NELSON MANDELA

UNIVERSITY

VISION 2030
INTEGRATED INSTITUTIONAL STRATEGY, BUDGETING, AND PERFORMANCE MANAGEMENT GUIDELINES

Compiled by the Office for Institutional Strategy

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INTRODUCTION

The volatile and uncertain higher education context, nationally and globally, is influenced by a range of external drivers including rising societal expectations in respect of the role of universities in contributing to the public good. The Vision 2030 Strategy was crafted based on a robust review of where we have come from, coupled with clarity of vision and forward-looking strategic trajectories to position the University in the service of society.

Various strategic milestones that have unfolded over the past ten years have significantly shaped the content of the University's Vision 2030 decadal strategy. These include the launch of the new name and strategic repositioning of the University, the Vice-Chancellor's listening campaign and inaugural address, the comprehensive decadal review of Vision 2020, and the organisational redesign process. This culminated in the approval of Vision 2030 by Council on 25 March 2021.

These guidelines have been developed to clarify the relationship between institutional strategy, budgets, and performance management to ensure a more integrated and strategy-aligned approach at all levels of the University. To this end, these guidelines include definitions of key concepts, information to be captured in strategic and annual operational plans, templates to be used and customised to draft these plans, and the mechanisms to align budgeting, performance monitoring and evaluation, and risk management with institutional strategy.

The broad thematic focus areas informing the strategic positioning of Nelson Mandela University will be discussed in more detail in the next section.

VISION 2030 STRATEGIC FRAMEWORK

Through Vision 2030, Mandela University reaffirms its commitment to change the world through life-changing, student-centric educational opportunities, pioneering and impactful research and innovation, and transformative engagement that contribute to a better world. In so doing, the University seeks to promote the public good through cultivating graduates as socially conscious, globally connected citizens, contributing to addressing grand societal challenges through innovative scholarship and discovery.

As a centrepiece of Vision 2030, the University will strive to reposition engagement to foster a more equal, inclusive, and socially just society by activating equalising partnerships with societal stakeholders that advance the co-creation of African-purposed solutions. The Vision 2030 Strategy is premised on a set of core positioning messages that seek to take the University boldly into the future in the service of society.

As part of recognising the privilege of carrying the revered name of Nelson Mandela, the University has been exploring how to give intellectual and practical expression to its intentions to promote the public good in the service of society. The formulation of Vision 2030 has revealed distinctive intellectual niches and strategic opportunities that need to be leveraged by Mandela University as it seeks to chart its future strategic directions and game-changing differentiators. These transversal priority areas include the following:

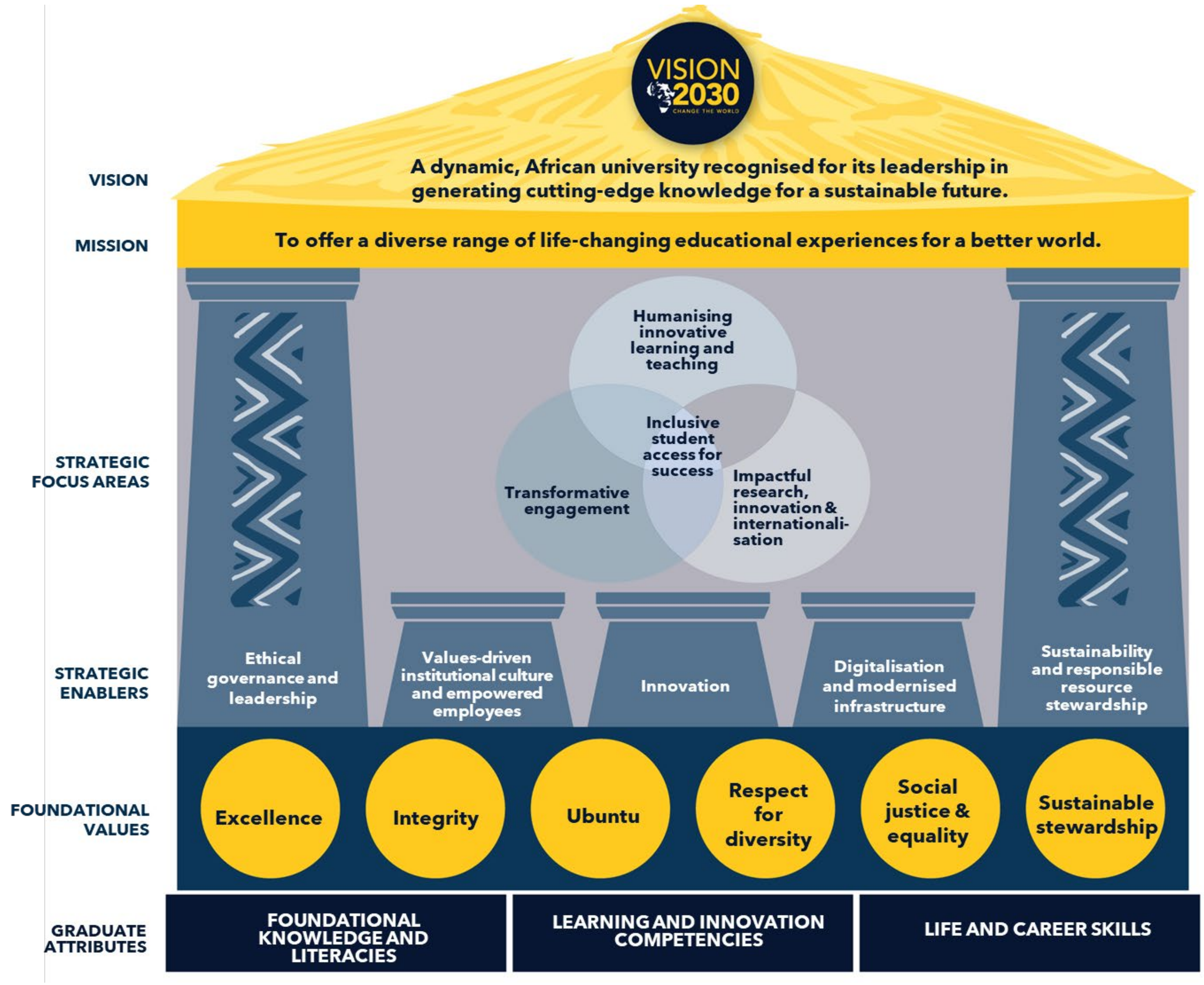
- Repositioning equalising forms of engagement
- Research and innovation excellence (incl. internationalisation)
- Sustainability and transdisciplinarity
- Transformation, decolonisation and institutional culture
- Digitalisation and the Virtual Academy
- Student access and success
- Revitalising the humanities
- Ocean sciences
- Medical school
- Food sovereignty and security
- Student entrepreneurship and youth employability
- Broad-based black economic empowerment

In addition to the abovementioned transversal priority areas, Vision 2030 encompasses four strategic focus areas that relate closely to the core academic missions of the University, namely:

- Strategic Focus Area 1: Liberate human potential through humanising, innovative lifelong learning experiences that prepare graduates to be socially conscious, responsible global citizens who serve the public good.
- Strategic Focus Area 2: Pursue impactful, pioneering research, innovation, and internationalisation to address grand societal challenges and promote sustainable futures.

- Strategic Focus Area 3: Engage with all publics in equalising partnerships to co-create transformative, contextually responsive solutions in pursuit of social justice and equality.
- Strategic Focus Area 4: Catalyse dynamic, student centric approaches and practices that provide life-changing student experiences within and beyond the classroom.

These core missions are supported by various strategic enablers as the University seeks to embody the legacy and ethos of our iconic namesake, Nelson Mandela. These include ethical governance and leadership, fostering a values-driven institutional culture and empowered employees, creating an enabling environment for innovation, accelerating our digital transformation trajectory, optimising the utilisation of modernised and flexibly designed infrastructure, and deepening our commitment to long-term sustainability and responsible resource stewardship (see Annexure A for an overview of the strategic focus areas, enablers, and accompanying goals). The overarching Vision 2030 strategic framework is outlined below.

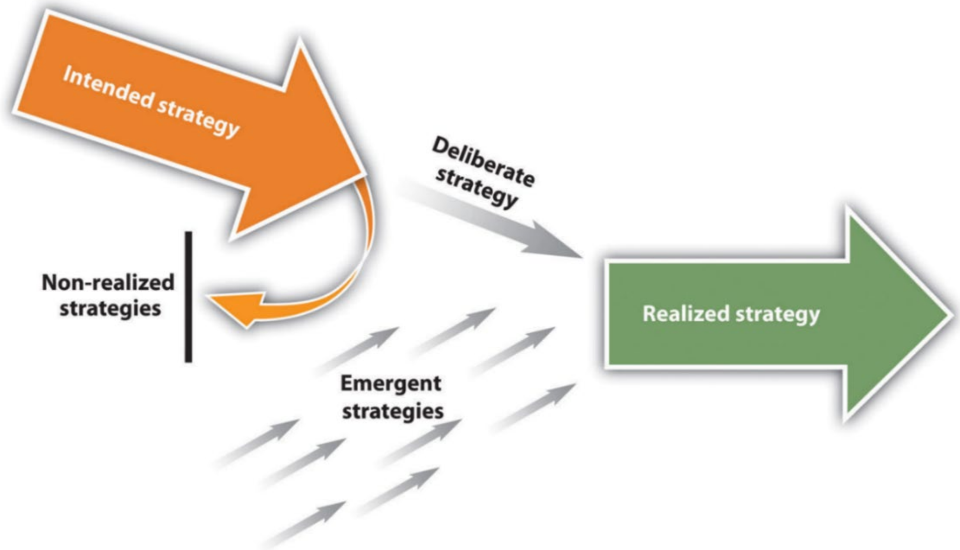

VISION 2030
CHANGE THE WORLD
VISION
A dynamic, African university recognised for its leadership in generating cutting-edge knowledge for a sustainable future.
MISSION
To offer a diverse range of life-changing educational experiences for a better world.
STRATEGIC FOCUS AREAS
Humanising innovative learning and teaching
Inclusive student access for success
Transformative engagement
Impactful research, innovation & internationali-sation
STRATEGIC ENABLERS
Ethical governance and leadership
Values-driven institutional culture and empowered employees
Innovation
Digitalisation and modernised infrastructure
Sustainability and responsible resource stewardship
FOUNDATIONAL VALUES
Excellence
Integrity
Ubuntu
Respect for diversity
Social justice & equality
Sustainable stewardship
GRADUATE ATTRIBUTES
FOUNDATIONAL KNOWLEDGE AND LITERACIES
LEARNING AND INNOVATION COMPETENCIES
LIFE AND CAREER SKILLS

Strategic goal setting and execution require different sets of skills and come with their own challenges. Keeping in mind that even the best-formulated strategy can be poorly executed, these strategic planning guidelines seek to equip leaders at all levels by providing a strategy execution toolkit to develop and implement five-year strategic and annual operational plans aligned with Vision 2030.

VISION 2030 STRATEGY IMPLEMENTATION

In a turbulent and complex world, it is important to emphasise that strategy development is not a linear process since strategy evolves over time as new insights and discoveries emerge. Adaptive strategy that emphasises learning and agility is required. This involves creating a roadmap of the terrain that lies before the University and developing a set of navigational tools, realising that there will be many different options for reaching the destination. If necessary, the destination itself may shift based on what is learnt along the way.

As the complex systems within which the University is situated become more unpredictable, the preoccupation with predictions need to be abandoned in favour of rapid prototyping and experimentation to facilitate learning, agility and continuous improvement. Furthermore, as the University implements Vision 2030 as its intended strategy, there should be an appreciation of the need to adapt based on lessons learnt and to accommodate emergent strategies that may evolve organically and become part of the realised strategy.



Adapted from Mintzberg 1994:24

To ensure that the building blocks of strategy execution are in place, the purpose of the Vision 2030 strategic planning framework and guidelines is further elaborated upon with a specific emphasis on mechanisms required to achieve integrated strategy, budgeting, and performance management.

PURPOSE OF VISION 2030 STRATEGIC PLANNING FRAMEWORK AND GUIDELINES

Nelson Mandela University actively embraces integrated planning systems and processes to enhance the alignment between institutional strategy, resource allocation, and institutional monitoring, evaluation, and reporting mechanisms. This framework recognises that the University is a complex, living system constituted by self-organising and dynamic sub-systems that can adapt to a rapidly changing environment and develop innovative plans.

