeframes
Means of verification	IT complaints register signed off by the IT manager.
Assumptions	It is assumed that issues with IT will be reported and recorded and that the system for noting which complaints have been resolved will function effectively.
Disaggregation of beneficiaries	Not applicable
Spatial transformation	Not applicable
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	100% of IT complaints resolved within the set timeframes.
Indicator responsibility	IT Manager

1.5. Indicator title	Percentage of awards over R500 000 issued to suppliers within two months from the closing date of adverts.
Definition	<p>This indicator intends to ensure that the turnaround times for procurement are effective and efficient.</p> <p>In this context :</p> <ul style="list-style-type: none"> • “award” refers to the letter of award signed by the delegated official or purchase order, whichever comes first, issued to the service provider for tenders or quotes over R500 000. • “closing date of adverts” is the date indicated on the notice by which tenders or quotes should have been received. <p>In instances where sufficient requests for proposals have not been received (i.e. non-responsive bids), the period for calculating the timeframes would be the closing date of the re-advertised tender.</p> <p>Tenders or quotes that are cancelled or not awarded due to budget/non-responsiveness etc will not be included in the assessment.</p>
Source of data	Tender or quote closing date Date of award in a Supply Chain Management (SCM) register.
Method of calculation or assessment	Performance in this regard will be calculated by comparing the total number of tenders or quotes over R500 000 awarded to suppliers within two months of the closing date of the advert, divided by the total number of tenders or quotes over R500 000 finalised within the period, multiplied by 100.
Means of verification	SCM Register
Assumptions	It is assumed that sufficient responses are received to allow bids to be adjudicated and that extensions of closing dates will not be required. It is also assumed that successful bidders will provide the necessary documentation to allow the issuing of the award letter or purchase order.
Disaggregation of beneficiaries	Not applicable

1.5. Indicator title	Percentage of awards over R500 000 issued to suppliers within two months from the closing date of adverts.
Spatial transformation	Not applicable
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	100% of awards issued to suppliers within two months from the closing date of adverts
Indicator responsibility	Supply Chain Manager

1.6. Indicator title	Percentage of training budget spent
Definition	<p>Staff development is crucial to ensure that employees perform effectively and efficiently and enable the institution to realise its mandate.</p> <p>This indicator is intended to monitor the extent to which training interventions are delivered to Nedlac employees.</p> <p>In this context:</p> <ul style="list-style-type: none"> • “training” refers to initiatives that have been identified in the performance agreements of staff and budgeted. It includes study support, individually identified training and group training. <p>The intention is to spend a minimum of 80% of the training budget by the end of the financial year. The training budget for the 2022/23 financial year is R810 000.</p> <p>The Annual Performance Report will include a section on how the training bud/get was spent.</p>
Source of data	<p>Proof of attendance of training by the staff. This can include a training attendance register, certificate of attendance, certificate of competency issued by the training service provider or statement of results.</p> <p>Actual vs budgeted expenditure report.</p>
Method of calculation or assessment	Performance in terms of this indicator will be calculated by comparing the total budget compared to the budget spent, multiplied by 100.
Means of verification	<p>Attendance registers, training register, certificate of attendance, certificate of competency issued by the training service provider or statement of results.</p> <p>Actual vs budgeted expenditure report</p>
Assumptions	It is assumed that the training requested will be timeously procured and available in the market.
Disaggregation of beneficiaries	Training beneficiaries will be disaggregated in terms of race, gender, age and disability.
Spatial transformation	Not applicable
Calculation type	Cumulative
Reporting cycle	Annually

1.6. Indicator title	Percentage of training budget spent
Desired performance	80% of the training budget to be spent by the end of the financial year.
Indicator responsibility	Human Resource Manager

