

VICE-CHANCELLOR’S REPORT TO COUNCIL

FOURTH QUARTER, 2018

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1. INTRODUCTION

The 2018 academic year is rapidly drawing to a close, also signalling the conclusion of my first year as Vice-Chancellor of Nelson Mandela University. It gives me pleasure to present an overview of strategic highlights and challenges since the last Council meeting held in George in September 2018, as they relate to the six revised Vision 2020 strategic priorities, namely:

- Embrace a **distinctive educational purpose and philosophy** that contributes to **student access and success**.
- Develop and cultivate an **engaged, innovative scholarship culture** that generates knowledge recognised for its contribution to sustainability.
- Enhance **long-term financial sustainability** through effective resource mobilisation and responsible resource stewardship.
- Foster an **affirming, transformative institutional culture** that promotes diversity and social cohesion.
- Position the University as an employer of first choice by investing in **talented, high-performing staff**.
- Provide and sustain **enabling systems and infrastructure** that promote an exceptional experience for students, staff and key stakeholders.

In addition, the report and supporting annexures will indicate progress in mitigation of the top three risk areas, namely:

- Human capital management and labour relations
- Financial sustainability
- Reintegration and business models.

In alignment with our annual reporting cycle, **sustainability and stewardship** is the theme for quarter 4 with a focus on efforts to build a sound foundation for meeting operational needs and building sustainability for the future.

2. VISION 2020: STRATEGIC PLANNING

The revised Vision 2020 strategy previously approved by Council and my inaugural address inform the strategic growth trajectories of the University as we move towards developing Vision 2030 in the course of next year. Amongst other imperatives, senior management has been engaging robustly with planning for academic strategic redirections:

- Fostering critical transdisciplinary scholarship that redraws the frontiers of the boundaries between the sciences and humanities to solve complex societal challenges that extend beyond disciplinary silos.
- Establishing hubs of convergence to give concrete expression to our commitment to be an engaged university in service to society.
- Revitalising the humanities in cultivating responsible, socially conscious citizenship.

2.1 Strategic growth trajectories

The two most pertinent programmes for the attention of Council in this regard are:

2.1.1 Ocean Sciences

The official launch of the Ocean Sciences Campus in 2017 marked a watershed moment in the strategic commitment by Council to invest in and develop ocean sciences as a major area of competitive strength for the University. It has become necessary to develop this further by developing a regulatory framework for the coherent and systematic development of the full potential of the Campus and more broadly, ocean sciences, as a critical part of the University's academic growth trajectory. The development of an innovative framework for the governance and management framework for the Ocean Sciences Campus is being undertaken along with a number of other interfacing conceptual elements, including the development of a coherent academic plan supported by the necessary financial, infrastructural, human resources, information technology and support services. A fit-for-purpose governance and management model for ocean sciences will facilitate the following:

- Increasing the size and scale of our academic growth strategy for ocean sciences across a number of parameters, including under- and postgraduate programme offerings, cutting-edge scholarship and innovation, as well as mutually beneficial partnerships with local, regional, national, continental and international partners;

- Diversifying scope of spectrum of academic programmes to ensure that we offer distinctive qualifications that set us apart from other universities; and
- Enhancing our scientific, economic, social and policy impact in service to society, most notably the national development imperatives of reducing poverty, inequality and unemployment.

Although aspects of all these conceptual elements are now in place, fuller development is required in the first quarter of 2019 in partnership with our DVCs and Deans.

2.1.2 Medical School

This keystone programme is enjoying focussed attention of all relevant managers. A Steering Committee led by the Vice-Chancellor provides strategic oversight and leadership on all matters relating to the successful implementation of the medical school. This Committee also serves as the primary interface between the University and critical external stakeholders. Since the last Council meeting, the University met with the Provincial Executive Committee (PEC) of the ruling party in early November. This was a necessary precursor to meeting with the relevant government departments. At this meeting, Walter Sisulu University (WSU) and the Provincial executive expressed their support for the establishment of the medical school at Nelson Mandela University. This is now being pursued in the form of a Memorandum of Agreement between the Department of Health, Mandela University and WSU.

Internally, various work streams have been hard at work to ensure that all the necessary foundational academic, staffing, resourcing, and infrastructural requirements are in place. These include:

- Assisting the Faculty with the completion of a comprehensive Self-Assessment Questionnaire by the end of December 2018 to address the accreditation requirements of the HPCSA in preparation for their visit in March 2019. This is an important milestone and we are on track to meet it.
- Executive management has approved strategic funding amounting to R14.8 million to ensure that the Faculty can commence recruiting candidates for key appointments required as part of establishing the medical school.
- A process to develop the organisational structure of the Faculty of Health Sciences and the Medical School has been set in motion and is being prioritised by HR.
- The procurement process for the infrastructural developments required on the Missionvale Campus for the first phase of the medical programme has been completed resulting in the appointment of Aveng Pty Ltd as the Main Contractor. The contractor has effectively commenced with work on site with very strict timeframes to ensure that the facilities are ready for inspection next year.
- Given the infrastructure developments taking place on the Missionvale campus in preparation for the MBChB programme, at least 18 academic programmes from various faculties are being relocated to Summerstrand campuses at the start of 2019. The planning required to give effect to these relocations has been completed.
- The budget to successfully run the medical school has been projected over 8 years and is a concern. The identification of various streams of income required to ensure the medium- to long-term sustainability of the medical programme is a priority, in addition to unlocking resource hurdles as and when they occur. Financial modelling for the medical school is being refined.

Unfortunately, we have recently learnt that the Council for Higher Education (CHE) has not yet completed its review of our MBChB as part of the external programme accreditation process. This has the potential to delay the HPCSA accreditation visit in March 2019, which is a critical milestone in the establishment of the medical school. We are engaging with the CHE and DHET to unlock these accreditation blockages. We find ourselves at a critical juncture in the pathway towards the establishment of the medical school and the planned launch of the medical programme in 2020. Whilst it is clear that all the critical milestones under the direct control of the University are achievable and excellent progress is being made, there are challenges relating to the external political and regulatory environment, which could impact on our readiness. These include the following:

- Trilateral memoranda of agreement between ourselves, Walter Sisulu University and the Eastern Cape Province as it relates to a collaborative approach to funding and the sharing of the clinical training programme, infrastructure and human resources.
- Written support from the Minister of Health for the establishment of the medical school at Nelson Mandela University along with a commitment to funding.
- Accreditation of the medical programme by the Council for Higher Education and the South African

Qualifications Authority (SAQA) in time for the accreditation site visit by the HPCSA in March 2019.

We are actively intervening wherever possible in respect of these externalities and we will keep Council informed of further developments as these unfold given the possible need to develop a contingency plan should this become necessary.

3. DISTINCTIVE EDUCATIONAL PURPOSE AND PHILOSOPHY THAT CONTRIBUTES TO STUDENT ACCESS FOR SUCCESS

3.1 Teaching, Learning and Curriculum

Examples of progress in **curriculum and module developments** this quarter include the following:

- **Education:** Completing the development of the content for 54 modules that constitute the revised B Ed programmes that commence in 2019. The modules are being externally reviewed before implementation in 2019. In October, the Faculty also launched the Advanced Diploma for the training of TVET college lecturers, which is the first of its kind in South Africa and promises to make a significant contribution to enhancing the quality of T&L in the technical and vocational college sector.
- **Law:** Extensive changes to the BA (Law), LLB and LLB (Ext) have been approved for implementation in 2020.
- **BES:** Successfully introduced Advanced Diplomas this year to replace the B Techs which are about to be phased out. The coursework Master's in Maritime Studies was approved by the CHE and the Faculty is now awaiting approval by SAQA to offer the programme in 2019.
- **Centre for Teaching, Learning and Media (CTLM):** Introduced a structured approach to assist academics to engage meaningfully in curriculum development. This methodology has been piloted with great success and two other universities have already requested we assist with curriculum capacity development interventions.
- The innovative **Social Consciousness for Sustainable Futures grounding module** was launched and piloted in the second semester and will be extended into 2019 given the widespread support for this offering amongst our students.

The T&L portfolio and *CriSHET* plan to hold a colloquium in March 2019 entitled, ***Knowledge and Pedagogy: Mapping Decolonisation and Transformation Praxes at our University***. Faculties, entities and relevant PASS divisions will work to chart the road that we have travelled and still plan to travel to decolonise and transform our praxes. This should give us a fuller picture of the progress being made towards decolonising our curricula and how teaching is delivered.

All faculties have been reflecting on their **assessment practices** in the light of the Assessment Policy that was approved at the end of 2017. For example:

- **Education:** held an Assessment Indaba to develop a common understanding of how assessment can be used to enhance students' learning and to develop an assessment strategy and guidelines for the faculty.
- **Law:** has continued exploring and expanding upon e-assessment and will finalise their assessment guidelines in 2019.
- **Science:** was awarded innovation funding to explore the number of assessments appropriate for a term module.

The use of **technology-enhanced teaching and learning** continues to grow and expand. The Business and Economic Sciences Faculty has embraced blended learning with much enthusiasm and held a successful blended learning colloquium this year. An exciting development for 2019 is that the Faculty will be piloting an e-textbook project in collaboration with a service provider. A further innovation underway in the Department of Industrial and Organisational Psychology is that they are almost exclusively prescribing open source (free) digitalised learning materials, especially in their first-year modules. The pilot with the Business School's Leadership Academy to develop fully online short learning programmes (SLPs) also commenced with Higher Education Partners South Africa (HEPSA) this year.

In October, HEADS and the Office for International Education jointly hosted a colloquium to grapple with the implications of Industry 4.0 for higher education and the world of work. In addition to the above, our

Higher Education Access and Development Services (HEADS) division has piloted the creation of **multi-disciplinary learning design and innovation teams** to support projects in faculties that will result in more engaging, interactive Moodle module sites. This will be expanded in 2019 and academics will have further opportunities to develop competencies to better understand digital pedagogy and how to effectively facilitate online learning. In addition, further awareness raising around Open Educational Resources (OER) as an alternative to textbooks will be embarked upon.

The **language of teaching, learning and assessment** is a matter that requires significant attention. An Interdisciplinary Language Reference Group held a series of courageous conversations this year with academics, students and PASS staff to approach the revision of our language policy using a participatory, bottom-up approach. The conversations are transcribed and analysed, following which the findings feed into revising our Language Policy in 2019. The Arts Faculty continued with innovative approaches to develop student writing and spearheading **bilingual tutorials** together with CTLM across the faculties. An App is being developed which contains writing resources for students and CTLM is working with academics to develop **multilingual glossaries** in core modules.

3.2 T&L, Research and Academic Leadership Support

We were awarded R26 million through the **University Capacity Development Grant (UCDG)** of the DHET in 2018. This greatly assisted the University to intensify capacity development efforts related to teaching, learning, assessment, research and academic leadership development. For example, faculties are awarded innovation funding to encourage academics to explore pioneering approaches to T&L. Furthermore, this funding can be used to appoint replacement staff to alleviate the workload of academics who are developing new modules or programmes, as well as to support academics who are pursuing postgraduate studies.

We are intentionally focusing on inducting, mentoring and building the capacity of early career and nGAP academics. To this end, the Director of CTLM has secured our participation in a national project related to **developing early career academics** that is funded via a collaborative grant from the DHET. During 2019, the Deans and Campus Principals Forum will collaborate with HEADS, RCD and HR to implement a leadership development and mentoring programme for academic leaders such as Directors of School and academic Heads of Department.

In addition to the UCDG, our RCD and the Dean of T&L help to manage the **nGap Scholars Programme** of the DHET. With eight nGAP Scholars already appointed and a further four awarded and funded for up to six years by the DHET, we are preparing submissions for the latest call, which are due at the end of December 2018.

3.3 Recognising and Rewarding Excellence in Teaching and Learning

Eighteen staff members received recognition of their excellence in teaching and learning in awards in the following categories: Faculty Emerging Excellent Teacher, Faculty Excellent Teacher, Nelson Mandela University Excellent Teacher, Nelson Mandela University Emerging Excellent Teacher and Nelson Mandela University Teaching Excellence Team Awards.

3.4 Student-Centric Access, Development and Support

The Centre for Access Assessment and Research (CAAR) has developed a new model for establishing **admission requirements** for undergraduate programmes. This model will make our admissions process more efficient as applicants will not be routinely referred for access testing and it is more applicant-friendly in terms of directing applicants towards programmes they qualify for.

In addition, through the funding received from the Kresge Foundation as part of the Siyaphumelela project, we have appointed **academic advisors** in the faculties of EBEIT and Law to complement existing wrap-around student support initiatives and to assist with tracking student progress. We have identified **predictive learning analytics** that can be used by these academic advisors to identify and implement appropriate academic support interventions for students.

In view of the ever-increasing unemployment rates in our country, we recognise the importance of

enhancing **employability and entrepreneurship** among our graduates. Several noteworthy interventions to promote innovative experiential, co-curricular and community-based learning that enhance student learning and employability have been undertaken by EBEIT, Education and BES. In addition, our Student Affairs division, led by our Dean of Students, has been addressing what it means to provide **student-centric support in post-normal times** characterised by volatility, uncertainty, complexity and ambiguity. Student-centric support is defined as an ecosystem of integrated excellent services purposefully designed with and for students to enable, expose, engage and empower them as human beings to realise their life aspirations through their pathway at the University.

4. ENGAGED, INNOVATIVE SCHOLARSHIP CULTURE THAT GENERATES KNOWLEDGE RECOGNISED FOR ITS CONTRIBUTION TO SUSTAINABILITY

4.1. Institutional Research Themes

During this quarter, we finalised the **institutional research themes** of our existing and emerging research capabilities, which will assist us in articulating our strategic differentiators within a diverse higher education landscape. We previously had 13 such themes and these have been consolidated to the following six:

- Ocean and coastal sciences;
- Social justice and democracy;
- Environmental stewardship and sustainable livelihoods;
- Innovation and the digital economy;
- Origins, culture, heritage and memory; and
- Humanising pedagogies.

4.2 Research Partnerships and Funding

The University is intensifying its efforts to improve its sustainability through diversifying its sources of research income. In this regard, we can highlight the following. Prof. Janine Adams has been appointed as the interim **DST/NRF SARCHI for Shallow Water Ecosystems**. This follows the resignation of the past Chair earlier this year, after a five-year period as holder of the Chair. Prof. Lungile Pepeta (Dean of Health Sciences) and Prof. Sindiwe James (Health Sciences) were awarded a grant from the **SA-Swedish Universities Forum (SASUF)**, jointly funded by the Swedish Science Granting Council (STINT), the South African National Research Foundation (NRF) and the Department of Higher Education and Training (DHET). Dr Berny Snow, Director of our Institute for Coastal and Marine Research (CMR) was also awarded a grant under this initiative. An international team led by Mr Howard Theunissen (School of Engineering) has been awarded an **Erasmus+ Capacity Building in Higher Education** grant (European Commission) in the field of maritime education. The value of the award is 1 million Euro. The University received sponsorship of a **three-storey building for our George Campus**, to be constructed from “Cross-Laminated Timber” (CLT) – a revolutionary construction design. The building, the first of its type in South Africa, will be erected during the first semester of 2019 and will include a conference centre and a Research Commons space for postgraduate students.

Two of our academics have each received three-year **NRF Community Engagement grants** to commence in 2019. Dr Magda Minguizzi (School of Architecture): *“The Origin of Things: Investigation on the Khoisan Places”* (R680 000). Dr Bruce Damons (Centre for the Community School): *“School Improvement: a Collaboratively Constructed Framework of Schools as Beacons of Hope”* (R1.8 million). Three of our young academics have been awarded grants under the **NRF/First Rand Foundation Black Academics Advancement Programme**. The aim of the programme is to promote the development of Black South African academics by granting fully paid sabbaticals to enable them to complete their doctoral degrees.

A record number of Honorary, Adjunct and Visiting Professors have been appointed during 2018, along with a record number of Research Fellows, Research Associates, and (for the first time) Professional Associates. This provides the University with added capacity in terms of mentoring and research collaboration to increase subsidisable research outputs for the University.