This comprehensive framework does not seek to prescribe how portfolios, faculties, and divisions should conduct their strategic planning processes, but to clarify key concepts and outline good practice requirements to promote systemic coherence, alignment, and integration. In striving for integrated strategy development and implementation, budgeting, and performance management at all levels, portfolios and faculties are expected to:

- Prepare and submit a strategic plan with a five-year planning horizon, outlining the sequencing of implementation and associated resource implications.
- Prepare and submit an annual operational plan with performance targets for each of the five years of the institutional strategic plan.
- Identify a core set of performance indicators and targets needed to monitor, evaluate, and report on institutional performance on a quarterly and annual basis.
- Ensure that there is alignment and integration of five-year and annual planning, budgeting, and reporting at institutional and portfolio, divisional/ faculty, and departmental levels.
- Identify and manage institutional and departmental risks and opportunities as an integral part of strategic and annual operational planning.
- Adopt a quarterly reporting system, including the submission of agreed information to the Office of the Vice-Chancellor.
- Ensure that there is alignment between the strategic plan, annual operational plan, budget, and annual and quarterly reports.

Strategic alignment describes a situation in which strategic goals are supported by institutional structures, systems, processes, human capabilities, resources, and incentives. Alignment requires that strategy is formulated around a reinforcing set of supporting practices to ensure that people with the right knowledge, skills, and attributes are in place and have access to the resources required to perform optimally as individuals and teams.

Strategic alignment furthermore relates to the need for the University's strategic goals to cascade to executive management portfolios, faculties, and support service divisions, then to teams and individuals. This promotes the alignment of individual performance objectives with the overarching vision, mission, values, strategic focus areas, and enablers of the University.

The cascade effect requires that the overarching institutional strategy filters throughout the University, from the level of Vision, Mission, and Values, to the Strategic Focus Areas and Enablers, and subsequently Strategic Goals, Activities, Outputs, and Indicators.

VISION AND MISSION: At the apex, the Vision and Mission Statements provide stakeholders with guidance, direction and inspiration as it relates to the purpose and aspirations of the University. The Vision is an inspiring picture of the desired future for the University and provides a clear description of what it intends to become within a certain timeframe. The Mission is the purpose of the University, which provides a context for all goals and actions. The Mission serves as an explanation for the existence of the University and should succinctly identify what it does, why and for whom.

VALUES: Values define the University's institutional culture and identity and serve as the core principles that guide the conduct of all employees and students. Core values indicate what the University stands for and the way in which it intends to conduct its activities.

STRATEGIC FOCUS AREAS: The Vision 2030 strategic focus areas align the core academic missions of the University, namely humanising learning and teaching, impactful research, innovation, internationalisation, and transformative engagement, all of which are centred around promoting inclusive student access for success.

STRATEGIC ENABLERS: Strategic enablers create the conditions conducive to achieving excellence in the core academic missions. These include the pillars that need to be in place to enable the University to execute its strategy more efficiently and effectively including critical resources such as visionary and ethical leadership, values-driven institutional culture and empowered employees, innovation, digitalisation and modernised infrastructure, and sustainable resource mobilisation and stewardship.

STRATEGIC GOALS: Strategic goals align with one or more of the strategic focus areas and enablers and provide a high-level sense of direction in how the University intends to implement strategy. Each goal should be written as a performance statement that the University can monitor and evaluate to assess implementation progress. Strategic goals are conceptually more measurable and are used to translate the vision into results. Furthermore, goals should clearly state the conditions for institutional effectiveness and be framed in a manner that assists the University in operating more efficiently, making smarter choices among competing priorities, and setting the course for a sustainable future by assisting with making difficult choices and allocating constrained resources.

ACTIVITIES: The processes or actions that use a range of inputs to produce the desired outputs and outcomes.

OUTPUTS: Outputs are the tangible and intangible results, interventions, services, programmes, and products that are produced or delivered through the implementation of the strategy.

OUTCOMES: Outcomes are the medium-term results that are the consequence of achieving specific outputs. Outcomes should relate clearly to the university's strategic goals and objectives by clearly articulating what the University wishes to achieve

INDICATORS: Indicators are metrics used to assess the extent to which the University is making progress in achieving its strategic intentions. These measures of success are used to assess results against the goals of the University to identify the improvements and adaptations required to ensure timely and impactful strategy implementation. Performance indicators should be framed in a manner that is "SMART":

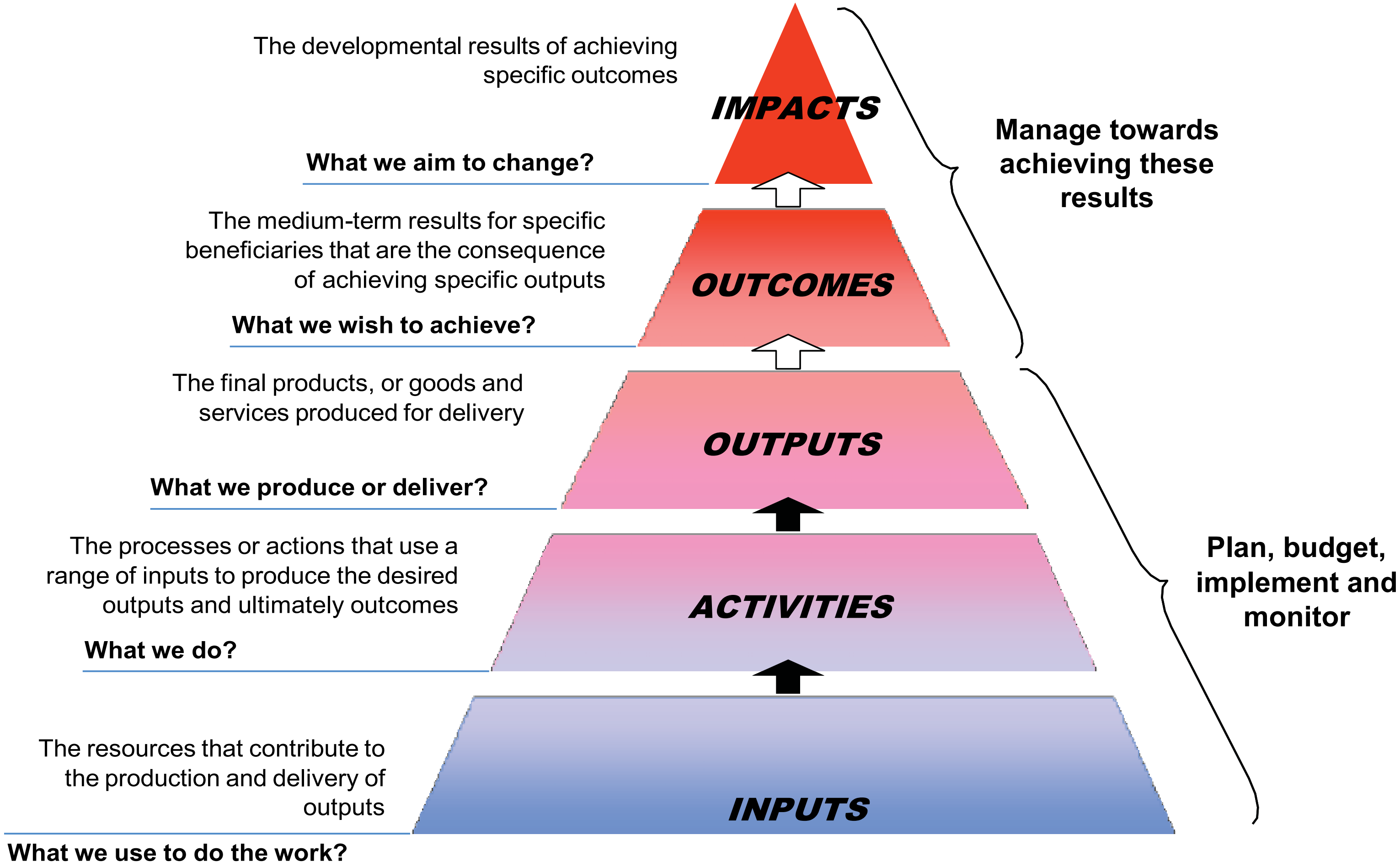
- Specific: the nature and the required level of performance can be identified (what, who, where, how, when)
- Measurable: the required performance can be measured
- Achievable: the target is realistic given existing capacity and resources
- Relevant: the required performance is linked to the achievement of a goal
- Time-bound: the timeframe or deadline for delivery is specified

BASELINE AND TARGETS: Targets express a specific level of performance that the University is aiming to achieve within a given timeframe. Targets are measured using indicators and represent success in achieving stated outcomes. In most instances, the baseline is the level of performance recorded in the year before the planning period (n-1).

MILESTONES: Milestones mark specific points along a planning timeline and are used to assess the progress made toward the completion of one or more deliverables. A milestone represents the completion of a major step in the plan that requires a certain amount of time, resources, and effort. Milestones indicate how the intermediate deliverables build towards final outputs and outcomes.

The benefits of a clearly articulated strategy include that it provides a compelling vision for the future that can be shared with stakeholders to promote a common sense of purpose with respect to the University's strategic aspirations and the means to achieve these. Furthermore, it can serve as a platform to mobilise resources within an increasingly constrained economic context.

In managing for results, budgets are developed in relation to the strategic objectives and outputs, while the aim is to manage towards achieving the intended outcomes and impacts. The figure below illustrates the relationship between these core planning concepts.

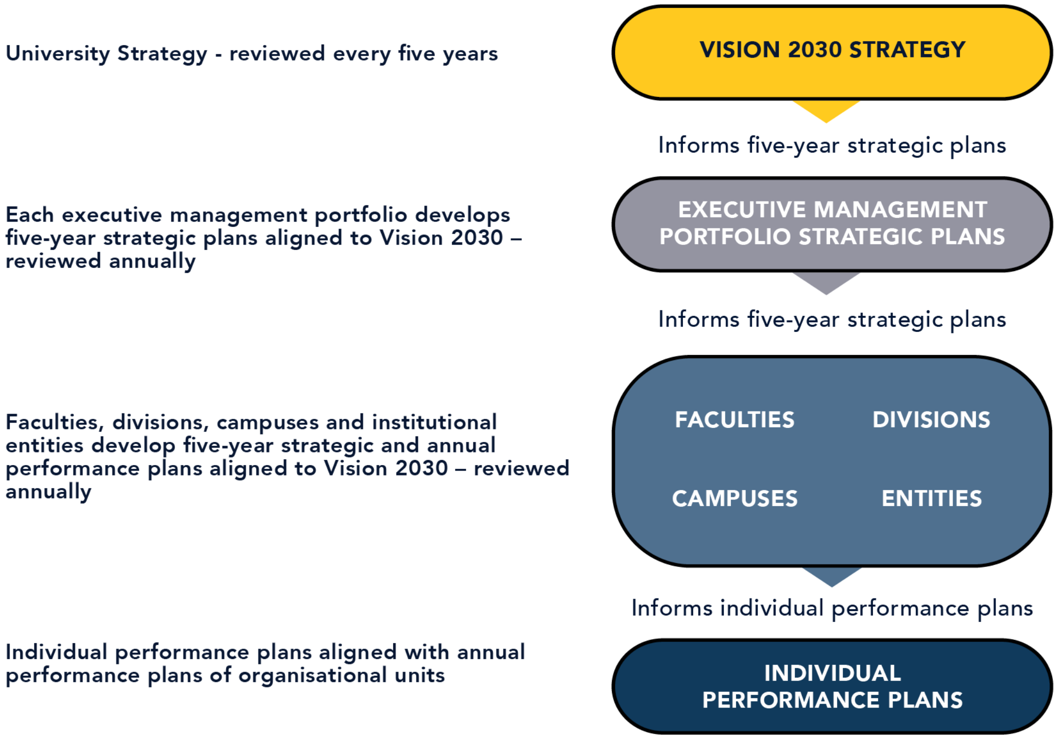


Source: [National Treasury Framework for Strategic Plans and Annual Performance Plans, 2010]

For the purposes of strategic alignment, this framework advocates that faculty/divisional strategic and operational plans are developed within the broad parameters of the aspirations and desired outcomes outlined in the University's Vision 2030 strategic plan.