1.7. Indicator title	Percentage of milestones of the Governance Task Team achieved.
Definition	<p>Since Nedlac was established there have been shifts in the socio-economic landscape that require changes to the role of the organisation and the way it operates.</p> <p>The Nedlac Exco established the Governance Task Team to review the institution's Founding Documents, which includes the Nedlac Act, Nedlac Constitution and Nedlac Protocols.</p> <p>In undertaking its work, the task team will develop a plan indicating milestones and timeframes within which such milestones should be achieved within the quarter and within the financial year. The employee responsible for the Governance Task Team will monitor and facilitate the implementation of relevant actions, for the task team to realise the set milestones. The employee responsible will report progress towards achievement of the set milestones as part of the Quarterly Reports of Nedlac.</p> <p>The intention is that at least 80% of these milestones to be achieved within the reporting period.</p>
Source of data	The information to report on this indicator will be recorded in the Quarterly Reports of Nedlac
Method of calculation or assessment	Performance is determined by confirming whether the milestone in that quarter is delivered.
Means of verification	Minutes of the Governance Task Team meeting. Documentation produced by the Governance Task Team.
Assumptions	It is assumed that the milestones are clearly described in an accessible and comprehensible document. It is also assumed that the milestones are achievable and that significant challenges will not arise.
Disaggregation of beneficiaries	Not applicable
Spatial transformation	Not applicable
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	80% of planned milestones to be completed.
Indicator responsibility	Manager responsible for the Governance Task Team

1.8. Indicator title	Legislative and policy tracker report delivered twice per annum
Definition	<p>This indicator involves the drafting of a biannual report which tracks the progress of policy and legislation once Nedlac Reports have been finalised.</p> <p>These reports will be annexed to the Second and Fourth Quarter Reports of Nedlac to inform the governance structures of what happens to policy and legislation that has been considered by the Nedlac structures.</p> <p>The report in the Second Quarter will cover what has happened to legislation and policy considered by Nedlac up until the end of the second quarter. It will include tracking legislation until it has been promulgated and policy documents until they have been approved by Cabinet or the relevant executive authority.</p> <p>The legislative and policy tracker report attached to the Fourth Quarter Report will cover what has happened to legislation and policy considered by Nedlac up until the end of the fourth quarter. It will include tracking legislation until it has been promulgated and policy documents until they have been approved by Cabinet or the relevant executive authority.</p> <p>This means that the report will be a rolling report, updating progress on legislation and policy.</p>
Source of data	Annexures to the Second and Fourth Quarter reports.
Method of calculation or assessment	A simple count of above-mentioned reports submitted to Manco.
Means of verification	Annexures to the Second and Fourth Quarter reports
Assumptions	It is assumed that the person responsible for this function will have access to information from relevant government departments and Parliament.
Disaggregation of beneficiaries	Not applicable
Spatial transformation	Not applicable
Calculation type	Non-cumulative
Reporting cycle	Bi-annually
Desired performance	Two policy and legislative trackers produced per year.
Indicator responsibility	Strategic Support Manager.

PROGRAMME TWO: CORE-OPERATIONS

2.1. Indicator title	Percentage of dialogues reports submitted to social partners within 14 working days of the convening of a dialogue.
Definition	<p>Part of the work of Nedlac is convening dialogues on issues that are of significance to the social partners. This indicator intends to ensure that reports from the dialogues are produced within a short period while the issues are still current.</p> <p>In this context :</p> <ul style="list-style-type: none"> • “dialogue” refers to events such as special sessions or workshops identified by the secretariat or social partners where the focus is on