Strategic partnerships are vital for a dynamic university. To this end, I was accompanied by the DVC: R&E and the former VC on a visit to Brunel University (UK) during November to have detailed discussions on

establishing a research collaboration. A day was also spent at the University of Southampton, already one of our key partners, to explore new areas for collaboration.

Additional resources have also been mobilised through various national and international partnerships, including the following. A partnership worth R4,3 million with the Department of Environmental Affairs, for a three-year project focused on our Spekboom Thicket Restoration Project, to be driven by Dr Alastair Potts. A contract worth R8,5 million, also funded by the Department of Environmental Affairs as part of Operation Phakisa, to collaborate with the Province in developing the oceans economy in the Eastern Cape.

The University hosted the Norwegian Minister for Research and Education for an official visit on 29 October. A further contract worth R1 million was signed to enable our Centre for Law in Action to help train harbour officials with regards to fisheries crime prevention. In our discussions, we also explored the possibility of Mandela University partnering with Norwegian universities in the joint training of senior students and staff for doctoral degrees.

4.3 Annual Alumni Awards

The University alumni continues to grow by more than 6 000 graduates per annum. The prestigious annual alumni awards celebrate local and international success stories of graduates who have not just climbed the ladder in their respective fields, but have become inspiring leaders and change agents across various parts of the world. At the awards ceremony in November, three Rising Star Awards and three Alumni Achiever Awards were presented. In addition, two special awards for significant roles in the Alumni Association were presented.

4.4 Conferences, Colloquiums and Exhibitions

This centenary year of the birth of our namesake has been a successful year in terms of hosting **national and regional conferences, colloquiums and exhibitions**. Many of these had a focus on discipline-specific teaching and learning. Some examples in this regard are:

- **Arts:** hosted *Being Human(e) in the 21st Century* in August and *Leading the Humanities in a Connected World* which was hosted with SAHUDA/NIHSS in October. Other highlights included SOMAD's multi-modal *Graduate Exhibition* at Bird Street and the *Human Origins Exhibition* of the Architecture School.
- **EBEIT:** eNtsa in collaboration with the uYilo e-Mobility Technology Innovation Programme (EMTIP) and the Technology Innovation Agency (TIA) hosted the Batteries and Electric Vehicles Conference 2018 on North Campus from 29-30 October.
- **HEADS:** Hosted the biggest-ever annual *Higher Education Learning and Teaching Association of Southern Africa's (HELTASA)* conference in November. There were close to 400 delegates who came from SA, elsewhere in Africa, the UK and Sweden. The theme was "Dancing on the Learning and Teaching Waves of Change in Africa".

4.5 Social Stewardship and Engagement

Several faculties have been active in promoting social stewardship to foster engagement beyond the University. The **Arts** Faculty focused on graduate research projects related to gang-related crime, heritage in the province and the employment of gallery interns (at least 10 graduates over a period of two years). **Education** undertook initiatives to empower quintile 1 and 2 schools in the Province, including school stakeholder training in Cala (as part of a University partnership with the Ikhamva Lihle Foundation); training of SMTs and RCLs in Nelson Mandela Metro; opening a library at Ebongweni Primary; hosting the annual teacher day celebration with six high schools from the Northern Areas with more than 200 teachers in attendance. Furthermore, the faculty launched the second phase of the Physics, Life Science, English and Mathematics support programme with schools from Kirkwood and Nelson Mandela Bay; and hosted a school leadership workshop for 25 school principals.

On World Tourism Day, the Tourism Department in **BES** hosted tourism educators at an event that focused on the new B Com Hospitality Management programme to be offered as from 2019. The Department of Development Studies implemented a pilot cooperative in Kwazakhele as part of the Transition Township project from September-October. **EBEIT** pioneered the first digital storytelling laboratory in the country was launched as part of the EU Common Good First Project linked to social innovation in communities where a web-based knowledge bank will be created of innovative digital stories that give voice to the voiceless in

society. The new space for digital storytelling is situated at our Bird Street campus and the total cost of the programme is about R16 million.

All these events and interventions serve to foster a vibrant and transformative intellectual culture that facilitates critical scholarship and reflective dialogue in respect of what it means to continue living the legacy of our iconic namesake by promoting social justice, equality, diversity and social cohesion.

5. ENVIRONMENTAL AND FINANCIAL SUSTAINABILITY AND STEWARDSHIP

5.1 Environmental Sustainability Interventions

Environmental stewardship is one of our values and we hope that everyone in the University community takes ownership of environmentally sustainable practices, but the Institutional Support Branch is key in coordinating many of the environmental sustainability interventions at the University. In light of the University’s overall drive towards a sustainable future, DHET allocated more than R55 million over the next three years for environmental and social sustainability projects. The projects for which this funding has been allocated are outlined below:

Project name / Category	DHET allocation			University Contribution	Estimated total cost
	2018/2019	2019/2020	2020/2021		
Return effluent irrigation scheme – North/South campus phase 2&3	4 000 000	4 000 000	0	7 000 000	15 000 000
Interventions in support of a close campus for the Summerstrand university complex	9 906 600	7 180 320	2 605 500	7 500 000	27 192 420
Photovoltaic renewable energy – North, 2 nd Ave, & George campuses	250 000	1 000 000	250 000	1 500 000	3 000 000
Establishment of a transportation hub for students utilising public transportation to campus	3 900 000	0	0	5 100 000	9 000 000
New water pipeline & distribution network – North/South Campus – Concept/Feasibility	700 000	0	0	0	700 000
Electronic water metres – North / South/ 2 nd Ave Campuses	170 000	0	0	80 000	250 000
Total					55 142 420

The current overall utility bill of the University across all campuses is nearly R44 million. As part of the overarching sustainability plan of the University, various efforts have been underway to reduce year on year overhead costs with respect to water and electricity.

5.1.1 Energy

Strategically, the University would like to increase the usage of self-generated renewable energy on its campuses. In terms of energy, the objective is to decrease the current energy usage, ultimately resulting in savings, through demand management, the usage of renewable energy sources, greening of new buildings and "green procurement." The University is adopting photovoltaic systems (PV), due the ease of operation and maintenance, as well as in-house knowledge through entities such as the Centre for Energy Research. The construction of our first PV farm on North Campus is well underway.

Specific goals include the following:

- **Renewable energy:** To increase the utilisation of renewable energy to 30% of the University’s energy requirements over the next six years.
- **New buildings:** To monitor the inclusion and consideration of maintainable, high performing “green” equipment and fittings in all new buildings, with a focus on the achievement of greatest gain on each project.
- **Green procurement:** To increase the procurement of environmentally friendly equipment and fittings over the next three years.

5.1.2 Water

Water usage across the University is uneven, with North/South Campus accounting for 80% of the University's water usage, while sport and its various activities utilise approximately 20%. Our residences are currently using water sparingly.

The strategic objective in terms of water usage and management is to increase the usage of cheaper secondary sources of water (new water, borehole water, rainwater, greywater, etc.), over the next five years, to 30% of our current water usage. This objective will result in naturally diversifying water sources with a lower reliance on a potable municipal supply and, ultimately, in cost savings.

Strategically, it is imperative that each new building design and renovation take cognisance of the need for and ability to use a diverse source of water for its needs. As part of the design process and brief, the University will engage with relevant feasible options. For example, the current rate paid for Return Effluent is R2.20, which is in stark contrast to the R17 paid for potable municipal water.

5.1.3 Waste

The strategic objectives in terms of waste management on campuses is to generate and implement a sustainable waste management programme across all campuses and decrease our waste to landfill by 20% over the next five years, whilst increasing our recycled waste by 20%. We are currently exploring with local waste entrepreneurs a strategy around the waste management practices on our campuses. This will allow for a phased strategic implementation of waste management initiatives over the next 3-5 years, which could be linked to the creation of self-funding social enterprises.

5.1.4 Green buildings

The only Green Star Rated building, according to the standards and process of registration related to the GBCSA (Green Building Council of South Africa), is the Business School on the 2nd Ave Campus. All new buildings being constructed comply with the minimum SANS requirements, although they do not comply with the GBCSA criteria. As new buildings are erected, the need arises to learn from design decisions to increase the probability of designing future buildings, which will fully accommodate users in the most environmentally friendly manner. A standard post-occupancy analysis template is currently being developed to assist in the collection of data to assess whether the initial design principles implemented are aligned with the required outcomes for the users/occupants of the building.

5.1.5 Transport

The Student Staff Transport System requires the expansion of the University's internal fleet of vehicles. As part of our environmental sustainability strategy, it is suggested that annually the University purchase vehicles which use renewable sources of fuel to transform our current fleet over the next ten years to a model that uses less than 10% fossil fuel types.

5.1.6 Agricultural Cooperatives and Food Production

The catering business model includes a long-term strategy related to the development of agricultural co-operatives to supply agricultural produce to the University for catering operations. Investigations are underway to explore the feasibility of food production, i.e. aquaponics, coupled with renewable energy generation through PV and/or greenhouse style facilities. This would enhance environmental and social sustainability in that:

- PV systems would be the major contributor to energy security on campuses and could be a lucrative source of third-stream income generation; and
- Sustainable food production could alleviate student hunger by providing students with an opportunity to either generate income by working in food production facilities or by providing food not procured by the University to combat student hunger and bolster nutrition by providing healthy vegetable and protein (fish) options.

5.1.7 Nature Reserve Commercialisation

The University is still awaiting final feedback on the feasibility and costs involved in the implementation of a mountain bike track in the Nature Reserve on South Campus. It is foreseen that once the final report is received that full investigations and interaction with University stakeholders will ensue. The possibility also

exists to form part of a 42 km trail from Schoenmakerskop all the way to the Tramways Building.

5.2 Financial Sustainability and University-wide Resource Mobilisation Strategy

Financial sustainability remains a challenge for the higher education sector, as it strives to contribute to national objectives in difficult economic conditions. The University's budget has for last few years, required investment income to balance the operational budget and we have been working hard to return to a break-even point for recurrent operations before investment income, while growing reserves to maintain, replace, upgrade and expand property, plant and equipment and funding strategic initiatives.

A strategic framework for resource mobilisation over the next five years has been developed and is contained in **Annexure A** to this report. The **purpose** of this University-wide Resource Mobilisation Strategy is to:

- Raise the resources needed to implement the priorities that are central to Nelson Mandela University's development trajectory in the next half decade; and
- Enhance the financial sustainability of the University in the medium- to long-term.

It is built around **four strategic pillars**, which form the heart of the resource mobilisation strategy, are as follows:

- Innovative resource generation
- Maximising government funding and fees
- Responsible resource stewardship, and
- Ramping up commercialisation ventures.

The strategy highlights **key interventions and targets** envisaged over the next five years in each of these strategic areas and describes the possible funding avenues that can potentially be unlocked by various role players. The detailed five-year resource mobilisation strategy will be further consulted upon with all relevant stakeholders and submitted for approval by Council in the first quarter of 2019.

5.3 Financial Management

The latest financial report will be shared with Council members at the meeting. We are on track to achieve a surplus budget from operations in 2018 assuming there are no major additional, out-of-budget additions. This is largely due to the roll out of the DHET bursary scheme for poor and working-class students, along with the commitment by national government to increase per capita operational subsidy allocated to higher education to 1% of GDP over the next five years.

The 2019 budget has been approved by MANCO and FFC and aims to appropriately resource the academic project while driving strategic initiatives and growth areas in a sustainable manner. The budget includes a 5.3% increase in tuition and a 7.3% increase in student accommodation fees. A balanced operational budget for 2019 will be presented to Council (R34,1 million surplus after investment income; R3,3 million surplus from operations before investment income). The detail of the budget and three-year rolling plan with assumptions will be included in the applicable documentation to Council. The 2016, 2017 and 2018 budget made no provision for the transfer to the earmarked five-year replacement reserves due to constrained resources. The 2019 budget has made provision for these reserves to match the plans with funding in the medium term. Key capital projects include 2 000 beds to be built on campus; as well as the infrastructural developments for the medical school and ocean sciences campus.

6. TRANSFORMATIVE INSTITUTIONAL CULTURE THAT PROMOTES DIVERSITY AND SOCIAL COHESION

6.1 Higher Education Transformation Colloquium

The Transformation Oversight Committee (TOC), in partnership with Universities SA (USAf), the Council on Higher Education (CHE) and the Department of Higher Education and Training (DHET) hosted a one-day transformation colloquium on 5 November 2018 with the theme *"Managing University Transformation: Strategies That Work"*.

The Minister of Higher Education and Training clearly articulated the following **transformation priorities**

for the higher education sector:

- An increase in women at leadership level, as well as senior black and women academics, who will contribute towards genuine and robust transformative leadership.
- Enhancing access by black and women students to critical fields of study such as engineering, information technology, medicine and economics and successfully converting access into success through well-designed academic support programmes.
- Promoting student and employee wellness with specific attention to mental health and gender-based violence.
- Fostering an inclusive institutional culture, which includes the decolonisation of symbols, curriculum and language.

The DHET initiated a process to engage with relevant stakeholders on refining the process of reporting on performance relative to the integrated transformation planning targets submitted to the Department at the end of 2017. The TOC will be assisting the DHET to develop **transformation performance indicators** with a view to measuring progress consistently across all universities and identifying areas requiring greater support to accelerate transformation within the higher education sector.

6.2 *CriSHET*, Hubs of Convergence and TIMS

The establishment of the Centre for Critical Studies in Higher Education Transformation (*CriSHET*) by Council a year ago created an important strategic resource for transformation. This was a significant commitment in the inaugural earlier this year and I am glad to report progress in this regard. *CriSHET* has provided a sense of how the University views itself and its strategic directions and redirections, against the backdrop of real-existing institutional practices; and what possibilities and openings for transformative movements are emerging through management, administrative, operational and academic reflections and renewals. *CriSHET* is also leading a number of the initiatives articulated as part of our development trajectory. In particular, it has spearheaded the development of concept documents on the establishment of the first Hub of Convergence and on the establishment of the Transdisciplinary Institute for Mandela Studies (TIMS), which were tabled at a MANCO Retreat in September and to EMANCO in November. Working groups have been established to refine and develop these concepts further for adoption in the new year.

6.3 Gender Transformation and Gender-based Violence (GBV)

Since the previous Council meeting, the DHET has developed a policy framework to address the national pandemic of GBV, utilising a systematic and structured approach for maximum impact. We will ensure that Nelson Mandela University engages robustly with aligning our policies and protocols with the intentions articulated in the **National Strategic Plan on Gender-Based Violence** to ensure that we are at the forefront of changing attitudes, behaviours and thinking as it relates to GBV, gender identities and living the values and principles reflected in our Constitution.

This is particularly urgent given that the most recent GBV data from the World Health Organisation shows that South Africa's femicide rate was 12.1 per 100 000 in 2016, almost five times higher than the global average of 2.6 per 100 000. According to the SAPS Crime Statistics report of 2018, femicide increased by 11% over the last two years, while 138 per 100 000 women were raped last year - the highest rate in the world.

A national **Gender-Based Violence and Femicide Summit** was convened at the beginning of November to deliberate on the national crisis of GBV and femicide in South Africa. Various resolutions were taken at this Summit to ensure that political and community leadership supports and champions the cause of eradicating GBV and femicide.

The University was requested to appear before by the **Commission for Gender Equality** on 23 November 2018 as part of public investigative hearings on gender transformation and equality in higher education institutions. The Commission commended the University for its advanced and comprehensive interventions to promote gender equality and transformation, ranging from student leadership development, to GBV awareness campaigns, the student-led grounding programme, and the pending establishment of a women and gender studies centre. Furthermore, the University was encouraged, through its scholarship, to publicise its innovative and pioneering gender initiatives since these could serve as a benchmark of best practice for the higher education sector and could assist Chapter 9 institutions like the Commission to fulfil

their mandate of substantively promoting a better life for all women. The University was furthermore commended for its progressive stance in appointing women into the top three leadership positions since this is not only symbolic, but also inspirational because it provides young women with role models of success and gives them hope in respect of what they can achieve.