INTEGRATED PLANNING FRAMEWORK

The University is seeking to increasingly embrace integrated planning systems and processes, which promote alignment between institutional strategic planning, budgeting and resource allocation models, risk management, and monitoring, evaluation, and reporting. This integrated planning framework provides a platform for the development of five-year institutional strategic plans and more detailed annual operational plans in each of the executive management portfolios and faculties to ensure that the broad directional statements contained in Vision 2030 are cascaded and implemented. The diagram below outlines how Vision 2030 informs planning and performance monitoring at institutional and sub-institutional levels.



This integrated planning framework has been designed to align with the Department of Higher Education and Training (DHET) Reporting Regulations (2014) and provides for the following:

- **Institutional five-year strategic plan,** which communicates the University's strategic directions and aspirations to its various stakeholders over a five-year timeframe.
- **Institutional Annual Performance Plan,** which details the specific performance targets that the institution will aim to achieve in the budget year and the next two years in pursuit of strategic goals and objectives set out in its strategic plan. The APP outlines the institution's strategy-aligned performance indicators and targets for the purposes of monitoring and evaluating performance on a quarterly and annual basis.
- **Portfolio, faculty, and campus five-year strategic plans,** which outline how each division and faculty will align their strategic direction with the strategic focus areas, enablers, and goals articulated in Vision 2030.
- **Annual operational plans,** which outline how the University's constituent faculties, PASS divisions, and campuses, will implement five-year strategic plans on an annual basis. The annual operational plan provides the basis for allocating resources and monitoring progress in achieving the articulated strategic goals and objectives.
- **Quarterly and annual reporting,** which provides an integrated, objective assessment of institutional performance in implementing strategy as measured against a core set of indicators and targets.

Strategic Plans identify strategically important outcomes-orientated goals and objectives against which the University's medium-term results can be monitored and evaluated. At the institutional level, the Annual Performance Plan (APP) identifies the performance indicators and targets the University seeks to achieve in the upcoming budget year, which are aligned with the University's Vision 2030 strategy.

The next section of this framework provides generic guidelines and a template to develop five-year strategic plans in alignment with Vision 2030.

FIVE-YEAR INSTITUTIONAL STRATEGY: GENERIC GUIDELINES

This section of the framework sets out the key elements that should be included in the five-year portfolio/divisional/faculty strategic plans.

Section A: Strategic overview

a) Vision

State how the portfolio/division/faculty aligns with the University's vision.

b) Mission

State how the portfolio/division/faculty aligns with the University's mission.

c) Values

State how the portfolio/division/faculty aligns with the University's values.

d) Strategic mandate

Focus on the strategic mandates of the University particularly as it relates to its core academic missions of learning and teaching, research, innovation, internationalisation, and engagement.

e) Situational analysis

Provide a detailed assessment of the political, economic, social, technological, legal, and environmental opportunities and threats within the broader external environment, which impact the execution of portfolio/divisional/faculty strategy. Analyse key internal strengths, capabilities, and challenges that have informed the positioning of the portfolio/division/faculty as derived from various quantitative and qualitative data gathered during the strategic planning process.

f) Description of the strategic planning process

Describe the activities and processes followed to develop the portfolio/divisional/faculty strategic plan, including an overview of the stakeholders consulted.

Section B: Strategic goals, outputs, outcomes, and indicators

This section covers the strategic goals identified to achieve the strategic focus areas and enablers outlined in Vision 2030, as well as the indicators that will be utilised to monitor and evaluate progress in implementing portfolio/divisional/faculty/campus strategic plans. Annexure B outlines the template to be used when developing five-year strategic plans aligned with Vision 2030.

In addition to the above, it is important to outline the following concerning each of the various strategic focus areas, enablers, and goals, namely:

a) Resource implications

Discuss the resource implications (financial, staffing, infrastructural, ICT) considered when developing the strategic objectives.

b) Risks and opportunities identification and management

List and discuss the key risks and opportunities that may have an impact on the attainment of strategic goals and objectives. The institutional and portfolio/faculty risk and opportunity registers should be aligned with the five-year strategy and provide an assessment of identified risks and opportunities accompanied by specific action plans to mitigate the risks and optimise the opportunities.

VISION 2030 PLANNING ARCHITECTURE

Vision 2030 is a decadal strategy implemented through two cycles of five-year rolling strategic plans from 2021-2025 and 2026-2030. Executive management portfolios and faculties will develop strategic plans aligned with Vision 2030 to give expression to their contribution to implementing the University's vision, mission, values, strategic focus areas, and enablers.

For each of the five years of a strategic planning cycle, an annual operational plan will be developed to guide strategy implementation and provide a framework against which progress in achieving key milestones can be assessed annually (refer to Annexure C for the annual operational planning template). This planning architecture, in turn, will inform academic size and shape, resource mobilisation and allocation, digitalisation and infrastructure optimisation, the identification and management of risks and opportunities, monitoring, evaluation, and reporting, and quality advancement interventions.

This is depicted visually below.

The next section of these guidelines will focus on institutional monitoring, evaluation, reporting, and learning as a crucial dimension of the strategic management cycle.

VISION 2030 INSTITUTIONAL MONITORING, EVALUATION, REPORTING AND LEARNING FRAMEWORK

Strategy execution necessitates an institutional monitoring, evaluation, reporting, and learning (MERL) framework that seeks to track and report on progress in implementing Vision 2030 on a quarterly and annual basis using well-defined, collectively owned measures of success. The main purpose and strategic intent of the Vision 2030 institutional MERL Framework is to facilitate and coordinate the efforts of the University in monitoring and reporting on progress in the implementation of Vision 2030. To this end, the framework aims to address the following specific objectives:

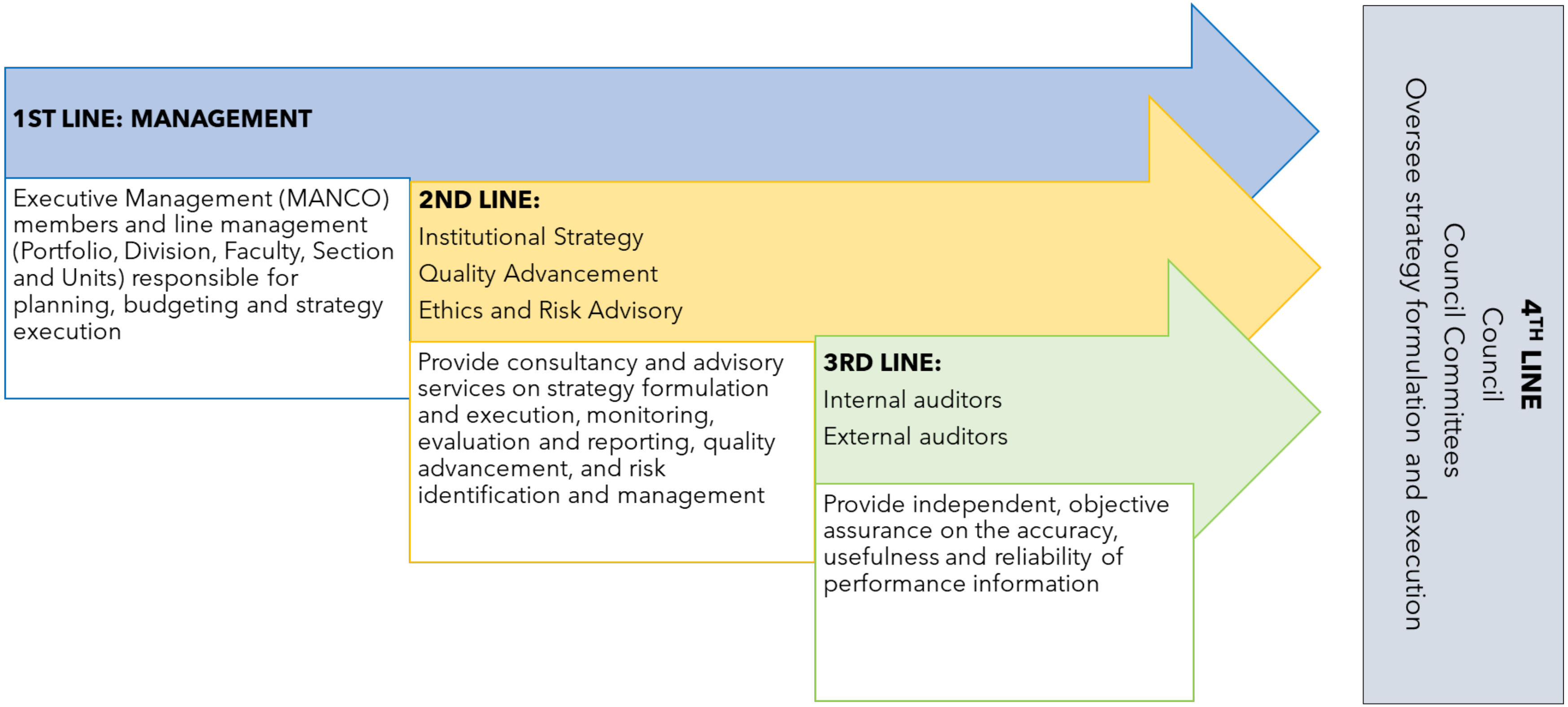
- Monitoring progress in aligning with, and implementing, Vision 2030 strategic focus areas, enablers, and goals.
- Facilitating integrated institutional reporting systems to enhance the overall quality of institutional planning, implementation, resource allocation, and decision-making processes.
- Enhancing institutional effectiveness, efficiency, and impact through evidence-based performance reporting to Council and Executive Management (MANCO) regarding the extent to which Vision 2030 strategic goals are being achieved.
- Enriching institutional learning through information-rich reporting to support strategic review, innovation, risk management, combined assurance, and continuous improvement.

Monitoring and evaluation (M&E) are continuously undertaken to assess if progress is being made in achieving expected results, to identify bottlenecks in strategy implementation, and to assess the likelihood of any unintended impacts or risks. M&E systems will only add value to strategy implementation through interpretation and analysis to address the “why” and "so what" questions. This forms the basis for accountability and learning whereby impact is optimised by formulating responses to identified constraints and challenges and implementing these in real-time. The inter-relationship between monitoring, evaluation, reporting, and learning (MERL) Is visually depicted in the diagram below.

The Office for Institutional Strategy collaborates with various other institutional entities to source both qualitative and quantitative data to monitor, evaluate, and report on progress with respect to Vision 2030 strategy implementation. Council-approved indicators for each of the strategic focus areas and selected enablers are used for this purpose, as outlined in this framework. Based on the trends observed through institutional MER, executive management and Council are provided with the information required to promote learning and continuous improvement.

GOVERNANCE AND OVERSIGHT ROLES IN VISION 2030 STRATEGY MONITORING, EVALUATION, REPORTING AND LEARNING

Combined assurance refers to a process adopted and applied by the University to provide an integrated and coordinated approach to all assurance activities, to optimise the assurance coverage from management and assurance providers on the risk areas affecting the University. The King IV Report advocates for a combined assurance model, which holistically incorporates all assurance services and functions to support the integrity of information used for decision-making by executive management, Council, and its committees. Various University governance and management role players fulfil important responsibilities as it relates to combined assurance, as outlined below.



Council

The Council, established in terms of Section 27(4) of the Higher Education Act, 1997 (Act 101 of 1997) as amended, is the highest decision-making body of the University and is responsible for good governance. In practical terms, the above implies that Council is responsible for, *inter alia:*

- Governing the University in accordance with the relevant statutory requirements and with due regard to generally accepted governance principles and practices.
- Determining the overall strategic direction of the University.
- Overseeing the proper management of the financial resources and assets of the University.
- Adopting the vision, mission, and value statements of the University.
- Approving and monitoring the implementation of institutional policies and structures.
- Identifying and monitoring the risks relevant to the business of the University.
- Monitoring the transformation process at the University.
- Adopting its own rules, including the Code of Conduct for members of Council, in terms of which it conducts its activities.