2.1. Indicator title	Percentage of dialogues reports submitted to social partners within 14 working days of the convening of a dialogue.
	<p>information sharing and once off engagement as opposed to a process that requires a Nedlac Report.</p> <ul style="list-style-type: none"> • “reports “refers to reports on the proceedings produced within 14 working days of the completion of the event. The reports will be circulated through email by relevant staff members responsible for convening the dialogue, to members of the structure who participated in the dialogue. <p>Senior Managers for Labour Development and Economic Units will compile registers of special sessions dialogues or workshops convened reflecting that reports arising from the convened dialogues were submitted to social partners within 14 working days of convening the dialogue.</p>
Source of data	Register of Nedlac dialogues
Method of calculation or assessment	This indicator is determined by calculating the number of dialogues of which the reports arising from were produced within 14 working days, divided by a total number of special sessions dialogues convened, multiplied by 100.
Means of verification	<p>Copies of reports on dialogues</p> <p>Emails sending out the reports to participants or any electronic sharing of reports to participants (e.g. uploads into the website or other platforms).</p>
Assumptions	It is assumed that the dialogues will be coherent and that the proceedings will be reportable.
Disaggregation of beneficiaries	Not applicable
Spatial transformation	Not applicable
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Desirable performance is for every dialogue to be reported upon within 14 working days.
Indicator responsibility	Senior Managers for Labour Development and Economic Units

2.2. Indicator title	Percentage of agreements concluded within nine calendar months of an issue being tabled at Nedlac, except where stipulated exclusions apply.
Definition	<p>A component of the work of Nedlac is the facilitation of processes to address issues that lead to agreements between parties represented at Nedlac. These agreements usually relate to socio-economic issues considered in the structures of Nedlac. Historically a concern has been that agreements have not been reached timeously, making the efforts seem futile and undermining the credibility of Nedlac.</p> <p>This indicator intends to monitor the extent to which issues tabled at Nedlac successfully lead to concluded agreements.</p> <p>In this context:</p> <ul style="list-style-type: none"> • “tabled” means one of the parties or the Executive Director tabling an issue in a relevant forum at Nedlac and social partners commit to reaching an agreement on the issue.

2.2. Indicator title	Percentage of agreements concluded within nine calendar months of an issue being tabled at Nedlac, except where stipulated exclusions apply.
	<ul style="list-style-type: none"> • “agreement” refers to an agreement reflected in a report which the parties have signed off on by their respective principals, usually convenors or constituency lead negotiators. An agreement may not always mean the signature of all parties to a document, having agreed on all issues contained in the document. Instead, an agreement may also include a decision by social partners to disagree on identified issues and to abandon the attempt to find agreement. Therefore, in instances where social partners do not reach consensus on identified issues, the secretariat must develop a report to close the process. • “calendar month” refers to a period between the same dates in successive calendar months. <p>The intention is for an agreement to be concluded within nine months from the date on which the issue was tabled unless otherwise agreed by social partners.</p> <p>Exclusions or exceptions for the nine months can arise from the following reasons:</p> <ul style="list-style-type: none"> • Legal or other specialist opinions to be sought on the matter; • Litigation is introduced by any of the parties about the issue of engagement; • Further research is required; • A need for significant changes by the tabling party as a result of the engagement; and • Agreement by the parties to extend the period of engagement. <p>If the above exclusions occur, engagements will stop to allow the above processes to unfold. Consequently, the accumulation of the period of engagement, i.e. time, will pause. The time will start accumulating, from the pause date to the next meeting where parties will reconvene once the above-mentioned processes have been finalised.</p> <p>Where the tabling party withdraws the issue or no agreement is reached, a report will be developed and submitted to the relevant oversight structure of the task team to conclude the engagements.</p> <p>The reporting time for this target will be when Agreements have been concluded or when the nine months is due, whichever comes first.</p>
Source of data	<p>Dated copies of agreements reached.</p> <p>Minutes of meetings of the relevant forum where the tabled matter was tabled and minutes where the forum signed off on the final report on the concluded Agreement.</p>
Method of calculation or assessment	<p>Performance in this area is calculated by comparing the number of tabled issues in which a formal agreement was reached within nine months, divided by a total number of issues formally tabled intending to reach an Agreement, multiplied by 100.</p> <p>The time that would have been paused in case of the occurrence of the exclusions will not be considered. Therefore, the calculation of the nine months will be calculated as follows: the total number of months taken to conclude the Agreement, minus time lapsed during one or more of the above indicated exclusions.</p>
Means of verification	<p>Minutes of meetings of the relevant forum where the intention to seek an agreement is tabled and minutes where the forum signed off on the Agreement.</p> <p>Proof of sign-off such as email confirmation.</p>