The Commission engaged with the University delegation in respect of its concerns, many of which related to the implementation of a comprehensive safety and security strategy to curb the tide of GBV on all its campuses. Furthermore, the Commission recommended that particular attention be devoted to the following areas of improvement:

- Women are under-represented within the professional/management/specialist occupational category and this is of concern given that it is a feeder for senior and executive management;
- There is a need for policies to inform targeted programmes to assist women advance within the academy and at senior management levels;
- There is a lack of flexi-time work arrangements and childcare facilities for female employees to assist them in balancing family responsibilities with their career aspirations.
- Persons with disability are under-represented at 1.4% of all staff whereas the national benchmark is 2%;
- There are gender imbalances in the SRC, but it was noted that the SRC Constitution has been reviewed to address this; and
- Some fields of study, such as Engineering, are still dominated by male students and staff while female students and staff are over-represented in fields such as Education and Health Sciences.

To address these concerns and consolidate the gains made in promoting gender equality, the University is currently in the process of reviewing all its **anti-discrimination policies and protocols**, including developing a multi-dimensional strategic framework to eradicate the scourge of GBV. We are also in the process of procuring software that enables the **automated tracking of reported cases of GBV** to improve the University’s response time in resolving such cases while also ensuring the provision of holistic psychosocial support to victims.

We also intend to firmly embed **gender equality and transformation in T&L, curriculum and scholarship** and good progress is being made through interventions such as:

- Advancing scholarship and nurturing talented postgraduate female students within faculties and centres, such as CriSHET and CANRAD.
- Continuing with the social consciousness and sustainable futures grounding module for first years which is largely led by female students and staff.
- The pending establishment of Centre for Women and Gender Studies in the course of next year.
- Ongoing interventions to address gender relations among students through student-led gender activism, advocacy and awareness campaigns.

During the course of 2018, a total of 41 **cases of GBV and sexual harassment** were reported by students, with the majority of incidents involving student-on-student sexual harassment, assault and rape. A detailed analysis of the profile of survivors showed that most were African females who were first-year or senior undergraduate students. The various categories of GBV incidents reported at the University are reflected in the table below.

REPORTING UNIT:TME			Reporting Template: Sexual harassment and sexual offences cases											
STUDENTS	CATEGORIES		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Sexual Harassment	intimate partner			1		1	1	1					
		fellow student/s			1		1		4	4	3	2	1	
		other (e.g. staff, 3rd party)							1	1			1	
	Sexual assault	intimate partner							2					
		fellow student/s	1	1										
		other (e.g. staff, 3rd party)												
	Rape	intimate partner												
		fellow student/s							1	2	2	1		
		other (e.g. staff, 3rd party)		1						2	2			

	Assault	intimate partner												
		fellow student/s			2									
		other (e.g. staff, 3rd party)							1					
TOTAL			1	2	4	0	2	1	10	9	7	3	2	0

6.4 BBBEE and Preferential Procurement

The BBBEE status of the University remains a concern. For 2018, a budget of R4,8 million was set aside for supplier and enterprise development, as well as developing a five-year strategy to improve the **BBBEE recognition level** of the University in alignment with our transformation priorities and the objectives set out in national legislation. This funding has been utilised to support business incubation through Propella, as well as to enlist the expertise of a service provider to advise the University in respect of its BBBEE strategy as a critical component of our overarching transformation trajectory. The annual BBBEE verification process is currently underway and Council will be briefed when the process has been completed.

The **Supply Chain Management Policy** is currently under review, to take into account new preferential procurement legislation, including introducing a section in respect of a supplier code of conduct. The revised SCM policy will also address the enterprise development strategy that the University is embarking on as part of the integrated business model for reintegrated services. The University also established a **student entrepreneurship programme** in 2018. In consultation with the Dean of Students, structured support to student entrepreneurs will form part of enterprise development interventions in alignment with the targets associated with the revised BBBEE strategy. To effect such support, the SCM policy will require amendments to broaden the scope of procurement to include students.

The involvement of management in supply chain management within directorates is imperative for success in achieving our BBBEE targets. To this end, members of executive management are now required to approve the decisions of **bid evaluation and specification committees** within their portfolios to ensure that every effort is made to procure goods and services from black- and female-owned enterprises.

6.5 Employment Equity

Since the start of the year up to 17 October 2018, 577 staff appointments were made. Of these new appointments, 60 were academic employees while 517 were PASS employees. Of the 577, 546 fall into the category of under-represented employees, representing 95% of all newly appointed employees.

The transformation of the demographic profile of academic staff remains a key priority in decolonising the academy. Progress in increasing the number of equity appointments from 2015 to date is outlined below.

Academic Staff Profile	Type	Female	Male	Black	Coloured	Indian	White
2015	Permanent	299 (47.9%)	325 (52.1%)	87 (13.9%)	76 (12.2%)	24 (3.9%)	437 (70%)
2016	Permanent	-	-	113 (18.1%)	78 (12.5%)	23 (3.7%)	409 (65.7%)
2017	Permanent	302 (49.7%)	306 (50.3%)	121 (19.9%)	85 (14%)	24 (4%)	378 (62.2%)
2018	Permanent	311 (50.7%)	303 (49.3%)	141 (23%)	95 (15.5%)	27 (4.4%)	351 (57.2%)
Change: number (%)		12 (2.8)	-22 (-2.8)	54 (9.1)	19 (3.3)	3 (0.5)	-86 (-12.8)

As can be seen from the table above, significant progress has been achieved over a four-year period in appointing more black academics. However, it is of concern that the total number of permanent academics declined from 624 in 2015 to 608 in 2017, but increased slightly to 614 in 2018. This has resulted in more contract appointments being made, as well as permanent academic staff carrying heavier workloads.

7. EMPLOYER OF FIRST CHOICE BY INVESTING IN TALENTED, HIGH-PERFORMING EMPLOYEES

7.1 Integrated Roadmap for Human Resources

In line with Council’s concern about the risk posed by HR management generally, the ED:HR presented her detailed road map for the turnaround of HR at the September Council meeting. Management of the University

are monitoring and supporting this. For ease of reference, a summary of the five cross-cutting projects identified by HR to give effect to this are set out in **Annexure B**.

7.2 Senior Management Appointments

The appointment process for the position of Executive Dean: Business and Economic Sciences has been undertaken with interviews held on 23 October 2018. The recommendations of SMAC will serve at Council today for approval.

7.3 Terminations

Terminations for the period ending 17 October 2018 indicates that 24 academics left the employ of the University of which seven were from under-represented groups. A total of 54 PASS employees left the employ of the University in this period, of which 31 were from the under-represented groups.

7.4 Employee Development

The University, through its Employee Study Benefits policy, is **assisting 212 employees** this year towards the obtaining of a formal qualification. Currently seven employees are studying towards attaining a National Senior Certificate, 182 employees are studying at the Nelson Mandela University, and 23 are studying at other South African universities. The formal studies undertaken by employees for 2018 are as follows:

QUALIFICATION LEVEL	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Matric	2	0	0	0	5	0	0	0	7
Occasional Studies	2	0	0	0	2	0	0	0	4
Certificates	1	0	0	0	2	0	0	1	4
Undergraduate Diplomas	1	2	0	2	9	4	1	1	20
Undergraduate Degrees	2	1	0	0	4	2	0	3	12
Btech	0	0	0	0	0	0	1	0	1
Postgraduate Diplomas	3	0	0	0	0	1	0	0	12
Honours	1	0	0	0	8	3	0	3	15
Masters	9	6	0	9	14	8	2	12	60
Doctorates	15	4	1	15	9	11	0	22	77
Total	36	13	1	26	53	29	4	42	212

7.5 HR Business Process Innovations

As previously reported to Council, Phase 1 of the HR **Customer Relationship Management (CRM)** system went live in Quarter 3m of 2018 with the aim of improving the responsiveness of our HR systems and processes. Phase 2 was implemented from November, where the catalogue of HR services will be available to users through the CRM portal, which automatically routes requests/enquiries to the pre-determined relevant work teams.

7.6 Employee Relations

In the period under review, key aspects of ER include:

- The **disciplinary policy** was reviewed to ensure alignment with schedule 8 of the LRA-Code of Good Practice and case law. There is greater emphasis on the application of corrective action as a means to rehabilitate employee behaviour while ensuring awareness in terms of standard of conduct and performance expected of employees across the university.
- The Collective Agreement regulating the **Conditions of Service (CoS)** was terminated on 31 March 2018. During the reporting period, management and unions held several roundtable negotiations to craft the new CoS and to review the Recognition Agreement. Both these documents served at MANCO during November 2018 for final approval.
- Senior management and organised labour reached a mutual agreement to enlist the services of the CCMA to facilitate workshops in respect of **Building Workplace Relations (BWR)**. The BWR workshop was placed on hold until the conclusion of negotiations of the CoS collective agreement and the review of the Recognition Agreement. Given that both the CoS and RA negotiations are being concluded, it is envisaged that the BWR workshop will resume early next year.
- The **Agency Shop Agreement** signed in 2013 between NTEU and the University will expire after 90 days. The cancellation of the agreement follows a membership verification process, which revealed

that the NTEU no longer holds a majority status as a trade union. Currently both unions are below the 50% + 1 threshold and do not meet the threshold for an Agency Fee Agreement. However, there is a high probability that they may jointly enter into an agreement with the employer to conclude an Agency Fee Agreement, which would be shared amongst the two unions.

Recognition statistics of both unions as at September/October 2018 are as follows:

	September		October		November		December	
Fund Name	Total #	% of Total Staff	Total #	% of Total Staff	Total #	% of Total Staff	Total #	% of Total Staff
NEHAWU UNION	936	40.75%	957	41.55%				
NTEU	935	40.71%	933	40.51%				
AGENCY SHOP NMMU	424	18.46%	411	17.85%				
DEPT LABOUR - AGENCY	2	0.09%	2	0.09%				

During the quarter under review, the following concerning disciplinary- and grievance-related trends were observed:

- 14 disciplinary cases ranging from theft, assault, offensive behaviour, AWOL, unreported absences from the work place, and corruption were dealt with;
- 13 grievances relating to unfair treatment experienced by employees in their respective departments were reported;
- 17 cases of Section 198(b) disputes relating the rollover of short-term contracts were heard at the CCMA and Labour Court resulting in some employees being deemed permanent.
- Seven cases relating to incapacity due to mental health, ill health or injury.
- Nine cases of alleged misconduct were investigated. Five investigations have been concluded and the remainder are still in progress.

8. ENABLING SYSTEMS AND INFRASTRUCTURE THAT PROMOTE AN EXCEPTIONAL EXPERIENCE FOR STUDENTS, EMPLOYEES AND KEY STAKEHOLDERS

8.1 Financial Aid

The University has been working tirelessly with students, National Student Financial Aid Scheme (NSFAS) and the Department of Higher Education and Training (DHET) to implement the extended bursary scheme for poor and working-class students. As the fee-free education only applies to first-time entering students with a family income not exceeding R350 000, there were returning students who did not qualify for national concessions that required institutional concessions.

Management approved concessions for which financially needy and academically deserving students may apply. An on-line application system is available whereby students can apply for financial assistance. Depending on their financial circumstances, students are grouped into various categories, i.e. DHET bursary applicants, Zero EFC (expected family contribution), and “missing middle” students.

A technical task team and steering committee has been set up by the University to plan for 2019 and to develop a risk mitigation plan. I have written to the NSFAS administrator, indicating the University’s high-level mitigation plan to assist with the NSFAS process in 2019, as well as to seek approval to be released from the centralised system for the allocation of allowances. The University is working closely with NSFAS colleagues to ensure that qualifying students are registered timeously and that they receive their approved allowances without unnecessary delays.

Our risk mitigation plan is separated into two broad areas, namely:

- Determining the qualifying first time entering and returning NSFAS students for 2019; and
- Payment of approved allowances.

In the first area, we plan to run a parallel system to that of the NSFAS system, whereby the University will assess continuing students in terms of academic eligibility, based on the NSFAS criteria. Should the timelines in the MoU not be met, for whatever reason, the University will then be in a position to allow for a smooth registration process in 2019. In terms of the second area, the University requested to be released from the SBUX disbursement process in 2019. This proved to be our biggest challenge in 2018, and it is our wish to be

allowed to administer and make use of an alternative party to disburse student allowances. Concessions will continue for 2019 as the fee free education funding is rolled out.

8.2 Implementation of the Integrated Business Models for Reintegrated Services

The integrated business model for catering, protection, cleaning and gardening services is currently being implemented to improve cost efficiencies and the quality of service delivery over time. The business model centres on empowering employees through various training opportunities to enable service level employees to improve their level of education and skills set. This will contribute to improving performance and productivity, as well as facilitating job mobility or access to other employment or business opportunities outside of the University.

An **individual training and development plan** has been developed for each employee to address the skills gaps identified during the comprehensive skills assessments that were undertaken. Training and development opportunities that are available to service employees include the following:

- Completion of **National Senior Certificate**: It is the University's commitment to ensure that all employees are supported to complete their National Senior Certificate (NSC) to be able to access post-school educational opportunities.
- **Vocational training and development**: Vocational training and development will be provided to employees that seek to develop vocational skills and competencies. This supports the University's commitment to multi-skill employees to allow for mobility between service functions as and when required.
- Generic **professional skills development**: In addition to vocational training, generic or soft skills training will be provided to employees for the purposes of personal and professional development.

During the course of the skills assessment, many reintegrated employees indicated their desire to run their own business. The University will therefore empower such employees by providing a platform for the development of self-sustaining enterprises. Education and training related to **enterprise development** will be provided to equip employees with the knowledge and skills required to start and run a small business, including an understanding of basic business principles, such as start-up capital, stock control, income, expenses, and profit.

9. CONCLUSION

In concluding this report of my first year as Vice-Chancellor I would like to thank members of Council and the broader University community for the support I have received. I am proud of what has been achieved in a relatively short time. We have laid a solid foundation for taking the University forward in the service of society, but much work still needs to be done. Amongst the issues we will be focussing on going forward are:

- Development, approval and implementation of an integrated Vision 2030 institutional plan (including academic and enrolment planning accompanied by infrastructural, ICT, HR, and financial resource requirements)
- Strategic enrolment planning for 2020-2025 (including ocean sciences and the medical school) aligned to revenue generation/mobilisation strategy
- Implementation of institutional sustainability plan and indicator framework, including targets and ownership by senior management
- Approval and implementation of the University-wide organisational redesign process.

Towards a Financially Sustainable University Resource Mobilisation Strategy, 2019-23

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1. INTRODUCTION

The **purpose** of this Resource Mobilisation Strategy is to set out a series of integrated, multi-pronged and coordinated strategic interventions over five years to:

- a) raise the resources needed to implement the priorities that are central to Nelson Mandela University's development trajectory in the next half decade, and
- b) to enhance the financial sustainability of the University in the medium- and long-term.

It is predicated on the following **principles**:

- a) Centralised planning, coordination and some implementation of resource mobilisation functions, located at a strategic level within the Office of Vice-Chancellor.
- b) Decentralised implementation, with responsibility for resource mobilisation as a key deliverable for Branches, Divisions, Faculties, Schools, Departments and other entities throughout the University.
- c) Innovative, resourceful, efficient and effective mobilisation, management and deployment of resources.
- d) Greater alignment between the strategic priorities of Nelson Mandela University and the resource activities of the entities, the Nelson Mandela University Trust and the commercial companies at the University.
- e) Building on the existing institutional capacities within the University and the companies enhancing these where possible.
- f) Adopting a more business-oriented approach to growing the investment assets, building endowments and ramping up commercial initiatives.
- g) Targeted strategic resource mobilisation to meet the priorities of the University with enhanced monitoring, evaluation and reporting.
- h) Making judicious investments in initiatives that will give a significant direct and indirect return.