As prescribed by the Higher Education Act, Council is responsible for overseeing the implementation of Nelson Mandela University's Vision 2030 strategy. Progress is reported every quarter as part of the Vice-Chancellor's report to Council, in alignment with the key performance areas of Council, as reflected below:

Transformative Strategic Plan: Vision 2030

Oversee the implementation of Vision 2030 to ensure that the University's strategic and transformation goals are achieved in line with the approved targets.

Oversee the implementation of inter- and transdisciplinary strategies to address current and emerging engagement needs.

Oversee business continuity management to ensure that critical operations continue to operate within the predetermined recovery time objectives in the event of a disaster or emergency.

Academic Excellence

Oversee student access and access to ensure that the University effectively delivers on the enrolment, success and research output targets in Vision 2030 and related strategies and plans.

Improving Quality of Student Life
Oversee the University processes that are designed to support the quality of student life and create a safe and conducive environment that annually enhances the chances of student success and well-being.

Improving Quality of Staff Life
Oversee the University's talent management by providing a competitive total employee value proposition for all employees and conducive work environment that improves employee productivity and satisfaction.

Operations and Infrastructure
Oversee the implementation of space optimisation and digital transformation strategies to improve infrastructural, service delivery and operational efficiencies.

Financial Viability
Oversee the sustainable, strategy-aligned resource stewardship of the University to ensure the financial resources sustain the University strategy and meet its short to long-term needs.

Effective and Efficient Management of Council
Improve institutional governance by ensuring that Council and Council committees meet quarterly and that the decisions made are effectively implemented.
To ensure the University upholds the highest standards of institutional governance, ethical conduct, and compliance.

Management Committee

The Management Committee (MANCO) is established in terms of paragraph 57 of the Statute as the executive management structure of the University. MANCO bears overall responsibility for the day-to-day management of the University and has final decision-making powers in respect of those matters delegated to it by the Council. MANCO makes recommendations to the respective committees of the Council regarding all matters which are subject to the approval of the Council, or the committees of the Council in terms of a delegated authority, unless determined otherwise in the delegation document of the University. Furthermore, MANCO ensures that the University complies with all relevant laws and regulations in respect of all matters it deals with. MANCO may assign or delegate any of its functions to one or more of its members, or to a committee or task team appointed by it, provided that any actions resulting from such assignment or delegation are ratified by MANCO at its next meeting.

As part of executing their management responsibilities, MANCO members are required to submit quarterly reports to the Office of the Vice-Chancellor as it relates to progress in implementing the Vision 2030 strategy in their portfolios. The narrative reports submitted by each of the MANCO members inform the Vice-Chancellor's quarterly reports to Council which, in turn, provide the foundation for annual reporting to the Department of Higher Education, Science and Innovation.

Senate

In terms of section 28(1) of the Higher Education Act, Senate is accountable to Council for all the teaching, learning, research and other academic functions of the University and all other functions delegated or assigned to it by Council, namely, to:

- Determine entrance requirements to academic programmes.
- Determine enrolment numbers of students for academic programmes.
- Determine the minimum requirements for re-admission to study at the University.
- Develop or amend rules relating to the curriculum for any degree, diploma, or certificate.
- Develop or amend rules relating to student assessment.

Senate advises Council on the disciplinary code and measures applicable to students, as well as the establishment and disestablishment of faculties, academic departments, schools, and other academic structures. Senate submits to Council reports upon its work as may be required, recommendations on matters referred to it by Council or any other matter affecting the University.

Institutional Forum

The Institutional Forum (IF) advises the Council on issues affecting the University, including the implementation of the Higher Education Act and the national higher education policy; race and gender equity policies; the selection of candidates for senior management positions; codes of conduct, mediation, and dispute resolution procedures; fostering a transformative institutional culture, social cohesion, respect for fundamental human rights and creates an appropriate environment for learning, teaching, and research; and the language policy of the University.

Quality Committee

The Quality Committee (QC) provides strategic leadership and direction in developing and implementing an integrated quality advancement philosophy and framework that underpins the promotion of excellence at all levels. The QC ensures the implementation and monitoring of effective and appropriate quality advancement systems in terms of approved criteria for each of the core academic missions, as well as all institutional support services.

In exercising its responsibility, the QC oversees the implementation of an appropriate cycle for academic and support service quality reviews and monitors the planning, conduct, and follow-up of institutional audits, national programme reviews, and the compilation of improvement plans to give effect to the recommendations emerging from these reviews. The QC informs institutional risk management by identifying key risks emerging from quality reviews.

Risk Management Committee

The Risk Management Committee (RMC) is responsible for overseeing the implementation and maintenance of risk identification (strategic and operational), assessment, mitigation, and monitoring processes throughout the University. It does so by focusing on transversal risks and controls to avoid duplication, recommend best practices, and reprioritise existing, newly identified, and emerging risks. The RMC reviews progress made with action plans contained in risk registers for improving risk controls and interventions and submits a risk management report to the Audit and Risk Committee of Council, focusing on the top institutional risks of the University and any risk developments based on the risk mitigations.

Internal Audit

The Internal Audit Department is established in terms of the Internal Audit Charter to provide independent and objective assurance and advice on the governance, risk management, and internal control processes. Thus, the role of the Internal Audit Department with respect to institutional performance management is to provide independent and objective assurance on the usefulness and reliability of performance information as well as the integrity of the processes that are used to generate performance reports. This entails assessing the systems used to collect, collate, verify, and analyse performance information as a basis for reporting to stakeholders. In instances where gaps exist in the performance management process, the Internal Audit Department may assist management in enhancing the process without taking any responsibility.

Office for Institutional Strategy

The Office for Institutional Strategy (OIS) fulfils an advisory function as it relates to institutional strategy, strategic projects incubated within the Office of the Vice-Chancellor, institutional research, monitoring, evaluation and reporting, strategy intelligence, and data analytics. The Office for Institutional Strategy fulfils an integrative function at the institutional level to promote strategy-aligned planning, implementation, decision-making, and resource allocation. The Office does so by providing accessible, user-friendly, and technology-enabled strategy intelligence and institutional research platforms to inform strategy-aligned planning, implementation, monitoring, evaluation, and reporting at all levels of the University.

The Office for Institutional Strategy strives to achieve optimal impact in terms of the following:

- Facilitate the development of institutional strategy to optimally position the University nationally and internationally.
- Direct support to senior management in crafting portfolio and faculty strategic plans aligned with institutional strategy.
- Facilitate and support institutional strategy deployment and implementation at all levels of the University.
- Inform evidence-based planning, budgeting, and reporting through integrated strategy intelligence, data analytics, performance dashboards, and modelling.
- Enhance strategic integration and alignment of academic, enrolment, financial, human resources, ICT, and infrastructural planning.
- Conduct institutional research, policy analyses, benchmarking studies, and environmental scanning to inform institutional strategy.
- Monitor, evaluate, and report on institutional strategy implementation and performance against predetermined strategic goals, indicators, and targets.
- Develop and implement technology-enabled institutional monitoring, evaluation, and reporting platforms to support integrated planning and reporting.
- Provide planning, analytical, and project management support to institutional strategic projects incubated within the Office of the Vice-Chancellor.

Quarterly reporting to the governance and management structures is informed by the Council Key Performance Areas and the Vision 2030 strategic focus areas and enablers, as reflected in Table 1 below.

TABLE 1: ALIGNMENT OF COUNCIL KEY PERFORMANCE AREAS WITH VISION 2030 STRATEGIC FOCUS AREAS AND ENABLERS

COUNCIL KPAs	VISION 2030 STRATEGIC FOCUS AREAS AND ENABLERS
Transformative Strategic Plan: Vision 2030 Oversee the implementation of Vision 2030 to ensure that the University's strategic and transformation goals are achieved in line with the approved targets. Oversee the implementation of inter- and transdisciplinary strategies to address current and emerging engagement needs. Oversee business continuity management to ensure that critical operations continue to operate within the predetermined recovery time objectives in the event of a disaster or emergency.	SE 1: Embrace ethical governance and leadership approaches and practices that embody the values of the University and seek to promote service before self SE 3: Create and sustain an enabling innovation ecosystem where students and employees can collaboratively engage with external partners to co-create pioneering discoveries that advance the frontiers of knowledge and promote the public good SFA 3: Engage with all publics in equalising partnerships to co-create transformative, contextually responsive solutions in pursuit of social justice and equality
Academic Excellence Oversee student access and access to ensure that the University effectively delivers on the enrolment, success and research output targets in Vision 2030 and related strategies and plans.	SFA 1: Liberate human potential through humanising, innovative lifelong learning experiences that prepare graduates to be socially conscious, responsible global citizens who serve the public good SFA 2: Pursue impactful, pioneering research, innovation and internationalisation to address grand societal challenges and promote sustainable futures SFA 3: Engage with all publics in equalising partnerships to co-create transformative, contextually responsive solutions in pursuit of social justice and equality
Improving Quality of Student Life Oversee the University processes that are designed to support the quality of student life and create a safe and conducive environment that annually enhances the chances of student success and well-being.	SFA 1: Liberate human potential through humanising, innovative lifelong learning experiences that prepare graduates to be socially conscious, responsible global citizens who serve the public good SFA 3: Engage with all publics in equalising partnerships to co-create transformative, contextually responsive solutions in pursuit of social justice and equality SFA 4: Catalyse dynamic, student centric approaches and practices that provide life-changing student experiences within and beyond the classroom

COUNCIL KPAs	VISION 2030 STRATEGIC FOCUS AREAS AND ENABLERS
Improving Quality of Staff Life Oversee the University's talent management by providing a competitive total employee value proposition for all employees and conducive work environment that improves employee productivity and satisfaction.	SE 2: Foster an inclusive, values-driven institutional culture to position the University as an employer of choice for talented and empowered employees
Operations and Infrastructure Oversee the implementation of space optimisation and digital transformation strategies to improve infrastructural, service delivery and operational efficiencies.	SE 4: Improve efficiencies and value creation through digitalisation, integrated systems, agile service delivery, and modernised infrastructure
Financial Viability Oversee the sustainable, strategy-aligned resource stewardship of the University to ensure the financial resources sustain the University strategy and meet its short to long-term needs.	SE 5: Promote long-term sustainability through strategy-aligned resource mobilisation and responsible stewardship
Effective and Efficient Management of Council Improve institutional governance by ensuring that Council and Council committees meet quarterly and that the decisions made are effectively implemented. To ensure the University upholds the highest standards of institutional governance, ethical conduct, and compliance.	SE 1: Embrace ethical governance and leadership approaches and practices that embody the values of the University and seek to promote service before self

Quarterly reporting to Council will be aligned with the academic almanac and the cycle of institutional processes which determine the availability of data relating to various indicators throughout the year. The themes outlined in Table 2 will be focused on in each quarter when preparing the Vice-Chancellor's reports to Council.

TABLE 2: THEMATIC AREAS FOR QUARTERLY REPORTING

	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4
PRIMARY FOCUS AREA FOR EACH QUARTER	Student access and enrolments of the current academic year	Student success and throughput	Transformation	Sustainability and stewardship

Table 3 provides the timelines associated with the submission of the quarterly reports:

TABLE 3: TIMELINES GUIDING THE COLLATION AND SUBMISSION OF QUARTERLY REPORTS TO COUNCIL

#	PROCESS	TIMEFRAMES
1.	Email to MANCO members to request submissions for VC's quarterly report to Council	**8 weeks prior** to Council meeting
2.	Institutional Strategy provides relevant quantitative data on Ulwazi	**6 weeks prior** to Council meeting
3.	MANCO members submit quarterly reports to Institutional Strategy	**4 weeks prior** to Council meeting
4.	Institutional Strategy submits draft quarterly report to VC for review	**2 weeks prior** to Council meeting
5.	Office of VC submits VC's final quarterly report to Council secretariat	**1 week prior** to Council meeting
6.	Council meeting	

External accountability to various key stakeholders is integrated into the institutional monitoring, evaluation, reporting, and learning framework. Table 4 specifically highlights the various statutory submissions associated with the different MANCO portfolios.