2.2. Indicator title	Percentage of agreements concluded within nine calendar months of an issue being tabled at Nedlac, except where stipulated exclusions apply.
Assumptions	It is assumed that social partners would engage on the issues speedily and that, where no consensus is reached, social partners can agree to disagree and register the areas of disagreement in a final report.
Disaggregation of beneficiaries	Not applicable
Spatial transformation	Not applicable
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	Desirable performance is for every agreement to be concluded within nine months.
Indicator responsibility	Senior Managers for Labour Development and Economic Units

2.3. Indicator title	Percentage of reports on processes concluded within six calendar months from the date of tabling at the relevant structure at Nedlac, except where stipulated exclusions apply.
Definition	<p>A component of the work done by Nedlac relates to the production of Nedlac Reports within six months of a policy document or draft legislation being tabled at Nedlac by government or in some instances by another social partner.</p> <p>In this context :</p> <ul style="list-style-type: none"> • “concluded” means the Nedlac Report should have been formally approved by the Manco or Overall Convenor in the instances of urgency. • “calendar month” refers to a period between the same dates in successive calendar months. <p>Exclusions could arise for the following reasons:</p> <ul style="list-style-type: none"> • Legal or other specialist opinions to be sought on the matter; • Litigation is introduced by any of the parties about the issue of engagement; • Further research is required; • A need for significant changes by the tabling party as a result of the engagement; and • Agreement by the parties to extend the period of engagement. <p>In a situation where the above exclusions occur, engagements will stop to allow the above processes to unfold. Consequently, the accumulation of the period of engagement, i.e. time, will pause. The time will then start accumulating, from the pause date at the next meeting where parties will reconvene once the above-mentioned excluded processes have been finalised.</p> <p>In an instance where the tabling party needs to make significant changes and/or withdraws the Bill/ policy from Nedlac, a progress report can be developed and submitted to Manco for noting.</p> <p>The reporting time for this target will be when the Nedlac Report is completed. The performance report would consider the exclusion period where such exclusions apply.</p>
Source of data	Nedlac Reports arising from the concluded process.

2.3. Indicator title	Percentage of reports on processes concluded within six calendar months from the date of tabling at the relevant structure at Nedlac, except where stipulated exclusions apply.
	The minutes or decision matrix of the Manco where the Nedlac Report was approved or the sign-off by relevant Overall Convenors in instances of urgency
Method of calculation /assessment	The performance will be calculated by comparing the total number of Nedlac Reports on legislation or policy matters concluded within six calendar months, from date of tabling at a Chamber meeting for engagement by social partners to, divided by the total number of Nedlac Reports concluded, multiplied by 100. The time that would have been passed in case of the occurrence of the exclusions will not be considered. Therefore, the calculation of the six months will be calculated as follows: the total number of months taken to conclude Nedlac Report, minus time lapsed during one or more of the above indicated exclusions.
Means of verification	Minutes of meetings of the relevant forum where the matter was tabled and minutes of Exco where final Nedlac Report was approved or proof of sign-off by Overall Convenors.
Assumptions	Social partners are available and capacitated to engage on the legislative or policy matters as per the set timeframes.
Disaggregation of Beneficiaries	Not Applicable
Spatial Transformation	Not Applicable
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	All policy and legislation to be considered and a Nedlac Report approved within six calendar months.
Indicator responsibility	Senior Managers for Labour Development and Economic Units