During 2016 Council mandated the Vice-Chancellor to explore ways of ensuring the financial sustainability of the University in the medium- to long-term. This work culminated in a report submitted to Council in February 2017, which set out in broad brush strokes strategic measures to improve the sustainability of the University. This strategy builds on that work and considers the evolving circumstances in which the University operates. It links these to the development path charted in her inaugural address in April 2018; takes into consideration the new priorities articulated in the revised Vision 2020 strategic framework; and the broader shifting realities of the higher education landscape nationally and internationally. It is intended to guide coordinated, integrated resource mobilisation with a view to delivering on key programmes and improving the financial sustainability of Nelson Mandela University.

Prof. Sibongile Muthwa
Vice-Chancellor
Nelson Mandela University

2. DEFINITIONS AND TERMINOLOGY

2.1 Definitions

Resource Mobilisation: Planned, coordinated activities involved in securing new and additional resources for the University. It also involves making better use of, and maximising, existing resources.¹

Sustainability: In terms of defining sustainability, the King IV Commission usefully provides the following working definition: Conducting operations in a manner that meets existing needs without compromising the ability of future generations to meet their needs. Sustainability also refers to the ability of an organisation to consistently, continually and efficiently raise, manage and deploy funds with which to implement programmes and to achieve set goals that ultimately benefit the communities in which they operate.²

Stewardship: Fostering a relationship or managing an asset in a responsible and prudent manner to ensure its continued availability in the medium- and long-term.

2.2 Revenue and Resource Mobilisation Categories

For the purposes of this strategic framework, the different resources streams can be categorised as follows:

a. State Subsidy and Grants (First stream income)

- Teaching input subsidy (Teaching input units / weighted FTE's according to funding group and NQF level)
- Teaching output subsidy (Teaching output units / Graduates) (Completed qualifications)
- Research output subsidy (research publications including peer-reviewed articles, conference proceedings, books and chapters in books, Research Ms, Ds)
- Institutional factor (Size and disadvantaged students)
- Earmarked grants:
 - Foundation programme grant
 - University Development Grant (from 2018, previously Teaching Development Grant and Research Development Grant)
 - Clinical Training Grant.

b. Student Fees (Second stream)

- Tuition
- Accommodation

c. Third stream Income

i. Unencumbered (for inclusion in central budget by the University or to build up Trust investment portfolio)

- Rentals, investment income - should not to be utilized for operations; to service the Nelson Mandela University reserves (ICT, maintenance, equipment replacement)
- Revenue from various business models (e.g. Facilities / International Education, printing, etc.) and internal levy on entrepreneurial activities
- Nelson Mandela University Trust allocations to University
- Unencumbered funding from SRMO
- Unencumbered funding raised by Trust through donations and used to grow investment portfolio
- Dividends accruing to University from commercial activities undertaken on its behalf

ii. Encumbered (for use by nominated entity only or for dedicated purpose of funder)

- Project funding, research funding, etc. (earmarked for specific projects, i.e. revenue = expenditure), SRMO and Trust encumbered funding
- NSFAS agency funding
- IOP / Efficiency grants – DHET
- Off-campus accommodation

3. OUR CONTEXT – POLICY AND SITUATIONAL ANALYSIS

3.1 Situational Analysis of the Higher Education Sector and University

¹ After Judith B. Seltzer , 'What is Resource Mobilization and Why is it so Important?' 20 October 2014, website: <https://healthcommcapacity.org/resource-mobilization-important/>

² Institute of Directors, King Commission IV.

Three key elements in this regard are (a) broadening access and transforming higher education; (b) the funding pressures affecting higher education and (c) global trends and the evolving nature of work in society and the implications of this for higher education.

Higher Education Transformation and Funding

Over the last decade or so South African universities were affected by a dual trend. On one hand, broadening access to higher education led to increased numbers. On the other, government funding declined in real terms. This erosion of state funding caused universities, of necessity, to increase tuition fees and, in some cases, to eat into their reserves. This in turn, led to student protests and instability in the sector which, after a period of instability, culminated in the introduction of an expanded bursary scheme for some categories of students from poor and working-class backgrounds. Whilst the introduction of an expanded bursary scheme for some categories of students is most welcome, implementation of the scheme has not been without challenges. Moreover, it has not reduced the need for universities to continue to mobilise additional resources. If anything, the further broadening of access to higher education requires universities to put in place additional support systems to mitigate the effects of societal inequalities; and there are still large numbers of students from the so-called missing middle and those doing post-graduate studies who are not benefitting from the new bursary scheme. One of the knock-on-effects of the fiscal constraints experienced by government, for e.g., has been the reduction in NRF funding for post-graduate studies. This represents an additional gap that the University needs to plug through innovative resource mobilisation.

The South African students' fallist movement and campaigns of 2015 and 2016 foregrounded the higher education sector's funding challenge occasioned by declining government funding grants over the last decade or more, which in turn forced the sector to rely increasingly on student fees. Compounding the problem was the fact that the fee increase, often rising in double digits, was occurring at a time when the sector was massifying with students drawn largely from poor and black communities - a characteristic of newly democratised South Africa - a phenomenon accompanied by rising expectations increasingly difficult to meet and a sharply politicisation of issues. Added to the fee strike was the demand, amongst others, to end the outsourcing of service functions that universities had in earlier time undertaken.

These challenges have forced universities to rethink their business models in fundamental ways and to think carefully about how they run and budget for their daily operations in ways that can ensure their long-term sustainability, both in social and economic terms. Furthermore, the demands for decolonising the academy have forced an introspection within the sector that enjoins university stakeholders to think of issues of affordability and sustainability in ways that are transformative and empowering.

Council's decision to end outsourcing of services functions is framed within the intent of the University to consider challenges highlighted through the #FeesMustFall movement, including the viability of the academic offering and the outsourcing of services, and in engagement with significant stakeholders, to develop viable and robust business models that deliver responsive academic offerings and support services that best meet the needs of the evolving South Africa student.

All of the 800 service level workers have since been reintegrated (effective January 2018) and the new integrated business models are currently being implemented. The implementation of the new models is giving rise to (new) opportunities to innovate further including within the rest of the Institutional Support Branch. The focus is now sharply on working towards delivering (and maintaining) service to the University effectively and efficiently. This includes working in ways that drive the costs of doing business down, while optimising value and returns, including monetary ones. South African higher education institutions are not alone in the need to generate additional sources of income. Internationally, the general trend has been of declining government funding, necessitating increased tuition fees and pressure to mobilise alternative sources of funding.

The future of the higher education funding framework in South Africa has an impact on forward-looking financial planning within the higher education sector. The University needs continue to implement responsible and sustainable resource stewardship systems, processes and practices. The financial sustainability strategy will need to ensure that recurrent costs are financed from recurrent revenue streams (excluding finance income). Fundraising for bursaries and scholarships will be prioritised to continue to widen access for academic deserving, financially needy students and to cater for the many students who do not benefit from the government's bursary scheme. The introduction of the expanded financial assistance to students enrolled for higher education studies in 2018 and its phased roll-out has alleviated some pressure on universities, but has not removed the necessity for interventions that will promote the medium- and long-term sustainability of Nelson Mandela University.

Evolving of World of Work

Beyond the issues of resource constraints emanating from pressures on fees, subsidy and the limitations of government financing of higher education in South Africa, universities are also facing new challenges in the

relevance and application of knowledge and skills training with respect to the changing nature of work, jobs and careers. These changes are themselves the product of far-reaching transformations in the global economic and social system since the 1990's, driven in the main by rapid advances in technologies such as artificial intelligence, robotics, deep and machine learning - otherwise known as the Fourth or new Industrial Revolution – that are diffusing into many parts of the world's economic and social systems. The effects of the Fourth Industrial Revolution are likely to alter and, in many cases eliminate large categories of work (labour) in many parts of national economies and public services, and with this, careers which have traditionally provided knowledge and skills in its support; on the one hand, with machines taking over tasks previously held by humans, whilst on the other, pushing human labour into new relationships with the new technologies. Whilst we are not clear yet as to the extent (scope), pace and precise nature of the transmission of these technologies in specific sectors of the South African economy and society, our Vision 2030 needs to be alive and responsive to its emergent dynamics – in our PQM modelling, curricula, research, teaching, engagement, and so forth.

The changing nature of work and careers of the future will not only impose new challenges to what we have to learn, teach and research, but also our pedagogies and methods of appropriating and applying knowledge from a rapidly changing environment, as well as modes of providing educational products and services to society. Our future 'business model' would have to be responsive to not only push factors such as declining fees (as a proportion of income), subsidy and third-stream income, but also to pull factors such as the changing nature of work and careers in a technological society. Our resource mobilization strategies would have to be tied much closer to changes in our academic heartland – specifically, resources to be raised in support of new innovations in our PQM, career profiling and positioning strategies, graduate entrepreneurial preparation, university-employer interface strategies, and research programmes aimed at better understanding and tracking the ongoing transformation in jobs/careers to create dynamic feedback loops into our strategic planning.

The University will need to adapt to these pressures by implementing various financial sustainability interventions, including:

- a) Optimally consolidating the academic programme portfolio to promote strategic alignment and financial viability. In effect, this means re-animating curricula, updating and developing the portfolio on offer and making the brand attractive to address the challenges.
- b) Promoting collective ownership of responsible resource stewardship and interventions aimed at efficient and effective use of resources.
- c) Re-engineering institutional systems and processes to leverage digital technologies and explore innovative, shared services models.
- d) Mobilising alternative sources of funding, including grants, third stream income opportunities and philanthropic giving.

Some of the changes in the environment in which the University operates have opened up new opportunities. This includes the official change of name to the Nelson Mandela University in July 2017; and the chance to live up to the values and ethos of the world icon after whom the University is named; the revision of Vision 2020 to meet the altered circumstances of the University; the current organisational redesign to ensure the organisational structure is appropriate to deliver on its vision and mission; and the general imperative of the University to respond dynamically to societal issues of social injustice, poverty, inequality and unemployment. The change of name of the University so that it is much more clearly named after our world icon provides significant opportunities for leveraging goodwill and support from a range of potential funders.

3.2 Existing Resource Mobilisation Initiatives and Structures

a) Entities

One of the challenges in assessing entities at the University is that there is no single complete list of all entities. The lists maintained in Finance and in the Research and Engagement Branch do not tally and both have gaps. The Prospectus appears to be the most reliable guide, but Finance systems should reconcile with this. As best as can be ascertained, the University currently between 39 and 51 entities involved in various forms of resource mobilisation. It is likely that some entities appearing on the Finance systems have become defunct but may not have been formally closed.

Most entities undertake fundraising efforts to varying degrees. The Research and Engagement database indicates there are 26 entities that are primarily research entities and 15 that are mainly engagement entities. Another five entities resort under Teaching and Learning as academic support units. The extended list, including the information from Finance indicates about 14 engagement entities and 37 research entities.

Generally, entities contribute to third stream income in differing degrees. Not all entities can be measured in terms of their financial performance as some contribute to the prestige or the reputation of the University. Whilst some entities can potentially contribute significantly to third stream income, others can contribute to

the commitments of a University in the service of society. There is a need to tighten up on the management of entities broadly and to identify which ones need to be developed further in line with the University's priorities. Specific recommendations to this effect are made in this strategy.

b) Trust

The Nelson Mandela University Trust (IT48/2001(E)) operates in terms of a trust deed that was revised in 2015. Nelson Mandela University is the sole beneficiary of the Trust. The Trust is registered with SARS as a Public Benefit Organisation (PBO Registration Number 18/11/13/3878) and as such is able to issue Section 18A tax certificates for certain categories of donations that qualify for tax rebates. The main activities of the Trust are soliciting donations and management of the investment asset.

c) Faculties

The seven Faculties currently have differing contributions they make to resource mobilisation at the University. Some are significantly active in mobilising resources for bursaries and scholarships, equipment, and research and project funding through the SETAs, government Departments, the private sector and industry. Others are less active. Generally, Faculties are key to successful resource mobilisation. One of the reasons the Trust and SRMO have been able to increase third stream income in the last two years has been because of a closer working relationship with Faculties. Even seemingly unrelated resource mobilisation initiatives like an alumni giving campaign depend on support and involvement of Faculties, as alumni often perceive developing a relationship with their respective Faculties as the point through which they develop a lasting relationship with the University.

d) Commercial Companies

The University also has three commercial companies.

- i. **Nelson Mandela University Investment Company (Pty) Limited** (Registration Number 2016/293522/07) is a private company wholly owned by the Nelson Mandela University Trust. It was established in 2017, inter alia, to initiate and manage strategic opportunities and commercialisation projects in such manner as the Directors may, in their discretion, deem appropriate in order to advance the interests of its shareholders; and to pursue the development and commercialisation of various intellectual and other assets developed or produced by the Nelson Mandela University or the Nelson Mandela University Trust, without detracting from the academic activities or tax status of either the University or the Trust. As envisaged it is intended as a holding company that can establish a number of subsidiaries to undertake various commercial ventures. The Nelson Mandela University Investment Company is managed by a board of four Directors. The company is still in its start-up phase. The business plan, approved by the shareholder in December 2017, envisages the four main business areas: Property Development, Training, Consultancy and Advisory Services, and Equity Investments. The business model of the company will be to create value that can be utilised to support the mission of its shareholder. The aim is to create a sustainable investment company that can provide sustained revenue to the shareholder through the company's assets and the opportunities that it pursues.
- ii. **Innovolve** is a commercialisation company of the Nelson Mandela University focusing on commercialising intellectual property. It drives commercialisation of the University's innovations through the licensing of intellectual property and the establishment of spinout companies. The Innovation Office of the Nelson Mandela University focuses on facilitating the identification, protection and management of intellectual property created through research and practice. Innovolve focuses on the utilisation of this intellectual property for social and/or economic benefit. Innovolve also forms part of the innovation ecosystem in the Nelson Mandela Bay by playing a role in Propella, the University's incubator. Governance is entrusted in a board of seven Directors.
- iii. **Propella** is a partnership between Nelson Mandela University and the private sector (Engeli). Its main areas of focus are on the 'Smart City', which includes renewable energy generation, energy efficiency and related technologies, advanced manufacturing and supply chain optimisation. Propella incubates Innovolve start-up companies based on the University's intellectual property, as well as external innovative companies. Governance is in the hands of the board comprising of at least seven (7) Directors and chaired by the DVC:RE. The University has a 49% shareholding in Propella.

The general perception is that the University has not been particularly business-like in doing business. There is a lot of scope for capitalising on commercialisation opportunities to develop recurrent streams of income. Specific recommendations in the strategy address this.

e) Research Management and Research Capacity Development

The University research portfolio is distributed between the Departments of Research Capacity Development (postgraduate students and emerging researchers) and the Department of Research Management (established researchers and strategic interventions such as Research Chairs and Research Entities). For the purposes of this document, the two Departments will be referred to as the Research Department. The

Research Department contributes to the generation and management of first stream income (state subsidy and grants) as well as third stream encumbered income (earmarked research grants and specific projects).

In 2018, Nelson Mandela University was awarded around R65 million in NRF research grants. This amount excludes block grants for bursaries and large infrastructure projects such as the Centre for High Resolution Transmission Electron Microscopy (HR-TEM). Although the NRF remains the biggest research funder in terms of the number of individual research grants, bigger opportunities lie in the acquisition of external, national and international research grants. To illustrate this point, a team in the EBEIT Faculty was recently awarded an EU research grant to the value of 1 million Euro for a period of three years.

In the context of revitalising the Humanities, the Nelson Mandela University must position itself and support researchers to apply for and receive a bigger share of funding from the National Institute of Humanities and Social Sciences (NIHSS). Currently, only a handful of academics hold grants from the NIHSS and this number can grow significantly. Another area of potential growth is the sourcing of externally funded research chairs (government departments/SETAs/industry), to support production of graduates with high end skills and research productivity, which will in turn increase the University's share of state subsidy.