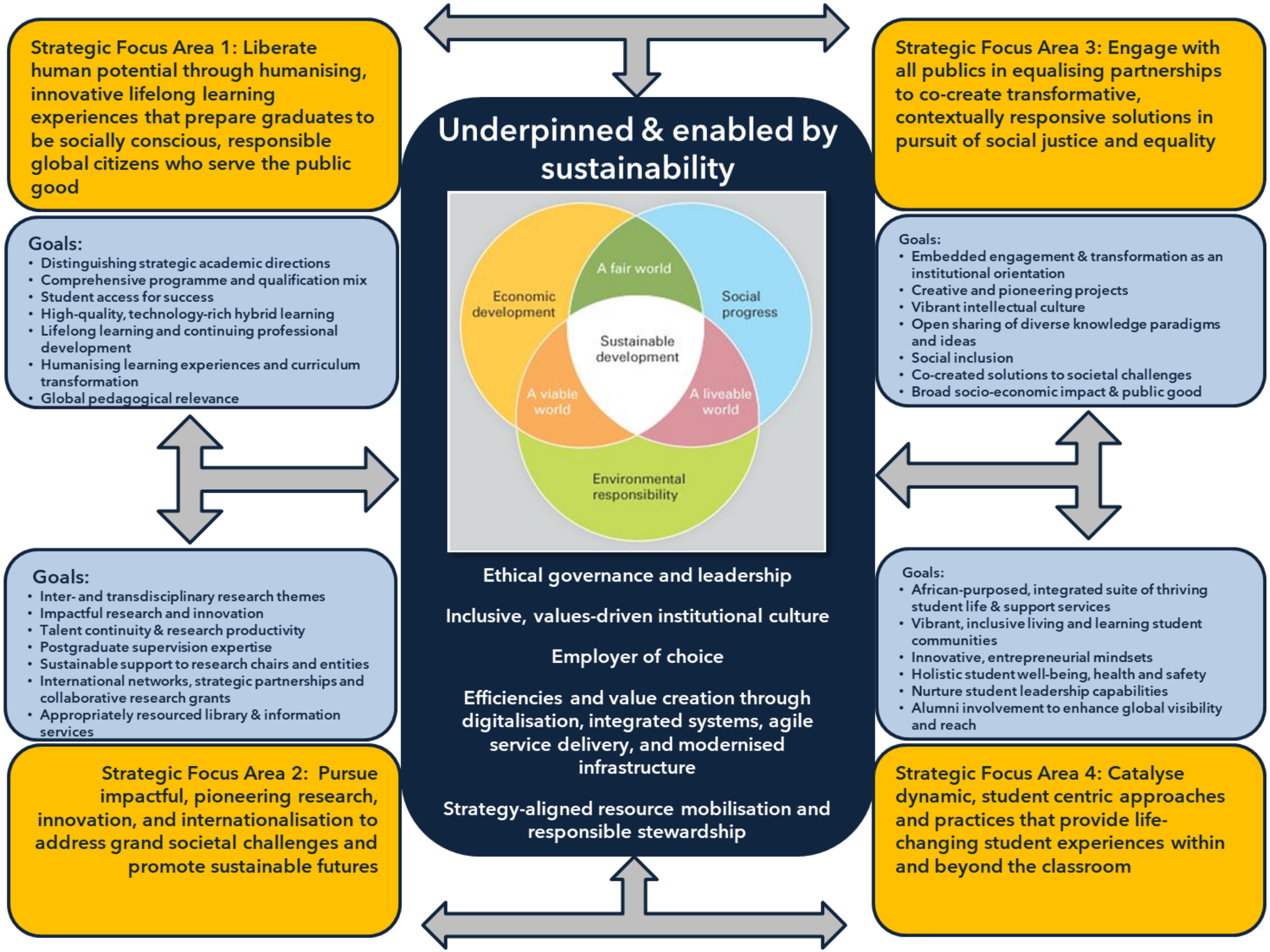
TABLE 4: REPORTING CYCLE ASSOCIATED WITH STATUTORY SUBMISSIONS

#	STATUTORY PLANS/REPORTS/DATA	SUBMISSION TO	RESPONSIBLE MANCO MEMBER	SUBMISSION DATE
1	Reports: • Infrastructure Grant Funding Progress Report	DHET	DVC P&O	30 March
	• Integrated Annual Report		SD IS	30 June
	• Transformation Report (Including biennial social inclusion reports)		DVC ETP	30 June
	• Audited Financial Statements (included in Annual Report)		ED Finance	30 June

#	STATUTORY PLANS/REPORTS/DATA	SUBMISSION TO	RESPONSIBLE MANCO MEMBER	SUBMISSION DATE
	• Mid-Year Performance Review for year under review		SD IS	30 November
	• Annual Performance Plan for following year		SD IS	15 December
2	HEMIS Data: I. HEMIS STUDENT DATA: • Three submissions: o 1st Valpac Submission (2nd submission of previous year's student data) o 2nd Valpac Submission Plus Audit Certificate (previous year's student data) o 3rd Valpac Submission (for current year) II. HEMIS STAFF DATA: • Two submissions: o 1st Submission (Staff profile and Staff FTE) o 2nd Submission (Staff profile and Staff FTE) III. HEMIS RESEARCH DATA: • One submission (Weighted research outputs; publication units to permanent academic staff ratio; weighted research outputs to permanent academic staff ratio) IV. BUILDING SPACE DATA: • One submission: 1st Valpac Submission (previous year's space data)	DHET	SD IS	 2 May 31 July 31 October 1 March 31 July Mid-May 31 May
3	Workplace Skills Plan/Annual Training Report (WSP/ATR)	ETDP SETA	DVC P&O	30 June
4	Employment Equity Report	Dept of Employment and Labour (DEL)	DVC P&O	By hand: 1 October Online: 2nd week January of following year

#	STATUTORY PLANS/REPORTS/DATA	SUBMISSION TO	RESPONSIBLE MANCO MEMBER	SUBMISSION DATE
5	Non-potable water for irrigation	Dept Water and Sanitation requirement	DVC: P&O	Monthly testing and recording
6	Nature Reserve Management Plan 5-year cycle	Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT) requirement	DVC: P&O	5-year plan
7	Alien Invader Vegetation Clearing	Dept Water and Sanitation	DVC: P&O	Annual
	STATUTORY CERTIFICATES			
1	Valid Tax Certificate – Good standing	SARS requirement	ED Finance	April
2	Valid BBBEE Certificate	DTI requirement	ED Finance	October
3	Audit Certificate - HEMIS Staff and Student data	DHET	SD IS	31 July
4	Appointment of competent person in terms of the OSH Act (GMR2)	DEL, OSH Act requirement	DVC: P&O	Upon filing of vacant GMR2-associated post
5	Gas Installation Certificates	OSH Act requirement	DVC: P&O	Whenever gas installations are worked on
6	Certificate of Compliance (COC) with electrical installations	OSH Act requirement	DVC: P&O	Whenever electrical networks and installations are worked on

The dimensions of the institutional Vision 2030 Monitoring, Evaluation, Reporting, and Learning Framework are visually depicted below.



In support of integrated quarterly and annual performing reporting, the Office for Institutional Strategy provides senior management and Council with strategy intelligence on a cyclical basis for the quantitative indicators outlined in Table 5 below. This serves to complement Vision 2030 monitoring, evaluation, and reporting using the strategy-aligned indicators outlined in Annexure D.

TABLE 5: QUANTITATIVE INDICATORS INFORMING QUARTERLY REPORTING TO COUNCIL

QUARTER 1: ACCESS AND ENROLMENTS	QUARTER 2: STUDENT SUCCESS AND THROUGHPUT	QUARTER 3: TRANSFORMATION	QUARTER 4: SUSTAINABILITY AND STEWARDSHIP
The following indicators will be monitored relative to targets in the University's enrolment plan: o Headcount enrolments by population group, gender, disability o Headcount enrolments by faculty, major field of study and qualification type o Distribution of UG and PG enrolments by qualification type o Average annual growth rate by qualification type o First-time entering students per faculty: o Actual numbers o Growth rates • Headcount enrolments by South African, SADC, African and international origins • Applications: admissions: registration ratios • School quintile profile of first-time entering students • Students receiving financial aid	• Student success rates (coursework modules only) by: o Faculty o Population group o Gender o NMU versus national average o Success rates of NSFAS loan-funded students o First time entering UG • Number of graduates per annum per faculty • Retention of first year students by faculty • Average annual growth in enrolments relative to graduates • Council-funded investment in student academic support interventions • Completion and drop-out rates of the most recent cohort: At undergraduate level o 3-year diplomas and degrees at 3 years and 6 years o 4-year degrees at 4 years and 6 years At postgraduate level:	• Student and employee demographic profile • Diversity of student profile according to qualification, major field of study, population group, gender, and disability • Student success rates (coursework modules only) at institutional level and by: o Faculty o Population group o Gender • Number of graduates per annum per faculty, population group and gender • Students who dropped out in good academic standing • Throughput rates for all coursework under- and postgraduate qualifications • Average time taken to graduate for research Masters' and Doctoral qualifications • Home language of students	• Sources of income (subsidy, tuition, third stream) • Personnel costs as percentage of: o Subsidy and tuition o Total expenditure • Academic: PASS ratio of salary expenditure per annum • Operating surplus • Liquidity ratio, i.e., current assets/current liabilities, relative to other comprehensive universities and the national norm • Sustainability ratio, i.e., cumulative reserves/annual expenditure relative to other comprehensive universities and the national norm • Sustainable resource mobilisation: investments and donations (alumni, government, corporate, international donors, etc.) • Facilities net surplus/ (deficit) • Student Accommodation net surplus/(deficit) • Number and diversity of business/industry engagements at faculty and institutional level

QUARTER 1: ACCESS AND ENROLMENTS	QUARTER 2: STUDENT SUCCESS AND THROUGHPUT	QUARTER 3: TRANSFORMATION	QUARTER 4: SUSTAINABILITY AND STEWARDSHIP
• Student access to WiFi and computing devices by campus • Student: PC ratio by campus and in on- and off-campus residences • Student accommodation: Number of beds available on- and off-campus • Ratio of registered students to on- and accredited off-campus residence places	o PG Diplomas and Honours at 1 year and 2 years o Masters' coursework at 3 years and 6 years o Average time to completion for research Masters' and PhDs • Academic full-time equivalent (FTE) Student: Staff ratios (institutional and by faculty) compared to previous year and national averages • Academic staff according to highest qualification - institutional and by faculty • Graduate outputs - institutional and by faculty • Weighted graduate output units per permanent academic staff member relative to faculty, institutional and national averages • Weighted research output units per permanent academic staff member relative to faculty, institutional and national averages: o Publications (articles, conference proceedings, books) o Masters' (Research) o PhD Findings of biennial Graduate Destination Survey	• Employment equity profile of academic and PASS employees by: o Occupational category o Rank • Investment in transformation and equity interventions to diversify employee demographic profile • Number, % and demographic profile of academic staff by rank • Number, % and demographic profile of NRF-Rated academic staff and research chairs • Number, % and demographic profile of HEAVA professors, research associates and postdoctoral fellows (institutional and by faculty) • Staff turnover (excluding retirements) for academic and PASS employees per population group and gender - quarterly and annual • Retirements for academic and PASS employees • Number of grievances reported based on population group and gender of aggrieved staff members • Number of discrimination complaints reported based on population group and gender of	• Number and impact of community engagement projects at faculty and institutional level • Number and value of sustainability/cost saving initiatives to reduce operational costs • Investment in human resource development • Electricity consumption o Electricity consumption measured in kWh per Total Gross m² o Electricity consumption per student FTE o Electricity consumption measured in kWh per student FTE • Green infrastructure and energies o Green energy generated as % of total energy consumption o Green buildings as % of infrastructure o Energy (British Thermal Unit) per Total Gross m² o Energy consumption measured in British Thermal Units per Total Gross m² o Energy MMBTU per student FTE o Energy consumption measured in MMBTUs per student FTE • Carbon footprint

QUARTER 1: ACCESS AND ENROLMENTS	QUARTER 2: STUDENT SUCCESS AND THROUGHPUT	QUARTER 3: TRANSFORMATION	QUARTER 4: SUSTAINABILITY AND STEWARDSHIP
		aggrieved students and employees • Number of disciplinary cases (per quarter and annual trends) and severity of sanctions based on population group and gender of students and employees • Council-funded investment in human resource development interventions, especially for those from designated groups • Map of global footprint and strategic partnerships • BBBEE scorecard performance (annual trends): o Management Control o Skills Development o Preferential Procurement o Supplier Development o Enterprise Development o Socio-Economic Development	o Carbon footprint measured in metric tons per Total gross m² o Carbon footprint per student FTE o Carbon footprint per permanent staff member o Carbon footprint measured in metric tons per student FTE • Water usage o Water use per Total Gross m² o Water use per student FTE per day o Daily water usage measured in litres per student FTE • Waste management: o Recycling and waste management o Recycled waste per student FTE o Recycled waste measured in tons per student FTE o Garbage waste measured in tons per Total Gross m² o Garbage per student FTE o Garbage waste measured in tons per student FTE • Volume of reprographics generated per annum • Council- and non-Council funded investment in environmental sustainability projects

QUARTER 1: ACCESS AND ENROLMENTS	QUARTER 2: STUDENT SUCCESS AND THROUGHPUT	QUARTER 3: TRANSFORMATION	QUARTER 4: SUSTAINABILITY AND STEWARDSHIP
			• Value and impact of new infrastructure to promote sustainable water and energy use

In addition to the quantitative data for the quarterly indicators outlined in Table 5, progress in implementing the Vision 2030 Strategic Focus Areas sustainably is monitored and evaluated using the strategy-aligned indicators outlined in Annexure D. These indicators may be amended and refined over time as the five-year strategic plans of various executive management portfolios and faculties inform the Vision 2030 institutional MERL framework iteratively.