2.4. Indicator title	Percentage of Section 77 notices final reports concluded within five working days from date of resolution Section 77 notices.
Definition	The Nedlac Section 77 Standing Committee considers notices of possible protest action, lodged at Nedlac in terms of Section 77 of the Labour Relations Act (LRA). The Standing Committee aims to resolve such notices within the framework of the Section 77 Protocol and produce a final report on the outcomes of the consideration of such notices. 100% of the reports must be signed-off by the Executive Director within five working days after the resolution has been made to avoid delays. These reports are in a form of a resolution/ letter or Section 77 certificate signed by the Executive Director following a resolution being made by the Section 77 Standing Committee on the lodged Section 77 notices.
Source of data	Sign off forms signed by the Standing Committee/ decision matrix of the meeting where the resolution was made. Section 77 final report signed by the Nedlac Executive Director or the duly delegated individual
Method of calculation/ assessment	Calculation of the total number of Section 77 notices final reports concluded within 5 working days from the date of the resolution being made by the Section 77 Standing Committee, divided by the total number of Section 77 final reports concluded, multiplied by 100.

2.4. Indicator title	Percentage of Section 77 notices final reports concluded within five working days from date of resolution Section 77 notices.
Means of verification	Sign off forms signed by the Standing Committee/ decision matrix of the meeting where the resolution was made. Section 77 final report signed by the Nedlac Executive Director or the duly delegated individual
Assumptions	It is assumed that the process of considering the Section 77 notice will be undertaken and concluded by the Section 77 Standing Committee.
Disaggregation of Beneficiaries	N/A
Spatial Transformation	N/A
Calculation type	Non-cumulative
Reporting cycle	Quarterly
Desired performance	100% of Section 77 disputes are to be addressed within the framework of the Section 77 Protocol.
Indicator responsibility	Manager: Labour Market

PROGRAMME THREE: CAPACITY BUILDING

3.1. Indicator title	Percentage of capacity building budget spent
Definition	<p>The ability of its social partners to participate in Nedlac processes is key to the successful championing of processes and facilitation of agreements. In some cases, social partners lack the tools of the trade required to participate such as data, ICT devices, printing, etc.</p> <p>Further, social partners often require specific additional skills and capacities to optimise their participation at Nedlac, including interventions such as training courses, workshops, study visits and seminars. Social partners may also require technical assistance, which refers to any expertise-based assistance necessary to strengthen their participation in Nedlac convened processes.</p> <p>The employee responsible for constituency coordination in consultation with the respective social partner shall develop a plan of what tools of the trade, training and technical assistance will be required during the year. The plan will inform what needs to be done and will guide implementation and timeframes. The plan will be signed off by the Overall Convenor of the relevant constituency or delegated individual. It may be reviewed during the year, depending on the needs of social partners. A reviewed plan must also be signed-off by the Overall Convenor or delegated individual.</p> <p>Per Quarter, the constituency co-ordinator reporting to the Overall Convenor shall be responsible for implementing the capacity building plan as per the set targets or milestones. A summary report needs to be developed by the relevant constituency co-ordinator per Quarter and included in the Quarterly Performance Reports.</p> <p>The capacity building budget including employee costs and cellphone allowances for the 2022/23 financial year is R7 500 000.</p>
Source of data	<p>Documentation indicating spending on capacity building initiatives such as tools of the trade, training or technical assistance interventions.</p> <p>Actual vs budgeted expenditure report</p>

3.1. Indicator title	Percentage of capacity building budget spent
Method of calculation or assessment	The performance will be calculated in relation to the number of individual items in the plan from social partners fulfilled, divided by the total number of items in the plan, multiplied by 100.
Means of verification	Documentation indicating spending on capacity building initiatives such as tools of the trade, training or technical assistance interventions. Actual vs budgeted expenditure report
Assumptions	It is assumed that partner needs are of a nature that can be met and that once provided, they will be used appropriately.
Disaggregation of beneficiaries	Not applicable
Spatial transformation	Not applicable
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	70% of the budget should be spent by the end of the financial year.
Indicator responsibility	Managers responsible for constituency co-ordination

Ends