The biggest constraint is the lack of an integrated system for tracking external research funds applied for, and generated by Nelson Mandela University academics. Currently, this can only be done through receiving information from Finance, once the funds have been received by the institution. This severely constrains the ability to target, and speaks to the need to develop an efficient, co-ordinated, resource mobilisation strategy.

f) International Office

The International Office has been quite successful in mobilising resources through short learning programmes and other initiatives. With the DHET's Internationalisation Policy about to be approved, there is a great opportunity for the University to grow our international student numbers and international collaboration. A strategy will be to identify postgraduate programs that can be offered as 'Joint Degrees' or 'co-badged Degrees', as defined in the policy. The advantage of focusing on postgraduate (Masters and Doctoral) research degrees is that this will enhance our research collaboration with foreign institutions and our ability to attract research funding from foreign donors and foundations. The opportunity also exists to refocus our internationalisation strategy in alignment with the development trajectory of the University.

g) SRMO

The SRMO, established in 2017, undertakes fundraising on behalf of the Trust in terms of an SLA signed in 2017. Working with the DVCs, Faculties and entities it also coordinates submission of tender and other bids for government funding, the submission of funding applications to businesses and philanthropic organisations, and the running of special resource mobilisation campaigns. The function of the SRMO, as approved by MANCO, also include planning, coordinating, monitoring and reporting on resource mobilisation across the institution. Although some progress has been made in this regard, appropriate institutional mechanisms to do perform this function have not yet been put in place. One of the recommendations contained in this strategy addresses this.

h) Institutional Support

The current challenges in the higher education sector, foregrounded by the fallist protests, have resulted in increasing pressure to balance social justice imperatives (free higher education, ending outsourcing) and the decreasing fiscus of Universities in South Africa. The reintegration of service functions was concluded in January 2018 marked by the simultaneous employment of service workers and the termination of contracts with outsourced service providers. The reintegration of service functions comprised three phases, i.e. reintegration of the catering service function in April 2016, reintegration of the security service function in July 2016 and reintegration of the cleaning, horticulture and sports field maintenance service functions in January 2018. These three phases resulted in the University employing approximately 800 new employees, predominantly service employees, i.e. posts below supervisory posts.

Concurrent to the reintegration process, the University developed a new business model for catering, cleaning, horticulture and security services, referred to as the integrated business model, for the purpose of approaching insourcing in an equitable, socially just and financially sustainable manner. The integrated business model was developed within the context of the multi-faceted institution-wide sustainability project of the University.

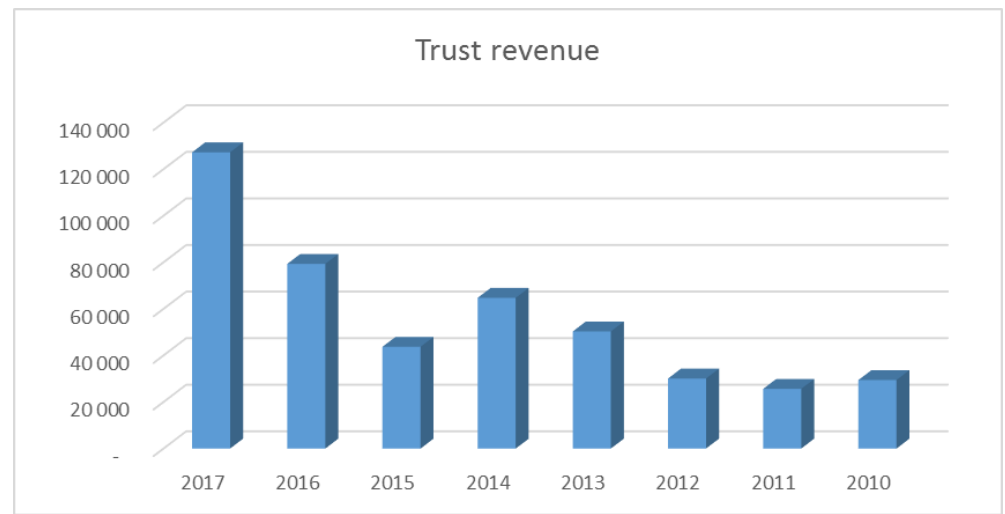
The integrated business model for catering, cleaning, gardening and security services is premised on increasing the effectiveness of service delivery while simultaneously decreasing the cost of these services functions.

3.3 Baseline: Analysis of Revenue and Resource Mobilisation Trends

The following ‘As is’ analysis of revenue and resource mobilisation trends provides baseline information for developing an effective resource mobilisation strategy. It includes key sustainability indicators with sector benchmarks.³

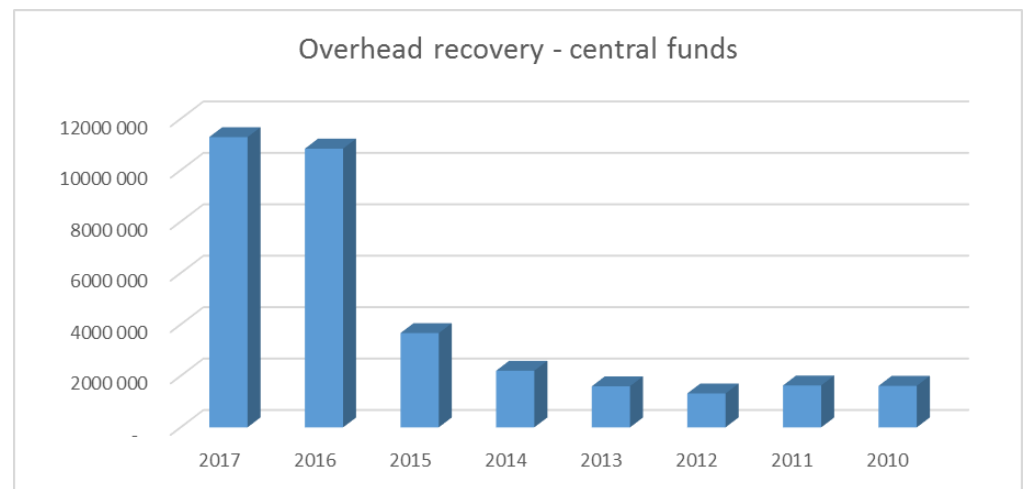
a. Nelson Mandela University Trust total revenue, 2010-17

Total revenue generated by the Nelson Mandela University Trust per financial year.



b. Nelson Mandela University Overhead Recovery (as an indicator of third stream income generation)

The contribution from third stream income revenue towards the central overheads of the university

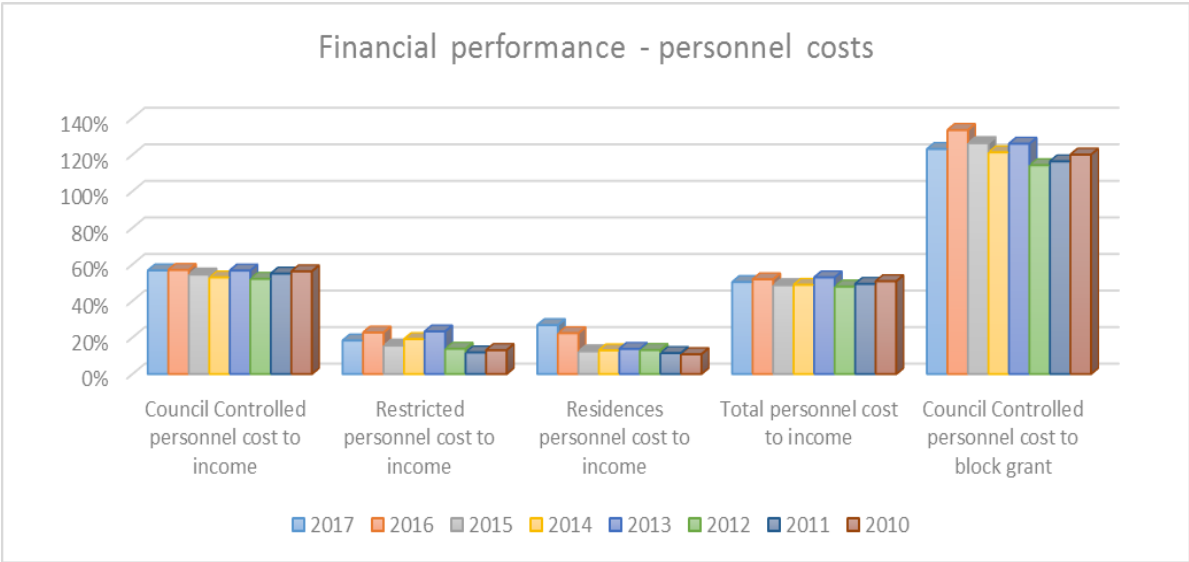


c. Personnel costs

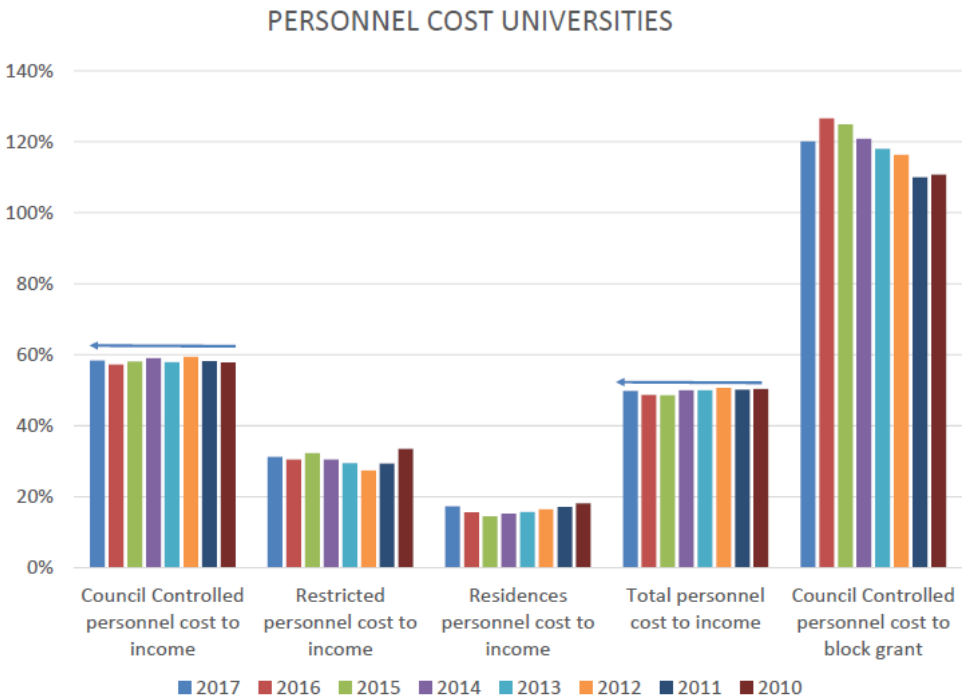
The DHET expected normal standard for total personnel cost as a percentage of total revenue is between 58% and 63%.

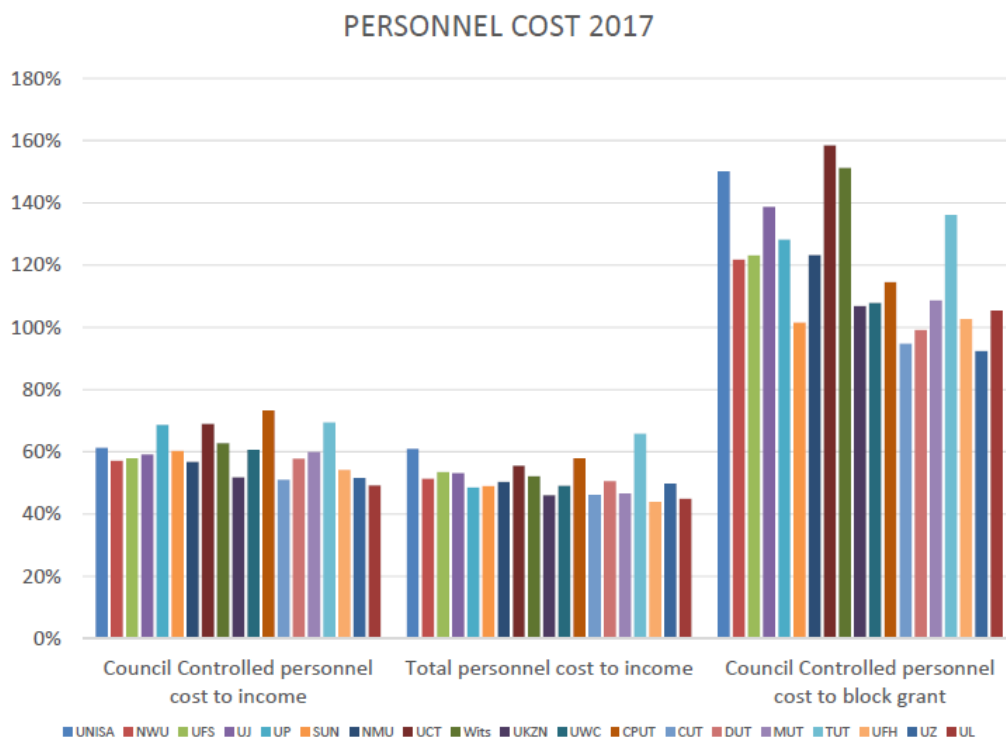
³ Derived from Nelson Mandela University financial statements; USAF, ‘Key Financial Indicators to Assess Financial Health of Public Higher Education Institutions’ (Finance Executive Forum Benchmarking Task Team, November 2018); Department of Higher Education and Training, ‘Key Financial Indicators to Assess Financial Health of Public Higher Education Institutions, 17 September 2015).

i. Nelson Mandela University, 2010-17



ii. Sector benchmarking and norms, 2010-17

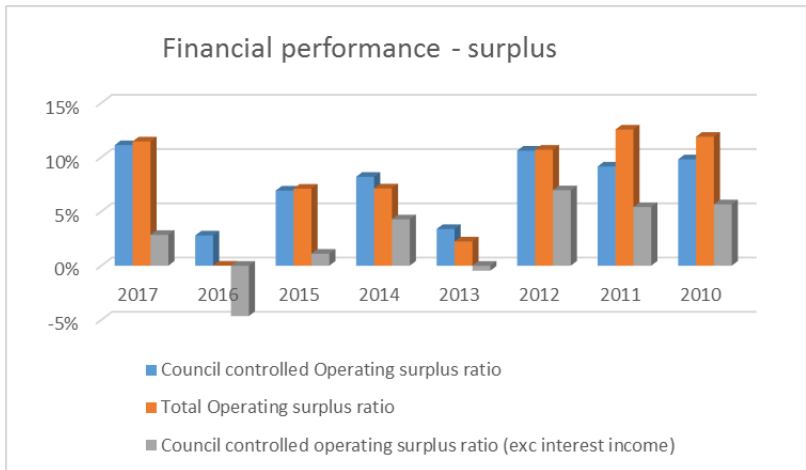




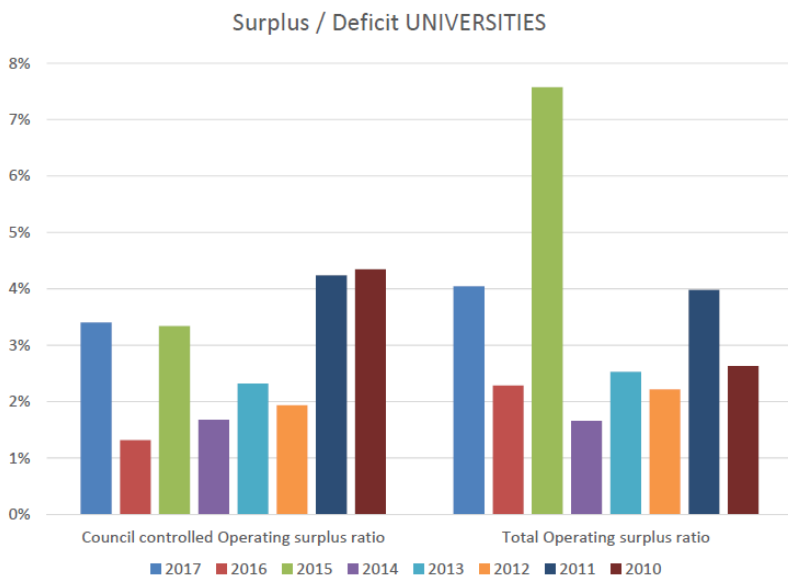
d. Financial performance: surplus

The DHET expected normal standard is a surplus. Council benchmark of between 5 and 10 % from council controlled operations

i. Nelson Mandela University, 2010-17



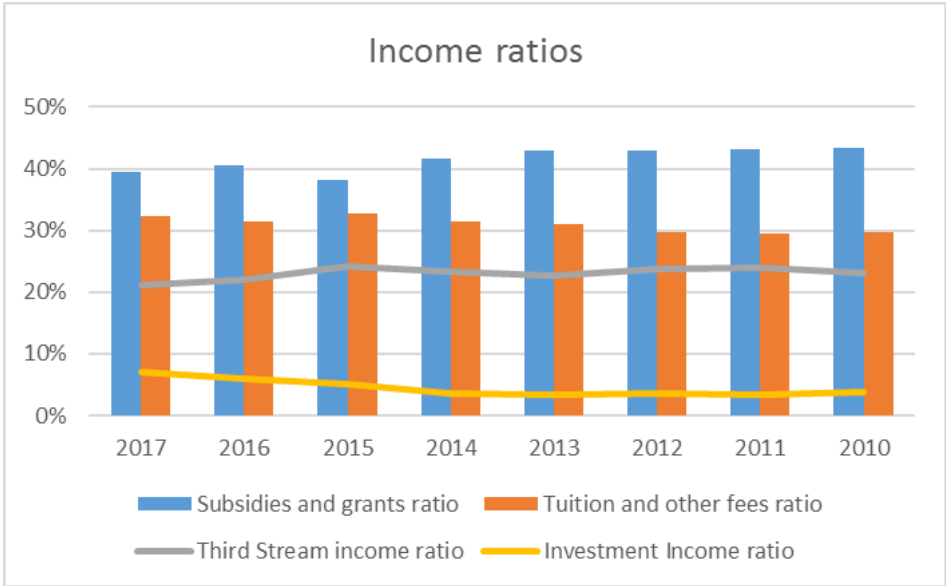
ii. Sector benchmarking and norms, 2010-17