Operationalising the Vision 2030 Strategy requires that there is an overarching monitoring, evaluation, reporting, and learning (MERL) framework to provide the parameters for effective and systematic monitoring and evaluation at the institutional level. The MERL Framework serves to ensure that strategy implementation progress and challenges are reported to internal and external stakeholders to inform continuous improvement interventions in support of institutional learning and the promotion of excellence in the University's core academic missions and support services.

Specific performance indicators in the Vision 2030 MERL Framework are fully aligned with the broad policy goals that are articulated in higher education policy, as well as the strategic focus areas articulated in Vision 2030. Qualitative and quantitative data for each of the indicators outlined in Table 5 and Annexure D are analysed and reported to Council quarterly, which in turn informs annual reporting to regulatory and statutory bodies such as the Department for Higher Education and Training. The success of the MERL Framework is dependent on integrated and digitalised institutional systems that support quality reporting informed by accurate and reliable data to ensure that institutional governance and management, planning, and decision-making are evidence-based, and strategy-aligned.

In conclusion, strategic MER acts as a critical feedback loop for effective risk management, allowing institutions to proactively identify, assess, and address potential threats to their strategic objectives through data-driven insights and reporting. The continuous process of tracking and assessing potential risks that could impact the achievement of strategic objectives, allows for proactive mitigation strategies to be implemented based on identified vulnerabilities through data analysis and reporting. To this end, it is important to provide an overview of the format and guidelines for preparing and reporting on quarterly institutional and departmental/operational risk registers.

PURPOSE OF THE QUARTERLY DEPARTMENTAL RISK REGISTER REVIEW AND REPORTING PRACTICE NOTE

The development of the Quarterly Departmental Risk Register Review and Reporting Practice Note is governed and informed by the Risk Management Policy of the University. However, following the challenges experienced by the Risk and Ethics Advisory Office when reviewing Departmental Quarterly Risk Registers, the Risk Management Committee (RMC) proposed that there be a practice note to guide management and risk champions on the process to follow when reviewing the registers. Therefore, the Risk and Ethics Advisory Office has developed the process to be followed as outlined below.

The purpose of the development of the Practice Note is to:

- Provide a framework for the review of the Departmental Risk Registers.
- Eliminate surprises.
- Embed a risk management culture.
- Enable Management to own their risks and account to the governance structures on a quarterly basis.
- Provide a framework for the reporting and communication of the Institutional Risk Register.

QUARTERLY DEPARTMENTAL RISK REGISTER REVIEW PROCESS

- The process starts when the quarter begins and/or the Risk Management Committee (RMC) Secretariat issues an email for the *Call for Items* for the upcoming Risk Management Committee meeting.
- From the beginning of the quarter or immediately after the RMC Secretariat issues an email for the *Call for Items* for the upcoming RMC meeting, the Deputy Director: Risk and Ethics Advisory prepares quarterly risk registers' templates for the Departments (see Annexure E).
- The Deputy Director: Risk and Ethics Advisory issues a ten (10) working days' notice and circulates Quarterly Risk Registers to the Departments' Risk Champions for their review within ten (10) working days of receipt (Cut-off date to be proposed).
- The Risk Champions will need to review the Departmental Risk Registers for the particular quarter with other designated Managers/Employees (where applicable) focusing on Key Risk Indicators (KRIs), Control Effectiveness Rating, Future Controls/Action Plans, Completion Date, and Comments/Status.
- Risk Champions must confirm via email, that all the areas have been reviewed when they are submitting the Risk Registers to the Deputy Director: Risk and Ethics Advisory. New updates should be made with **GREEN** text and any proposed changes/deletion of existing information in the register must be highlighted in **RED** text with the explanatory comment inserted.

- Identify and discuss any new/emerging risks that may require immediate attention (if any).
- Following the review by the Risk Champions and other Managers/Employees in the Department (within 10 working days), the Risk Champions must share the reviewed Risk Register with the relevant Risk Owner (e.g., Vice-Chancellor, Deputy Vice-Chancellor, Executive Director, Registrar etc.) for review and approval.
- No risk register will be accepted if not signed off by the Risk Owner.
- On the eleventh day of receipt of the Quarterly Risk Registers, the Risk Champions send the reviewed and approved Quarterly Risk Register(s) to the Deputy Director: Risk and Ethics Advisory.
- The Risk and Ethics Advisory Office will send out reminders on the fifth day of the notice and a further reminder closer to the last day of or on the last day of the notice. Where the Risk Champion(s) have failed to submit their reviewed Risk Registers after 10 days of the notice, the request will be escalated to the relevant Risk Owner.

QUARTERLY DEPARTMENTAL RISK ADVISORY REPORT PROCESS

- Following the submission of the reviewed and approved Departmental Risk Registers, the Deputy Director: Risk and Ethics Advisory consolidates the Registers into the Quarterly Institutional Risk Advisory Report for the RMC en route to MANCO, the Audit and Risk Committee, and Council for approval.
- The Deputy Director: Risk and Ethics Advisory submits the Quarterly Institutional Risk Advisory Report to the RMC Chairperson for information.
- On the due date for submission of supporting documents, the Deputy Director: Risk and Ethics Advisory uploads the reports (MEMO and Institutional Risk Report) to the Secretariat Sensitivity Classification System (https://forms.mandela.ac.za/sscs/) and submits the final Quarterly Risk Advisory Report to the RMC Secretariat.

COMMUNICATION OF THE QUARTERLY DEPARTMENTAL RISK ADVISORY REPORT

- Following the approval of the Quarterly Departmental Risk Advisory Report by the Council, the Deputy Director: Risk and Ethics Advisory, shall share it with the Communication and Marketing Department for circulation with the University community.
- Process ends – Ongoing monitoring continues.

STRATEGY-ALIGNED RESOURCE MOBILISATION AND BUDGETING

The process of cascading Vision 2030 has resulted in the formulation of strategic plans within each executive management portfolio. Together with the Vision 2030 institutional strategy and the Vice-Chancellor's *Advancing Mandela University* address, the parameters for sustainable and strategy-aligned resource mobilisation and budgeting are increasingly informing the annual budgeting process. Even further progress will be made as the measures outlined in these guidelines are implemented to promote an integrated approach to institutional strategy, budgeting, and performance management.

Strategy-aligned resource mobilisation

The avenues open to the University for resource mobilisation include accessing the available state subsidies and grants; levying student fees; accessing different types of funding available for bursaries and for research and engagement; 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 University Council approved the Institutional Resource Mobilisation Strategy (IRMS): 2025-2028 (refer to Annexure F) in November 2024 to guide resource mobilisation within the broader context of the Vision 2030 strategy and various other strategies and plans important to ensure alignment, integration, and coordination. The fundamental purpose of the IRMS is to improve planning, coordination, implementation, monitoring, evaluation, and reporting on resource mobilisation to contribute to the University achieving its Vision and Mission by directly and indirectly supporting the relevant Strategic Focus Areas and Strategic Enablers contained in Vision 2030. Deriving from the IRMS, a high-level plan for strategic resource mobilisation is being prepared that will identify the specific programmes and activities within the University's transversal priority areas that need to form the focus of resource mobilisation in the period 2025 to 2028. This will then also iteratively feed into the strategic plans and annual operational plans of the relevant portfolios and form the basis of more integrated and coordinated resource mobilisation, monitoring, and reporting.

Strategy-aligned budgeting

The annual budget needs to link to institutional strategy to ensure that key objectives and priorities are resourced and achieved. However, there is an inherent tension between strategic planning and budgeting, which often makes it difficult to achieve the desired level of integration. While budgets tend to focus on the short-term perspective (i.e., the next financial year and the Government's three-year Medium-Term Expenditure

Framework), planning generally takes a longer view (i.e., the next five to twenty years). As a result, annual operational plans are developed within the context of limited financial resources, informed by longer-term plans and priorities.

Through the annual budget directives (see Annexure G), the University strives to optimally resource the academic project while sustainably driving strategic initiatives and growth areas, driving down cost structures through efficiencies, and freeing up capital in non-core assets. A surplus from Council-controlled recurrent operations, before finance income, is budgeted. Finance income is utilised to grow reserves, seed new initiatives, and facilitate strategy implementation.

The University's budget is based on an Institutional Resource Allocation Model that allocates high-level block allocations of resources to the Academic Project, Professional and Administrative Support Services (PASS), Strategic Projects, Capital Expenditure (CAPEX), Bursaries, Overheads and Earmarked Accounts, and Other Expenses that are further distributed via budgetary processes and allocation models.

These budgeting processes are overseen by various committees that are representative of faculties and directorates within the University to ensure stakeholder inclusivity. These committees allocate funds based on models and processes informed by institutional strategy and Council's performance objectives. The Annual Performance Plan (APP), which includes a three-year cash flow and reserve accumulation plan, supports the annual budget, and guides the monitoring of financial sustainability.

The key principles informing strategic resource allocation will be discussed in the section that follows.

Key principles underpinning strategic resource allocation

Strategic budget allocations are by nature designed to support the implementation of the Vision 2030 Strategy. The parameters set for this budget item target an allocation of 3% of the previous year's net tuition fees + operational subsidy from the central budget before any transfer from reserves. Funding is non-recurrent and allocated for a specific period only – i.e., non-recurrent seed funding normally for a maximum period of three years, after which time the project should be:

- Self-funded
- Generating income through subsidy or fees; or
- Successfully concluded and mainstreamed.

There are recurring line items that are historically part of the institutional strategic resource allocation, which will be carefully evaluated. The responsible MANCO member(s) will need to align these historical, recurring items to the transversal strategic priority areas to qualify for strategic funding. Should this not be possible, the responsible executive management (MANCO) member(s) must develop an exit strategy to progressively shift these items to their operational budgets as part of their baseline according to the relevant directives. Recurring operational items that are shifted to the baseline of a MANCO portfolio through the application of the budget directives, will not be considered for strategic funding in subsequent years. Strategic allocations towards staffing costs must include all associated costs including the annual general salary increase and CAPEX requirements.

In-year monitoring and reporting on strategic resource allocation and expenditure trends is maintained by the Strategic Resources and Financial Sustainability Committee (SRFSC) and funding is redistributed in the second and third quarters of each financial year if reasonable motivations for underspending are not provided by the lead MANCO portfolio(s). Furthermore, if allocations of strategic funding to capital items are not spent by June, this is followed up on and the funding is redirected if it is projected that it will not be utilised for the intended purpose.

Where relevant, strategic resource allocation and expenditure patterns over the past three years will be analysed to inform allocations. This is intended to promote progressively improved allocative efficiencies (i.e., comparison of allocations versus historical spending patterns). Allocative efficiencies and strategy alignment will be optimised through data analytics to assess historical allocation and expenditure trends across all projects per MANCO portfolio. Based on these analyses, the SRFSC will assess how best to optimise the available strategic funding to honour historical commitments while phasing in an approach that prioritises transversal, impactful strategic programmes and projects as opposed to an array of line items that are operationally oriented.