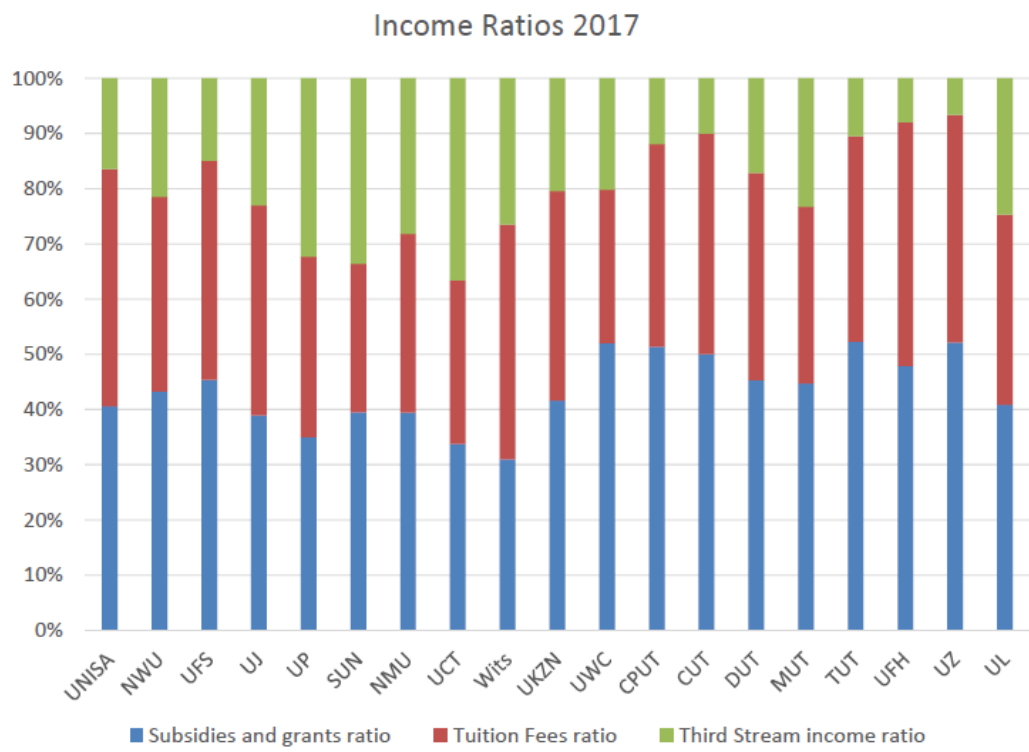
e. Income ratios

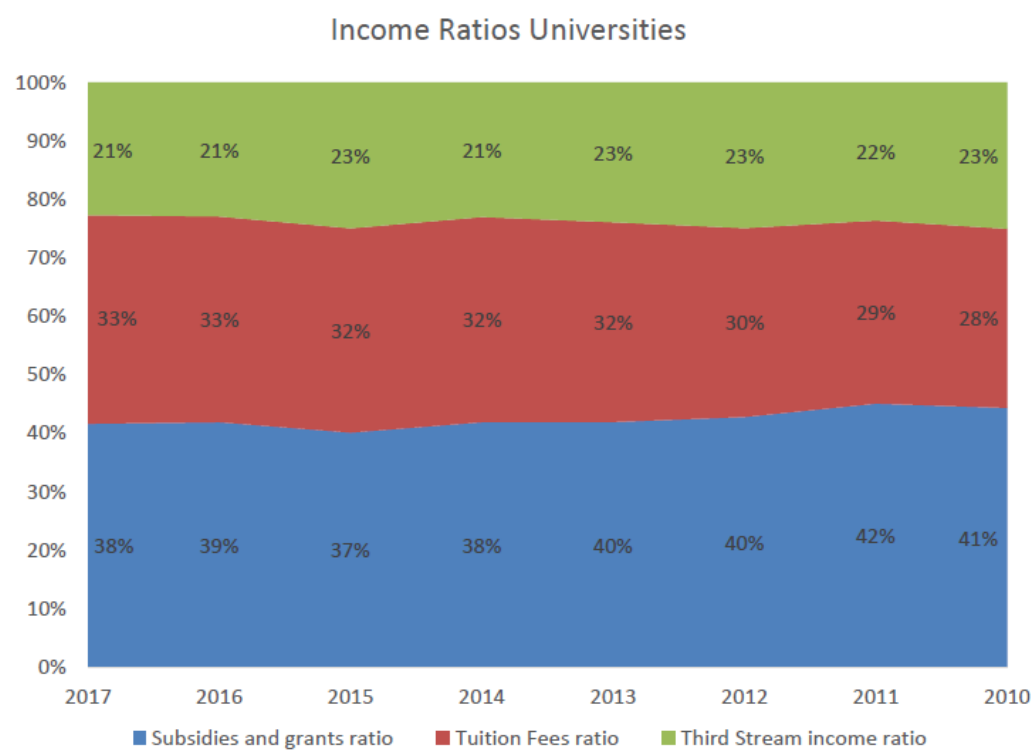
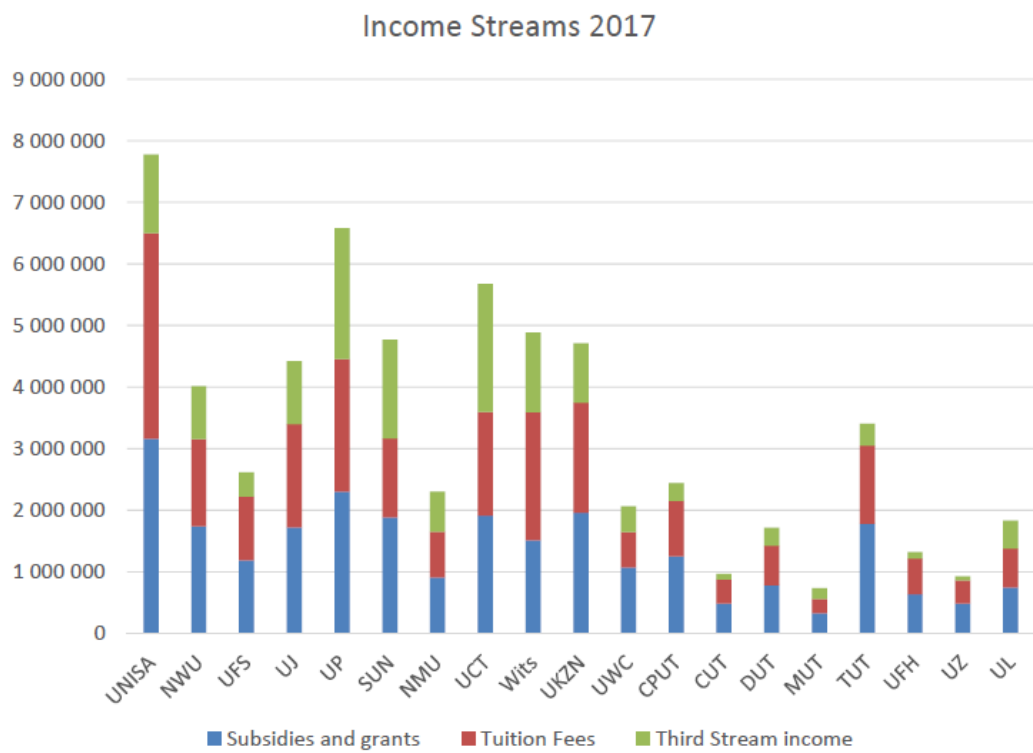
The ratio of income streams making up total income per financial year. This excludes the Univerity Trust.

i. Nelson Mandela University 2010-17



ii. Sector benchmarking and norms, 2017

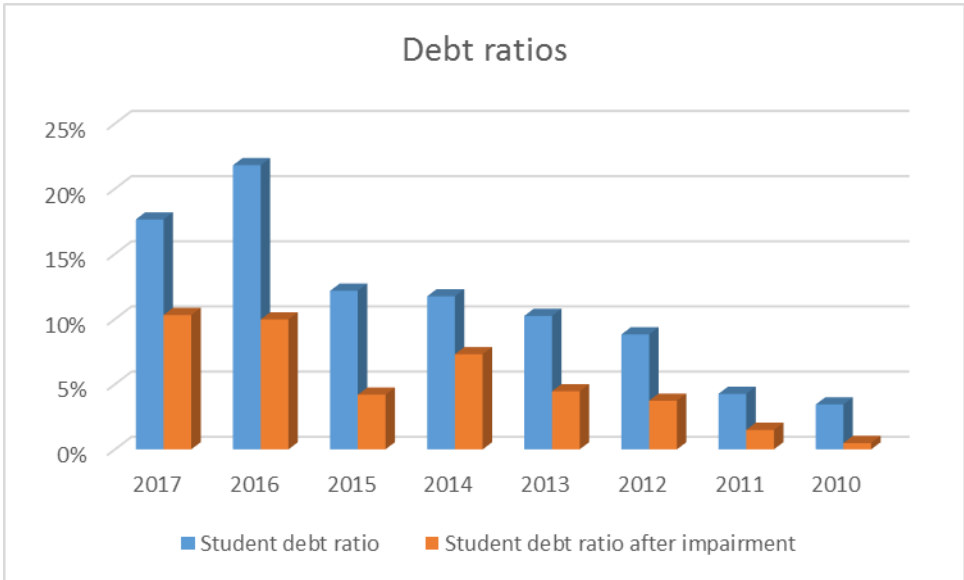




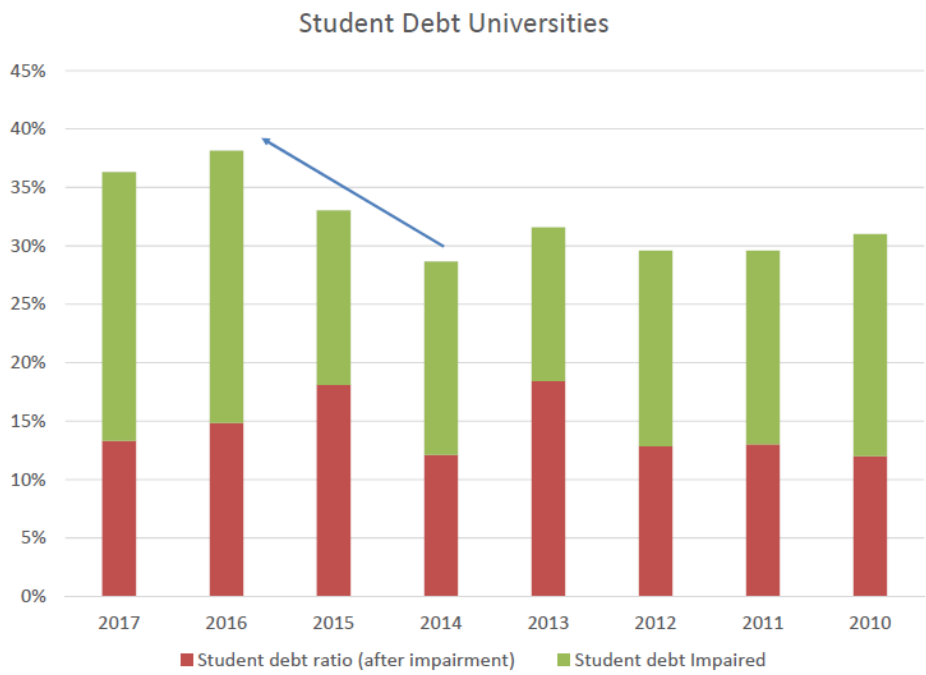
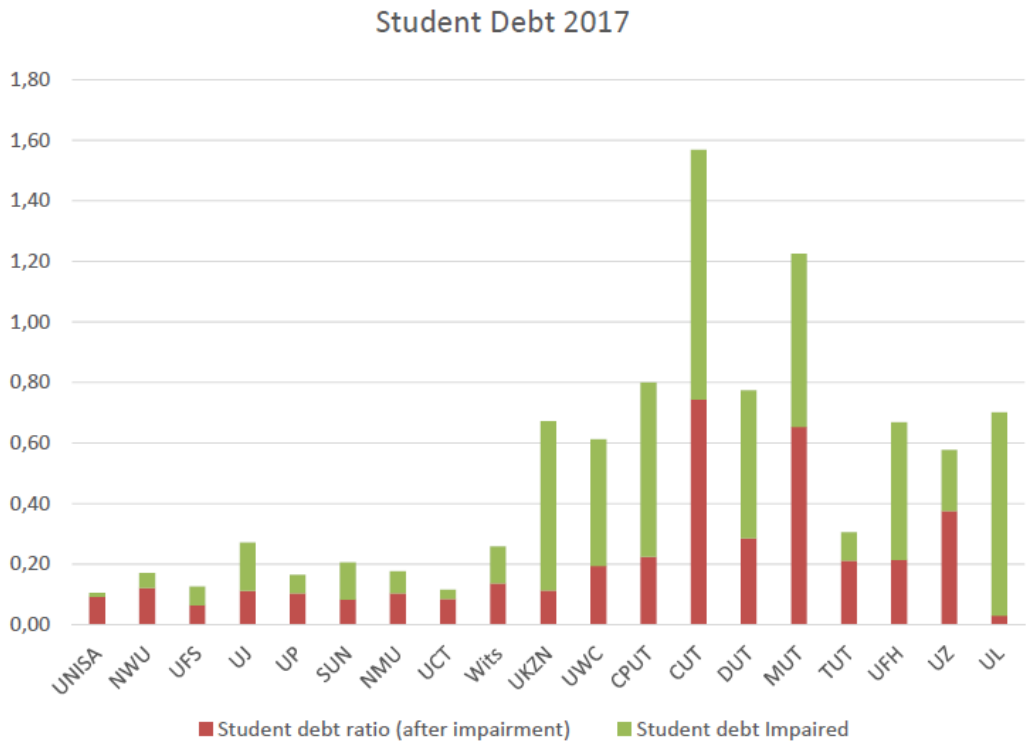
f. Debt ratios

The ratio of outstanding student debt, before and after impairment, in relation to fees raised in the financial year. The proposed expected normal standard by FEF is <0.20:1.

i. Nelson Mandela University 2010-17



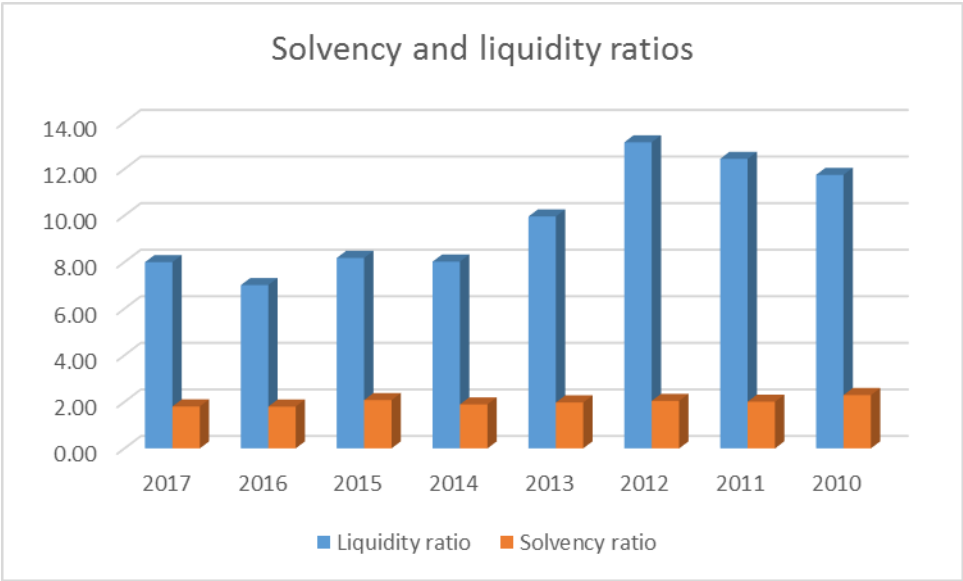
ii. Sector benchmarking and norms 2017



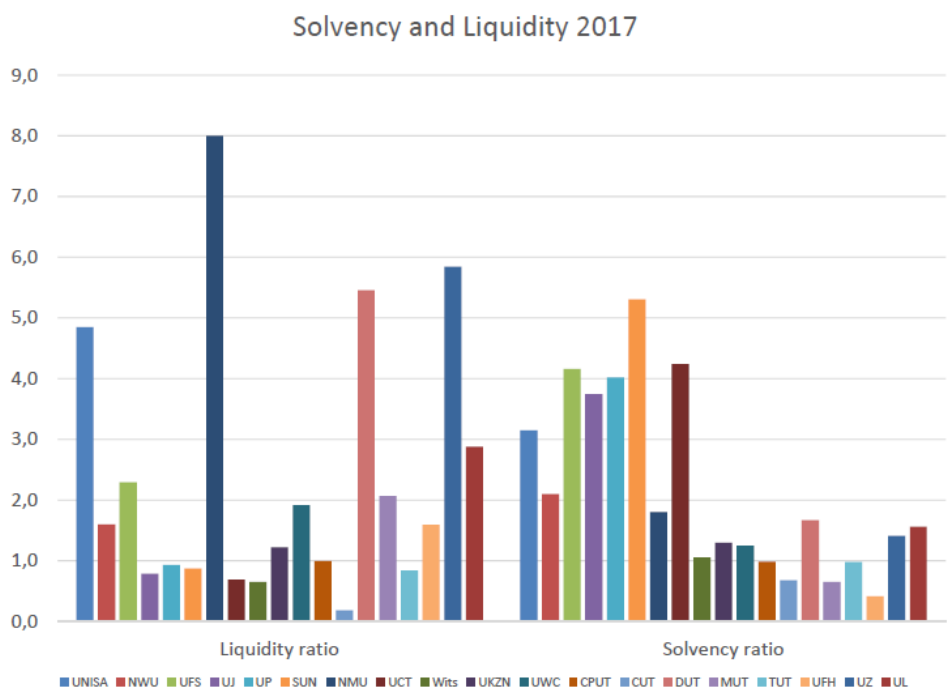
g. Solvency and liquidity ratios

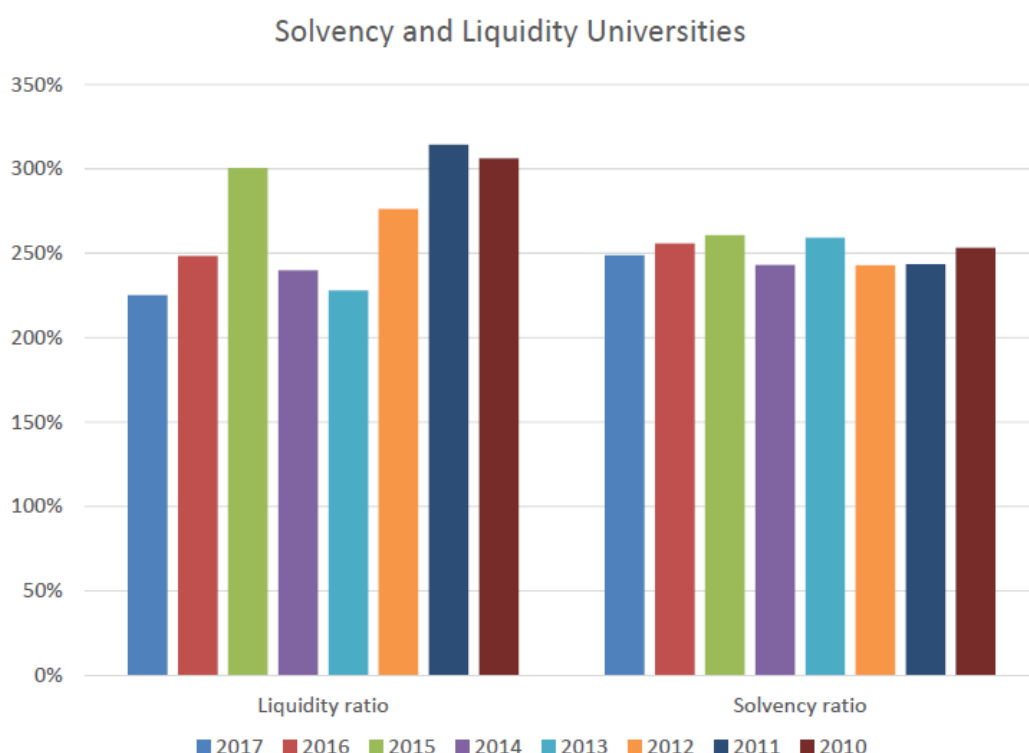
The solvency ratio reflects total assests (excludind property, plant and equipment(PPE)) over total liabilities. As property, plant and equipment are illiquid and in most cases PPE of universities consists of buildings that cannot be sold it seems appropriate to deduct the PPE from the assets and compare this to the liabilities. The expected norm is at least >1 :1. The liquidity ratio reflects current assets (excluding inventory and student debtors) over current liabilities. The DHET expected normal standard is at least > 1.4:1 for the liquidity ratio.

i. Nelson Mandela University, 2010-17



ii. Sector benchmarking and norms, 2017





4. WHAT WE NEED TO ACHIEVE: OUR RESOURCE MOBILISATION GOALS AND TARGETS

Our specific resource mobilisation targets are informed by our strategic goals and priorities over the next five years. These need to find expression in the 5-year strategic plans and the annual performance plans of all the relevant parts of the University so that the strategic priorities cascade into measurable activities over each year.

The approach adopted in this Resource Mobilisation Strategy is to identify the strategic levers that need to be put in place and make a set of recommendations around these. Once the strategic framework has been adopted, the next step would be to work will all role players to develop a specific and measurable set of detailed plans.

4.1 Strategic Priorities

This strategic framework for resource mobilisation takes as its point of departure how different components of the University can effectively contribute to the financial sustainability of the whole institution. The **six strategic priorities** generally guiding implementation of the revised Vision 2020 are:

<div> <div>Vision 2020 (Revised)</div> <div>6 Strategic Priorities</div> </div>	1	Embrace a distinctive educational purpose and philosophy that contributes to student access and success.
	2	Develop and cultivate an engaged, innovative scholarship culture that generates knowledge recognised for its contribution to sustainability.
	3	Enhance long-term financial sustainability through effective resource mobilisation and responsible resource stewardship.
	4	Foster an affirming, transformative institutional culture that promotes diversity and social cohesion.
	5	Position the University as an employer of first choice by investing in talented, high-performing staff.
	6	Provide and sustain enabling systems and infrastructure that promote an exceptional experience for students, staff and key stakeholders.

This Resource Mobilisation Strategy directly addresses Strategic Priority 3. In this way it contributes indirectly to all the other strategic priorities: ensuring access with success for students (through mobilisation of bursaries), promoting engaged scholarship (though mobilising resources for project funding), fostering a transformative institutional culture and positioning the University as an employer of choice for talented high-performing staff (through resource mobilisation for developing a new generation of academics), and provision of enabling systems and infrastructure (through resource mobilisation for capital projects).

In terms of strategic goals, objectives and indicators, the revised V2020 contains the following:

Strategic Priority 3: Enhance long-term financial sustainability through effective resource mobilisation and responsible resource stewardship.			
Strategic Goal	Strategic Objective	Desired 2020 Outcomes	Indicators
Improve financial sustainability by diversifying and growing income streams.	Develop and sustain mutually beneficial local, regional and international partnerships that contribute to a sustainable future.	Strategic resource mobilisation diversifies revenue streams and contributes positively to enhancing long-term financial sustainability of the University.	<ul style="list-style-type: none"> No. of partnerships with donors and funding organisations. Rand value of donations and sponsorships from external donors and funding organisations. % of total 3rd and 4th stream income of University contributed by key resource mobilisation role players.
Embed sustainability and stewardship in the culture and practices of the University, through the broadest engagement with staff, students, employers and partners in the community and in government.	Ensure sustainability practices and stewardship of resources are understood and implemented across the institution.	Inclusive stakeholder engagement campaign promotes collective ownership of responsible resource stewardship and cost-saving interventions.	Institutional culture that reflects sustainability and stewardship ethos.
Accelerate the implementation of the institutional financial sustainability plan, including strategic revenue mobilisation and cost management strategies.	Enhance financial sustainability of University in medium- to long-term.	Coordinated and targeted resource mobilisation	<ul style="list-style-type: none"> 5-year financial sustainability strategy. 3-year 3rd stream income plan.
Optimise the academic programme portfolio of each faculty to promote financial viability and maximise subsidy yield.	<ul style="list-style-type: none"> Phasing out programmes that are financial and academically non-viable and non-strategic. Grow postgraduate enrolments which have a higher subsidy return. Introducing new unique strategic programmes that will enhance the reputation of the University in terms of desirable programme offerings. Integrated and comprehensive academic support programmes to improve student success. 	<ul style="list-style-type: none"> Academic programme portfolio optimally consolidated to ensure fitness for purpose, as well as strategic and financial viability. Exceptional enrolment value chain enhances student access for success, especially for talented learners who are academically deserving and financially needy. 	<ul style="list-style-type: none"> Increased employability of graduates. Increased success and throughput rates. Increased subsidy income per full-time equivalent enrolled student. Decrease in the need for cross-subsidisation of faculties and programmes.
Develop and implement models to promote strategy-aligned budgeting and resource allocation that foster innovation and sustainable growth.	<p>Expanding capacity for increasing enrolments in scarce skills fields and unique offerings</p> <p>Increase research capacity in national and international priority areas.</p>	<ul style="list-style-type: none"> Organisational redesign enhances strategy alignment, agility, and adaptive capacity. Integrated sustainability index and data platform informs value-adding, integrated institutional monitoring, evaluation and reporting. 	

4.2 Our Developmental Trajectory, Size and Shape

In her April 2018 the Vice-Chancellor identified the developmental trajectory of Nelson Mandela University in the service of society. Key priorities requiring resourcing include:

- Medical School
- Ocean Sciences
- Revitalising the Humanities
- Repositioning engagement and establishing Hubs of Convergence

In terms of the size and shape, the plan over the next five years is for Nelson Mandela University to grow the current 28 582 student enrolments to 32 454 by 2025 at an average annual growth rate of 1.8% over the 2018 to 2025 period.

- According to the enrolment plan the undergraduate enrolments will increase from 24 030 to 27 137.
- The undergraduate enrolments will consist of 62% degree enrolments and 38% diploma enrolments.
- Undergraduate enrolments will remain at the current 85% of total enrolments, whilst postgraduate enrolments will be 15% of total enrolments.

- Postgraduate enrolments are projected to increase from the current 4 223 to 5 000 in 2025. It is projected that by 2025 the percentage distribution of enrolments by major field of study will be the same as the current distribution, which are:
 - 39% enrolments in science, engineering and technology
 - 31% in business and management sciences
 - 7 % in education, and
 - 23% in humanities.
- Enrolments in humanities has increased considerably in recent years, from 18% of total enrolments in 2014 to the current 23% of total enrolments.

It is projected that the demographic profile of the students will continue to change to represent the population demographics more closely. African students are projected to increase from the current 68% of total enrolments to 77%; Coloureds are projected to decline from the current 14% of total enrolments to 12% of total enrolments, Indians will remain at 1% and whites will decline from the current 17% of total enrolments to 10%. The gender distribution of students is projected to remain at the current 52% females and 48% males.

The contribution of the University to scarce skills fields is projected to increase as follows in terms of graduates at undergraduate level from 2017 to 2025:

- Engineering graduates to increase from 384 in 2017 to 505 in 2025 with an average annual growth rate of 3.0%,
- Life and physical sciences graduates from 280 in 2017 to 360 in 2025 at an average annual growth rate of 3.7%,
- Animal and human health graduates from 544 in 2017 to 788 in 2025 at an average annual growth rate of 3.5%,
- Teacher education: B Ed graduates from 304 in 2017 to 356 in 2025 at an average annual growth rate of 2.1%, whilst PGCE graduates are projected to increase from 397 in 2017 to 444 in 2025 at an average annual growth rate of 1.1%.

The University plans to upgrade the qualifications of permanent academic staff with doctoral degrees from the current 45% to 49%. In terms of research outputs the 429 publication units in 2017 are projected to increase to 505 by 2025. Research masters graduates are projected to increase from 292 in 2017 to 370 in 2025 at an average annual increase of 3.2%. Doctoral graduates are projected to increase from 95 in 2017 to 126 in 2025 at an average annual growth rate of 2.5%.

All of this has obvious implications for resourcing, which need to be addressed in the relevant 5-year strategic plans and 1-year performance plans.

4.3 Strategic Pillars for Enhanced Resource Mobilisation

Taking all of the above into consideration, this Resource Mobilisation Strategy rests on four key strategic pillars:



The three key questions to be answered in the detailed plans are: What, how and who?

4.3.1 What

The what part of the plan derives from the priorities and developmental trajectory of the University. An example of what the detailed plan over five years in each of these strategic areas is set out in Annexure A. Fully populating this template will form the focus of attention early next year if this Resource Mobilisation Strategy is adopted.