Funding of transversal strategic priorities may be phased in according to a multi-year programme indicating what projects will be funded in which year and to what proportions, given that it may not be possible to fund all projects in the same year. Strategic allocations will progressively migrate to a three-year rolling forecast of strategic funding required (annually and over three years) to implement the approved programmes and projects that align with the V2030 strategy, the strategic plans of MANCO portfolios, the transversal strategic priority areas articulated in Vision 2030, and the Vice-Chancellor's *Advancing Mandela University* address.

Each of the transversal strategic priority areas is assigned to a MANCO lead(s) to steer, screen, and prioritise collaborative applications for SRFSC funding (refer to Annexure H for the criteria and Annexure I for the template to apply for strategic funding annually). All projects intended to address a transversal strategic priority area must be channelled through the relevant MANCO lead(s) and integrated, where possible. In this way, fewer strategy-aligned projects will be funded to enable more impactful resource allocation and integrated strategy implementation.

The MANCO lead(s) assigned to oversee each transversal priority area are responsible for:

- Receiving expressions of interest from those within any faculty, PASS division, or entity who wish to apply for strategic funding to contribute to any of the identified Vision 2030 transversal priority areas.
- Liaising with all those who express an interest in contributing to the priority area they are leading to facilitate synergies and advise applicants on opportunities to prepare collaborative project proposals that will maximise impact.
- Advise those who have submitted an expression of interest on whether they can proceed to prepare a proposal for strategic funding using the template and criteria provided (refer to Annexures F and G).
- Being mindful of institutional financial constraints, make every effort to streamline the project proposals that are submitted for their priority area(s).
- After the proposals for funding have been submitted, the MANCO lead(s) will score each of the projects for their priority area in terms of the criteria provided and the motivations outlined in the project proposals regarding strategy alignment.
- Make a recommendation to the SRFSC of the list of projects in rank order to be prioritised for strategic funding within their priority area(s).
- Liaise with those who have submitted project proposals to advise them of the outcome of their application and the way forward.
- Oversee the implementation of the projects approved for their priority area(s) in 2025 and conduct ongoing in-year monitoring of progress to promote allocative efficiencies.
- Report on progress to the SRFSC every quarter and advise on whether any funding can be redistributed after the second and third quarters if spending has not been at optimal levels.

CONCLUSION

In summary, aligning risk management, resource mobilisation, budgeting, and performance management with institutional strategy ensures that the University is actively managing its resources, mitigating potential risks, and effectively monitoring progress toward achieving its strategic goals, allowing for necessary adjustments to strategy and operations within a volatile macro-environment. An integrated approach seeks to actively align resource mobilisation and financial planning with strategic goals, thereby ensuring that the University's resources are allocated effectively to achieve desired outcomes while proactively mitigating risks. In turn, this will contribute to informed decision-making, enhanced accountability, and improved long-term sustainability.

ANNEXURE A: VISION 2030 STRATEGIC FOCUS AREAS, ENABLERS AND GOALS

Vision 2030 strategic focus areas	Goals
SFA 1: Liberate human potential through humanising, innovative lifelong learning experiences that prepare graduates to be socially conscious, responsible global citizens who serve the public good	• Scale up distinguishing strategic academic directions that differentiate Mandela University within a diverse higher education landscape nationally and globally. • Embrace the distinctive features of a comprehensive programme and qualification mix that provide a range of access routes and learning pathways for multi-generational learners from diverse educational backgrounds. • Design and implement strategies to support the progressive migration towards high-quality, technology-rich hybrid learning within and beyond the classroom. • Design and offer hybrid and fully online short learning programmes and stackable credentials in support of lifelong learning and continuing professional development. • Advance humanising learning experiences and curriculum transformation interventions that seek to prepare graduates for success at work, entrepreneurship and in life. • Promote University-wide internationalisation initiatives aimed at enhancing global pedagogical relevance.
SFA 2: Pursue impactful, pioneering research, innovation and internationalisation to address grand societal challenges and promote sustainable futures	• Establish nationally and internationally renowned, inter- and transdisciplinary research themes that address key issues facing society and the planet. • Review recognition, rewards, resourcing and workload models to provide an enabling environment for the generation of impactful research and innovation outputs that are locally relevant and globally significant. • Invest in the attraction, development and retention of socially diverse, research active postgraduate students, postdoctoral fellows and early career academics to promote talent continuity, research productivity and academic excellence.

Vision 2030 strategic focus areas	Goals
	• Leverage the expertise of the HEAVA appointees and research associates for postgraduate student supervision, co-authoring of publications and joint applications for external grant funding. • Provide sustainable support to research chairs and entities as institutionalised mechanisms to promote synergies, enhance research and innovation productivity, and leverage external funding. • Enhance the global reach and visibility of the University through expanded international networks, strategic partnerships and collaborative international research grants, particularly on the African continent and in the global South. • Ensure that the physical and electronic library and information services collections are appropriately resourced to maintain currency with trends in scholarship across all knowledge domains.
SFA 3: Engage with all publics in equalising partnerships to co-create transformative, contextually responsive solutions in pursuit of social justice and equality	• Conceptually and programmatically anchor the strategic goals of engagement and transformation within and beyond the University. • Position engagement and transformation as an institutional orientation that supports the aspiration of excellence in learning, teaching and research. • Lead creative and pioneering engagement and transformation projects that differentiate Mandela University within the national and global higher education sector. • Cultivate a vibrant intellectual culture that promotes critical consciousness and creates spaces for the open sharing of diverse knowledge paradigms and ideas. • Develop and implement institutional policies, systems and processes to promote social inclusion and decisively eliminate all forms of discrimination, micro-aggressions and gender-based violence. • Embed engagement and transformation across all University portfolios for broad socio-economic impact and in the interest of the public good.

Vision 2030 strategic focus areas	Goals
	• Cultivate a culture of scholarship as an intellectual resource base that buttresses the engagement and transformation approaches, praxes and programmes of the University. • Develop platforms for co-creating sustainable, innovative solutions to societal challenges through equalising partnerships with diverse publics.
SFA 4: Catalyse dynamic, student centric approaches and practices that provide life-changing student experiences within and beyond the classroom	• Conceptualise, develop and co-create an African-purposed, integrated suite of thriving student life and support services that deliver evidence-based interventions to support student success. • Stimulate vibrant, inclusive living and learning student communities on- and off-campus through diverse intellectual, cultural, sport and recreational activities and programmes. • Provide curricular and co-curricular experiential learning opportunities that cultivate innovative, entrepreneurial mindsets and enhance the readiness of graduates for life and work. • Enact institutional communities of practice, collaborative programmes and campaigns to promote holistic student well-being, health and safety. • Transform the culture of dialogue and student engagement to nurture the leadership capabilities of young African leaders and intellectuals who contribute meaningfully to society. • Facilitate the continued involvement of alumni in the activities and initiatives of the University to enhance global visibility and reach through value adding collaborative networks.

Vision 2030 strategic enablers	Goals
SE 1: Embrace ethical governance and leadership approaches and practices that embody the values of the University and seek to promote service before self	• Uphold ethical governance and leadership practices at all levels of the University to promote trust and maintain the highest standards of integrity. • Develop and implement leadership enhancement and capacity development programmes to sustain a pipeline of future leaders and trailblazers across all domains of the University. • Nurture constructive, mutually respectful engagement with key internal and external stakeholders to inform policies, strategies and decisions. • Embed a culture of transparency and accountability to ensure that leaders, employees and students align their conduct with the values of the University. • Design and implement integrated, strategy-aligned institutional performance monitoring, evaluation and reporting systems to enhance the accountability of the University to its multiple publics.
SE 2: Foster an inclusive, values-driven institutional culture to position the University as an employer of choice for talented and empowered employees	• Foster a values-driven, affirming institutional culture that promotes inclusion, holistic employee well-being and a sense of belonging. • Position the University as an employer of first choice for talented, high-performing employees through an enabling work environment and progressive remuneration, recognition and reward systems. • Accelerate the diversification of the demographic profile of employees in all occupational categories through the attraction, retention and promotion of employees from under-represented groups. • Develop and implement integrated, dynamic talent management strategies that empower employees with the self-learning skills and flexible, adaptive mindsets required to thrive within the changing world of work.
SE 3: Create and sustain an enabling innovation ecosystem where students and employees can collaboratively engage with	• Establish hubs of innovation to facilitate the convergence of students, employees and relevant external partners in spaces conducive to co-

Vision 2030 strategic enablers	Goals
external partners to co-create pioneering discoveries that advance the frontiers of knowledge and promote the public good	creating and leveraging innovations to drive the inclusive economic growth and transformation. • Raise the profile of the University and extend our influence, both nationally and internationally, through targeted innovation forums for key stakeholders in government, industry, the non-profit sector and broader society. • Embed innovation within undergraduate and taught postgraduate curricula wherever appropriate and develop channels for student participation in innovation projects. • Provide support at *all* stages of the innovation journey along with access to networks of accelerators, investors, incubation space, and an enterprise development educational programme to encourage students, academics and PASS employees to translate innovative ideas into scalable solutions and sustainable enterprises. • Support knowledge exchange and commercialisation activities that ensure innovations are readily translated for the economic, cultural and social benefit of users worldwide.
SE 4: Improve efficiencies and value creation through digitalisation, integrated systems, agile service delivery, and modernised infrastructure	• Integrate and digitalise institutional systems and processes to promote responsive decision-making, agile service delivery and improved efficiencies in support of academic excellence. • Progressively invest in upgraded ICT infrastructure and technologies, WiFi densification and cybersecurity enhancements to facilitate the migration towards digital transformation and cloud computing. • Strengthen the University's capacity to support hybrid and fully online educational delivery through widening access to mobile devices and data connectivity for students and employees. • Repurpose and modernise flexibly designed physical and virtual spaces in support of learning, research, engagement and creativity in a multi-campus context.

Vision 2030 strategic enablers	Goals
	• Transform campuses into centres of excellence through distinctive academic programme offerings and research niches, efficient service delivery, modernised infrastructure and vibrant campus life.
SE 5: Promote long-term sustainability through strategy-aligned resource mobilisation and responsible stewardship	• Develop and implement a multi-year resourcing plan informed by financial modelling to fund the progressive, future focused strategic aspirations of the University. • Optimise the academic programme and qualification portfolio, graduate and research outputs of each faculty to promote financial viability and maximise subsidy yield. • Increase and diversify revenue streams through integrated resource mobilisation, enterprise development, commercialisation and investment strategies. • Mobilise funding for bursaries and scholarships to widen access for academically deserving, financially needy under- and postgraduate students. • Develop and implement budgeting and resource allocation models that advance strategic alignment, transversal collaboration and sustainable growth. • Pursue responsible resource stewardship and greening strategies to enhance long-term financial and environmental sustainability. • Promote collective ownership of transformative procurement and supply chain management to improve the University's contribution to broad-based black economic empowerment (BBBEE).

ANNEXURE B: TEMPLATE FOR FIVE-YEAR STRATEGIC PLANS (2026-2030)

<table>
<tr><td colspan="10">VISION 2030 STRATEGIC FOCUS AREA/ENABLER:</td></tr>
<tr><td colspan="10">VISION 2030 STRATEGIC GOAL:</td></tr>
<tr><td colspan="10">DESIRED OUTCOME:</td></tr>
<tr><td rowspan="2">OUTPUTS</td><td rowspan="2">INDICATORS</td><td rowspan="2">RISKS AND OPPORTUNITIES</td><td rowspan="2">RESOURCE IMPLICATIONS</td><td rowspan="2">INTER-DEPENDENCIES</td><td colspan="5">MILESTONES</td></tr>
<tr><td>2026</td><td>2027</td><td>2028</td><td>2029</td><td>2030</td></tr>
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ANNEXURE C: TEMPLATE FOR ANNUAL OPERATIONAL PLANS

ANNUAL OPERATIONAL PLAN					
Name of portfolio/division/faculty					
Year					
Responsible senior line manager					
Strategic focus area/enabler					
Strategic goal					
Desired outcome					
Activity	**Output**	**Indicator**	**Target date**	**Person(s) responsible**	**Implications (resources, policy, risk)**

This template can be populated for each of the Vision 2030 strategic focus areas, enablers, and goals with which the portfolio, division, or faculty is aligning in its five-year strategic plan.