1. Innovative Resource Generation							
		2019	2020	2021	2022	2023	
Strategic Programme	Project/Activities	Possible Resource Mobilisation Avenue					Role Players
Ocean Sciences							
Medical School							
Hubs of Convergence and repositioning engagement							
Revitalising the Humanities							
Growing PG studies and ramping up research	Bursaries and scholarships for missing middle UG students	Private and public sector donors					Trust/SRMO; Faculties, Financial Aid
	Honours and PG Diploma Bursaries	Private and public sector donors; philanthropic organisations					Trust/SRMO; Faculties; Research Management, RCD
	Masters and Doctorate Funding	NRF and other Councils, private sector, philanthropic organisations					Faculties; Research Management; RCD, SRMO/Trust
	Post docs and Research Fellows	Private sector and industry, funding agencies, EOJ and other calls					Research Management; Faculties; Entities
	Externally funded chairs:	Private sector and industry, philanthropic organisations					Research maangement, SRMO, Faculties

2. Maximising Government Funding and Fees							
		2019	2020	2021	2022	2023	
Strategic Programme	Project/Activities	Possible Resource Mobilisation Avenue					Role Players
State Subsidy	Subsidies:						
	* Teaching input subsidy						
	* Teaching output subsidy						
	* Research output subsidy						
	* Institutional factor						
	Earmarked grants:						
	* Foundation programme grant						
	* University Development Grant						
	* Clinical Training Grant						
Student Fees	* Infrastructure						
	Tuition						
	Accommodation						

4. Responsible Resource Stewardship							
		2019	2020	2021	2022	2023	
Strategic Programme	Project/Activities	Possible Resource Mobilisation Avenue					Role Players
Growing annuities and investments							
Effective Institutional arrangements for Coordinating, Monitoring and Reporting on Resource Mobilisation							
Relationship building and effective communication with donors, funders and investors							
Sound corporate governance							
Business process remodelling							

5. Ramping up Commercial Ventures							
		2019	2020	2021	2022	2023	
Strategic Programme	Project/Activities	Possible Resource Mobilisation Avenue					Role Players
Property development	Life Rights Complex						
	Build Hotel and Hospitality School						
IP-based Start-ups and incubation							
Training	Digital and online training						
Consultancy and Advisory Services	SLPs						
Hospitality and conferencing	Conferencing at Mandela						
	Alumni House						
	Running Hotel and Hospitality School						
	High performance centre						

4.3.2 How

The resource avenues (the how part) that need to be exploited to meet the targets include:

- a. Block grants from government:

 - Teaching inputs
 - Teaching outputs
 - Research outputs (post-graduate training – set targets e.g. 50 Registrars)
- b. Fees:

 - Tuition
 - Accommodation

c. Earmarked grants:

- DHET:
 - Clinical training grant
 - Infrastructure and Efficiency Grant
- DoH:
 - Health Professionals Training and Development Grant (HPTDG)

d. Research grants, contract research and consulting:

- Councils, e.g. MRC, NRF
- Contract research with government or industry
- Consulting in response to EOI or tenders
- Job creation and enterprise development funding from government

e. Donations:

- In cash or kind
- Attracting Section 18A tax certificate if done through Nelson Mandela University Trust and meets criteria
- Concerted Alumni giving campaign

f. Sponsorships:

- Buildings, equipment, transport or Chairs
- With possible naming rights

g. Philanthropic grants linked to addressing social issues:

- Usually linked to addressing pressing social issues
- Promoting transdisciplinarity and collaborations between universities continentally or globally

h. Partnerships:

- PPP (e.g. infrastructure)
- Other higher education institutions (Africa, BRICS)

i. Business opportunities:

- Contract research (see above)
- Hospital (possibly PPP, see above)
- Pharmacy
- Accounting and auditing
- Digital learning
- IP
- Developing land asset to best advantage

j. Offset opportunities:

- DTI

4.3.3 Who

Key role players in the implementation of this Resource Mobilisation Strategy include:



Effective advancement and resource mobilisation is dependent on a number of critical factors, including:

- a. Good database and intelligence systems
- b. Sharp and functioning diverse communication channels
- c. Good coordination mechanisms
- d. Sufficient skilled capacity to build relationships, prepare proposals and arrange campaigns
- e. Good governance
- f. Regular monitoring, evaluation and reporting
- g. Leveraging the brand represented by our namesake
- h. Building solid relationships with stakeholders, existing and potential supporters and other partners
- i. Everyone in the institution buying into and contributing to resource mobilisation where appropriate.
- j. Centralised planning and coordination, decentralised implementation.

The avenues open to the University for mobilisation resources include applying for the available state subsidies and grants; levying student fees; accessing different types of funding available for bursaries and research; bidding to undertake work in response to certain types of tenders or expressions of interest; undertaking contract research and similar consultancy work for government and industry; raising donations and philanthropic grants (national and international) from benefactors and alumni; and commercialising assets like land, buildings and intellectual property. The success of the resource mobilisation strategy will require detailed scoping of potential funding sources.

5. RESOURCE MOBILISATION COORDINATION MECHANISMS

One of the keys to effective resource mobilisation is the establishment of appropriate institutional structures to ensure implementation of this strategy. A two tier-structure is proposed:

- a. **Strategic:** A MANCO Committee, chaired by the Vice-Chancellor or her designate with terms of reference that include planning, coordinating, monitoring and evaluating implementation of the Resource Mobilisation Strategy. This will have the benefit of ensuring that Strategic Priority 3 of the Vision 2020 is entrenched in the business of MANCO and, through MANCO, reported upon to

Council. This MANCO Committee may or may not be broadened, at the discretion of management, to include wider financial management and budgeting matters.

- b. **Operational:** A Resource Mobilisation Forum, convened by the SRMO where all role players involved in resource mobilisation come together to focus on operational matters relating to resource mobilisation. The business of the forum should be structured in such a manner that role players find it advantageous to participate in meetings of the forum.

6. RISKS TO EFFECTIVE RESOURCE MOBILISATION

The risks to achieving the targets set out in this strategy include:

- a. **Institutional:** reputation, credibility, governance, lack of coordination
- b. **Economy:** downturn affecting private sector flows and government subsidies and grants
- c. **International:** impact on international confidence of domestic politics
- d. **Competition:** South Africa seen as a middle-income country not as deserving as other developing low-income countries, especially those on the rise.

7. RECOMMENDATIONS

The following recommendations are intended to enhance the capacity of the University to implement a successful resource mobilisation strategy:

- a. **Institutional Arrangements.**
 - i. Establish appropriate institutional mechanisms for planning, coordination, guiding, monitoring, evaluating and reporting on strategic resource mobilisation:
 - A MANCO Committee, chaired by the Vice-Chancellor or her designate with terms of reference that include planning, coordinating, monitoring and evaluating implementation of the Resource Mobilisation Strategy.
 - A Resource Mobilisation Forum, convened by the SRMO where all role players involved in resource mobilisation meet at least quarterly to focus on operational matters relating to resource mobilisation.
 - ii. Utilise Institutional Planning, the SRMO and the budget process in Finance, to ensure that the 5-Year Strategic Plans and 1-Year Annual Performance Plans of the relevant components of the University reflect the priorities and activities identified in the five year plan in annexure A.
- b. **Entities.** The following are recommended:
 - i. Undertake a complete review of current entities. The criteria for this review should include :
 - Original purpose and conditions of establishment
 - Financial sustainability (i.e. does it contribute to University revenue/is it self-sustaining/is it a drain on the fiscus?) and
 - Contribution to revised strategic goals and priorities of the University.
 - ii. Depending on the outcomes of this audit, management would then be able to take informed decisions about which entities need to be closed, which ones need to be merged, and which new ones, if any, should be established.
- c. **Institutional Support:** The current initiatives of reviewing models and processes and developing innovative interventions should be encouraged and, once completed, tabled for approval through the relevant institutional processes and implemented. The efficiencies created should be tracked and form part of the reporting on the overall financial sustainability of the University and business models should be replicated and / or scaled to foster further efficiencies in other areas of the University where suitable and appropriate.
- d. **Faculties:** Faculties should be encouraged to mobilise resources to the extent they are able:
 - i. Executive Deans and their Faculty management should be encouraged to continue to work with the Research, Engagement and Teaching and Learning, and SRMO to continue mobilising resources appropriate to the respective Faculty mandates.
 - ii. Faculties should be encouraged to participate in the envisaged Resource Mobilisation Forum, which should act as a clearing house for resource mobilisation ideas and initiatives and which should lend support to the resource mobilisation activities of Faculties.
 - iii. There needs to be a balance between academic responsibilities and resource mobilisations. Where necessary, management processes should be developed within Faculties to ensure that resource mobilisation initiatives undertaken by individual staff:
 - are aligned to the mandate of the Faculty and the strategic priorities of the University

- benefit the Faculty and/or University, and
 - are formally endorsed by the Faculty.
- iv. Finance should ensure systems are in place to track resources mobilised by Faculties and to recover overheads as per the applicable guidelines.
- e. **Research:** Attracting enhanced research grants and increasing funding from enhanced research outputs could be a significant way of increasing resources at Nelson Mandela University. The following is recommended:
 - i. Develop a vibrant and dynamic research culture within the University to increase the number of research active staff.
 - ii. Drastically increase the number of research outputs produced by Nelson Mandela University (which will increase state subsidy).
 - iii. Increase the enrolment of postgraduate students, particularly at the Masters and Doctoral levels in line with the University enrolment plans and national targets (leading to an increase in the state subsidy).
 - iv. Increase the share of funding from national and international funding agencies (NIHSS, NRF, MRC, etc)
 - v. Develop proposals for externally funded Research Chairs, primarily to revitalise the Humanities, but also in line with institutional and Faculty strengths and the University research themes.
 - vi. Develop effective co-ordination mechanisms, and support infrastructure for tracking external applications and their outcomes.
- k. **Fees and Government Funding:** Fees, along with government subsidies form the bulk of the operational costs of the University. Management of Nelson Mandela University need to be able to take the best possible strategic decisions around subsidies and fees. The variables to take into consideration include the CPI, the macro-economic outlook of the country over the next five years, the enrolment plan, the possible impact of the roll out of the expanded financial support to students enrolled for higher education on University budgets and the best scenarios for the University to maximise income from the new bursary scheme. It is recommended that the University:
 - i. Develop the strategic capability to model the various options the University has with regards to fees and propose options for decision-makers.
 - ii. Undertake a critical analysis of the best measures for ensuring that Nelson Mandela University takes up all the possible funding opportunities in this regard.
 - iii. Dedicated attention should be given to:
 - Increasing teaching outputs through increasing student success with an integrated and holistic academic support programme and investing in teaching capacity development.
 - Increasing research outputs through increased research publications and M Research and PHD graduates.
 - Investigating and establishing new innovative modes of postgraduate supervision that will enhance throughput rates and increase the supervisory capacity of the university.
 - Becoming part of research partnership organisations such as ARUA and various other international partnerships between the South African research-intensive universities and other internationally renowned research universities.
 - Increasing the number of permanent academic staff members with PhDs.
 - Investigating opportunities to offer training to access SETA funding.
- f. **Businesses and commercialisation:** The Nelson Mandela University Investment Company was established as a potential holding company. Maximising commercialisation opportunities is an important way of growing the annuities and building up reserves to enhance the financial sustainability of the University in the medium,- and long-term. In order to make the University businesses more business-like:
 - i. Consideration should be given to consolidating all commercial companies at the University under the Nelson Mandela University Investment Company.
 - ii. The Nelson Mandela University Investment Company should recruit a CEO with the requisite skills and attributes to ramp up the commercialisation of University assets identified for this purpose; and recruit a capable team to do so.
 - iii. Other relevant subsidiary companies should be established to drive other business opportunities such as the provision of short-learning programmes, digital learning and consulting and advocacy work.

- iv. To avoid risk to the University, the investment company and its subsidiaries should operate as independent companies as soon as possible. The relationship with the University should be government formally through SLAs and other legal instruments.
- I. Alumni:** There is considerable scope for building on the existing activities of the Alumni Relations Office and Alumni Association to advance the University. Recommendations in this regard include:
- i. Launching a coordinated Alumni giving campaign to massify unencumbered donations.
 - ii. Encouraging and supporting the Alumni Association resource mobilisation efforts through the shop and other initiatives (including bequests and capital investments).
 - iii. Building the capacity of the office responsible for advancement to take on these campaigns.
 - iv. Utilising the connections and strategic location of Alumni (and Honorary Doctorate recipients and HEAVA appointments) to strategically open doors for further resource mobilisation and partnerships.
- g. Trust:** The establishment of the SRMO and the restructuring of the Trust in 2016-17 has opened up new opportunities for the Trust to contribute to (a) mobilise donations for bursaries and scholarships and engagement projects, and (b) the financial sustainability of the University in the longer term. Trustees of the Nelson Mandela University Trust should be encouraged to:
- i. Broaden and extend fundraising efforts by means of donations in cash and kind for bursaries and scholarships and engagement projects.
 - ii. Work closely with the Alumni Association to implement an alumni giving campaign to encourage alumni to donate monthly by means of debit orders to raise unencumbered funding that can be invested to promote longer term financial sustainability.
 - iii. Seek to grow the investment asset managed by the Trust on behalf the University by wise and judicious investments and by contributing any unencumbered funding that is raised, to ensure long-term sustainability.
 - iv. Ensure, as the sole shareholder of the Nelson Mandela University Investment Company, that the company has the requisite capacity at Board level and in management to operate at the level expected so that the return on commercial initiative undertaken by the Investment Company contribute to the financial sustainability of the University.
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ANNEXURE B: INTREGRATED ROAD MAP FOR HUMAN RESOURCES

Human resources should play a critical role and act as a primary driver for institutional change and success of the University’s sustainability, stewardship and transformative agenda. It is against this backdrop that the Human Resource Directorate has adopted a human-centred approach through its **employment cycle framework** (see Figure below). This framework is focused on various process requirements that are translated into expected outcomes and impact as seen from the end user’s perspective.

At the core of this strategic approach is an evolving **change model** based on four levers, namely:

- Following a human centred approach - ensuring operational systems, behaviours and policies are adding value from the perspective of the people affected.
- Creating a transformative effect - not just refining existing systems but ensuring that change brings the University closer to its strategic objectives.
- Defining and measuring impact - being clear on the change to be created and how it can be measured in breath, depth and reach.
- Human and system capability- developing and resourcing people around core competencies to enliven systems capable of meeting strategic requirements.



Five cross-cutting projects have been identified by HR to give effect to this strategic approach and these are briefly outlined below.

1. Harmonising compensation and benefits

This project will see the review of the current remuneration philosophy and policy, including pay structures and pay scales. A task team consisting of employees from across all sectors of the University, including organised labour, has been established to guide and collaboratively review the current remuneration and benefits strategy, structure, philosophy and associated policies and to make collective recommendations to the relevant governance structures of the University. Such recommendations will be underpinned by various principles, including:

- External competitiveness;
- Rewards and recognition based on principles of fairness and equity;
- Affordability and sustainability of the University;
- Flexibility of pay; and
- Equal pay for work of equal value.

While setting up a revised philosophy and model for compensation and benefits may appear to be a mathematical exercise, this project must account for post-merger legacy agreements and practices, the needs around the re-integration employees, as well as a significant shift in generational expectations

around employment and benefits. This will require extensive stakeholder engagement during the design of the relevant models and policies to ensure alignment with the desired University strategy and performance culture.

2. Performance recognition

This project seeks to reimagine performance management as a form of performance recognition where employees are incentivised for excellence through tangible support mechanisms, policies and strategic programmes to optimise their contributions to the University as well as their careers. In essence, this project seeks to create performance partnerships through a combination of integrated and relevant development and support that meets individual as well as organisational goals. A significant challenge in implementing this project is that previous attempts to implement a performance management system have failed and the resistance to such a system is exceptionally high, notwithstanding the potential benefits for employees and the University.

3. Organisational redesign

As Council is aware, this project will review current organisational structures, systems and processes to assess fitness-for-purpose and alignment with the University's strategic objectives. The planning phase has been concluded and the outcome will serve for approval by Council today. This will kick-start the implementation of the University-wide organisational redesign process whereby the organisational design of all divisions and faculties will be reviewed under the leadership of senior management, including our Executive Deans.

4. People planning

Building in part on the work of the organisational redesign, the people plan will establish a medium- to long-term plan for staffing the University. With this in mind, the project will seek to reimagine the human resource planning process to be more adaptive and impactful in terms of supporting the stated future direction of the University.

5. Policy review

Currently, some human resource policies are counter-productive in terms of managing and promoting social justice and a harmonious relationship between the University, its employees and their representatives. With this in mind, this project will seek to revise key policies related to recruitment and selection, retirement and remuneration and conditions of service.