ANNEXURE D: VISION 2030 INSTITUTIONAL INDICATOR FRAMEWORK

Being populated in consultation with MANCO. To be inserted once finalised and approved.

ANNEXURE E: RISK MANAGEMENT TEMPLATES

Risk No	Strategic Focus Area / Enabler	Risk Event	Key Risk Indicators	Cause(s)	Effect(s) / Impact	Likelihood Rating	Impact Rating	Inherent Risk Rating	Current / Existing Controls	Control Effectiveness Rating	Residual Risk Rating	Risk Owner	Future Controls / Improvements to the Existing Controls	Risk Champion / Risk Coordinator	Completion / Due Date (Future Controls / Improvements to the Existing Controls)	Comments / Status

Risk Impact Criteria					
Criteria	**Minor**	**Significant**	**Serious**	**Critical**	**Catastrophic**
	1	**2**	**3**	**4**	**5**
Value (R)	Less than 2 million	Between 3 million and 10 million	Between 10 million and 30 million	Between 30 million and 50 million	More than 50 million
Core systems and network connectivity downtime	Less than 1 hour	1 hour to 12 working hours	12 to 24 working hours	24 to 35 working hours	More than 36 working hours
Process delays (student administration perspective)	Less than 1 day	1 day to 5 days	5 days to 10 days	10 days to 14 days	More than 2 weeks
Service Delivery (People affected internally)	Less than 20 people	20 to 50 people	50 to 70 people	70 to 100 people	>100 people
Health and Safety	First aid treatment	Prolonged hospitalisation	Multiple Disabling Injuries	1 Fatality/Severe permanent ill	More than 1 Fatality/ Severe permanent ill
Reputation	Individual concerns restricted to verbal/written complaints	Attention of local public and media	Attention of national public and media	Significant public outcry	Regulatory condemnation
Legal	Minor legal issue	Moderate breach of regulation; investigations	Major breach of regulation	Significant prosecution and fines	Severe or prolonged litigation

Risk likelihood criteria

Likelihood	Factor	Qualitative	Quantitative	Quantitative
Almost certain	5	The risk is almost certain to occur in the current circumstances	Daily or weekly	90% - 99% probability of occurrence
Likely	4	More than an even chance of occurring	Monthly to six months	70% - 89% probability of occurrence
Possible	3	Could occur quite often	Annually	30% - 69% probability of occurrence
Unlikely	2	Small likelihood but could happen	Once in 5 years	10% - 29% probability of occurrence
Rare	1	Not expected to happen - event would be a surprise	Once in 10 years	1% - 9% probability of occurrence

Opportunity impact and likelihood criteria

Impact	Likelihood	Event magnitude	Event acceptability	Proposed actions
5	5	Maximize opportunity	Acceptable	**The opportunity is maximized** - control, monitor, and inform management.
4	4	Enhance opportunity	Acceptable	Action is required to enhance the opportunity, inform Senior Management.
2 – 3	2 – 3	Forgone opportunity	Unacceptable	Action to be taken to improve the opportunity, highest priority, Senior Management attention. (Discretion in involving Senior Management and/or Council Committee's and/or Vice Chancellor – to be dictated by the event.)
1	1	Dormant opportunity	Unacceptable	Action to be implemented to activate the opportunity, highest priority, bring to the attention of the Vice Chancellor and Council.

Control Effectiveness Criteria

Control effectiveness rating	Control effectiveness level	Description of control effectiveness levels
0.9	Failing	Failing control effectiveness means that the controls are ineffective or non-existent. Any control, failing has a contribution of zero to the effectiveness.
0.65	Inadequate	Control measures exists but are inadequate to mitigate the identified risks. Inadequate control effectiveness means that the University will be faced with the possibility of a very high risk materialising.
0.4	Average	In mathematical terms, average represents a 50% confidence level. Therefore, if the controls have an average of 50% effectiveness this will mitigate 50% of the impact.
0.2	Good	When control effectiveness is described as good, the control measures are deemed to be robust, comprehensive, and well-implemented. Good control effectiveness results in operational risk profile being better managed and potentially significantly reduced.
0.1	Excellent	Excellent control effectiveness means that the control measures in place are highly effective and will result in a significant reduction in the likelihood and impact of risks, ensuring the University is well-prepared to manage potential threats and exploit the opportunities. Here management is saying that they have put in place excellent controls to mitigate the risks of a high risk event taking place.

ANNEXURE F: INSTITUTIONAL RESOURCE MOBILISATION STRATEGY

NELSON MANDELA UNIVERSITY

VISION 2030 CHANGE THE WORLD

Institutional Resource Mobilisation Strategy, 2025-28: Towards a Sustainable and Resilient University

PREFACE

In March 2019 Nelson Mandela University adopted an Institutional Resource Mobilisation Strategy (IRMS) to guide strategic resource mobilisation. A comprehensive review of this was undertaken and tabled to Council in December 2021. The development of Vision 2030, the university's organisational redesign process and the changing macro-economic environment globally and nationally necessitated a revised IRMS.

This new three-year IRMS, covering the period 2025-28, draws on the following:

- Vision 2030, which was adopted in 2021 and cascaded to MANCO portfolios and other parts of the university in the course of 2022 and 2023
- the detailed review of the 2019 IRMS which was undertaken in 2021
- the work of the Sustainability and Institutional Viability Task Team (SIVTT) process established by MANCO, and
- the priorities articulated in the Vice-Chancellor's address in March 2023 taking stock of the strategic direction charted in her inaugural and setting out the strategic trajectory of her second term.

The University's transversal priorities requiring resources have been distilled from these and form the focus of the 2025-28 IRMS.

It consists of five main sections:

- an introduction setting out the core principles, definitions and revenue and resources categories
- a strategic overview and alignment with Vision 2030
- institutional arrangements for resource mobilisation and coordination at Nelson Mandela University
- monitoring, evaluation and reporting (including base line figures and indicators), and
- a proposal for a high-level three-year plan.

Dr Denver Webb
Senior Director
STRATEGIC RESOURCE MOBILISATION AND ADVANCEMENT

SECTION A: INTRODUCTION

1. Nine Core Principles

Enhanced resource mobilisation at Nelson Mandela University emerged from the Re-Imagining Resource Mobilisation project, mandated by Council in 2014 and was foregrounded on certain key principles. The context has evolved since then, but the principles upon which the re-imagining project was undertaken are still important in underpinning the IRMS.

The nine core principles upon which this IRMS is based are:

a) Resource mobilisation is a cross-cutting responsibility where relevant throughout the university.
b) Maximising government funding and fees in an integrated and coordinated manner.
c) Innovative resource generation to meet current and future needs.
d) Building networks and partnerships in support of Nelson Mandela University's posture and ambitions.
e) Investing in growing annuity income streams and endowments.
f) Fostering future-focused capability, scanning horizons for opportunities to continue to position Nelson Mandela University.
g) Ensuring responsible resource stewardship and allocation.
h) Creating flexible, agile, integrated, capacity to respond to opportunities.
i) Stewarding funders and partners and strengthening mechanisms for following up strategic interventions.

2. Working Definitions

Resources

Resources are frequently thought of as funding. While that is certainly the main meaning in the context of resource mobilisation, resource mobilisation activities also need to be thought of more broadly as building and stewarding relationship and partnerships, investing time and effort in building networks that lead to funding. That is the foundation of a considerable amount of successful fundraising. Developing and stewarding relationships with funders and potential funders requires dedicated focus, capacity and budgets.

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

Sustainability: In terms of defining sustainability, the 2016 King IV Commission usefully defines sustainability as conducting operations in a manner that meets existing needs without compromising the ability of future generations to meet their needs. [2] This involves 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. King IV links sustainability to development implying wider societal responsibilities, "intentionally interacting with, and responding to, the opportunities and challenges presented by the dynamic system of the triple context in which the organisation operates and the capitals that the organisation uses and affects, with the aim to achieve the creation of value over time. Sustainable development is not confined to individual matters, such as the economic viability of the organisation, the natural environment or corporate social responsibility. Rather, it refers to an integrated approach that includes these and other considerations."[3]

Stewardship: Fostering relationships and managing assets in a responsible and prudent manner to ensure their continued availability in the medium- and long-term.

3. Revenue and Resource Mobilisation Categories

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

State Subsidy and Grants (First stream income)

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[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/ (site accessed 8 March 2019).

[2] Institute of Directors, King IV Report on Corporate Governance for South Africa 2016, website: https://cdn.ymaws.com/www.iodsa.co.za/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/IoDSA_King_IV_Report_-_WebVersion.pdf (site accessed 8 March 2019).

[3] *Ibid*.

- 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)

a) Student Fees (Second stream)

- Tuition
- Accommodation.

b) Third stream Income

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

- Rentals, investment income, which should not be utilised for operations; to service the Nelson Mandela University reserves (ICT, teaching and research equipment, and security asset replacement including a capital maintenance and infrastructure)
- 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 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 component only or for dedicated purpose agreed upon with the funder)

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

The three-year plan accompanying the strategy derives from the priorities and developmental trajectory of Mandela University. A cluster of strategic interventions around each of the strategic pillars emerged from the consultative sessions with relevant role-players and internal stakeholders.

The resource avenues that should be explored to meet resource mobilisation requirements 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:
     - Foundation programme grant
     - University Capacity Development Grant
     - Infrastructure and Efficiency Grant
     - Medical School grant

   - Department of Health
     - Clinical Training Grant.
     - Health Professionals Training and Development Grant (HPTDG)

d. **Research grants, contract research and consulting**:
   - Councils and Departments, e.g. MRC, NRF, DSI
   - Contract research with government or industry
   - Consulting or services in response to advertised RFI, EOI or tenders
   - Unsolicited proposals to government departments, public entities (for e.g. NSF, UIF).

e. **Donations**:
   - In cash or kind
   - Attracting Section 18A tax certificate if done through Nelson Mandela University Trust and meets criteria
   - Concerted online giving campaign, including alumni donations.

f. **Sponsorships**:
   - Buildings, equipment, transport or Research 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**:
   - PPPs (e.g. infrastructure like residences)
   - Other higher education institutions (Africa, BRICS)

i. **Business opportunities**:
   - Commercialisation of IP and other university assets
   - Developing land asset to best advantage

In summary, the avenues open to the University for mobilisation resources include accessing the available state subsidies and grants; levying student fees; accessing different types of funding available for bursaries and for research and engagement; 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.

4. Critical Success Factors

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

a. Good database and business 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 at a strategic and operational level.
e. Sound corporate governance.
f. Regular monitoring, evaluation and reporting.
g. Managing resource mobilisation as part of performance management and development.
h. Leveraging the brand represented by our namesake.
i. Building solid relationships with stakeholders, existing and potential supporters and other partners.
j. An institutional culture where all the relevant staff buy into and contribute to resource mobilisation and stewardship.
k. Centralised planning and coordination, decentralised implementation.

SECTION B: STRATEGIC OVERVIEW AND ALIGNMENT WITH VISION 2030

5. Vision, Mission and Values

Resource mobilisation at Nelson Mandela University is guided by, and draws inspiration from, the vision and mission articulated in the University's Vision 2030 strategy.

VISION	A dynamic African university, recognised for its leadership in generating cutting-edge knowledge for a sustainable future.
MISSION	i. To offer a diverse range of life-changing educational experiences for a better world.

In Vision 2030, Mandela University reaffirms its commitment to change the world through life-changing, student-centric educational opportunities, innovative research, and transformative engagement that contribute to a better world. These core missions are supported and enabled through a values-driven, inclusive institutional culture that liberates the full potential of students, employees and communities as we seek to embody the legacy and ethos of our iconic namesake, Nelson Mandela. Further critical enablers that support our strategic intentions include ethical governance and leadership, empowering employees to embrace the future world of work, creating an enabling environment for innovation, accelerating our digital transformation trajectory, ensuring the optimal utilisation of modernised and flexibly designed infrastructure, and deepening our commitment to long-term sustainability and responsible resource stewardship. This overarching strategic framework is diagrammatically depicted below.

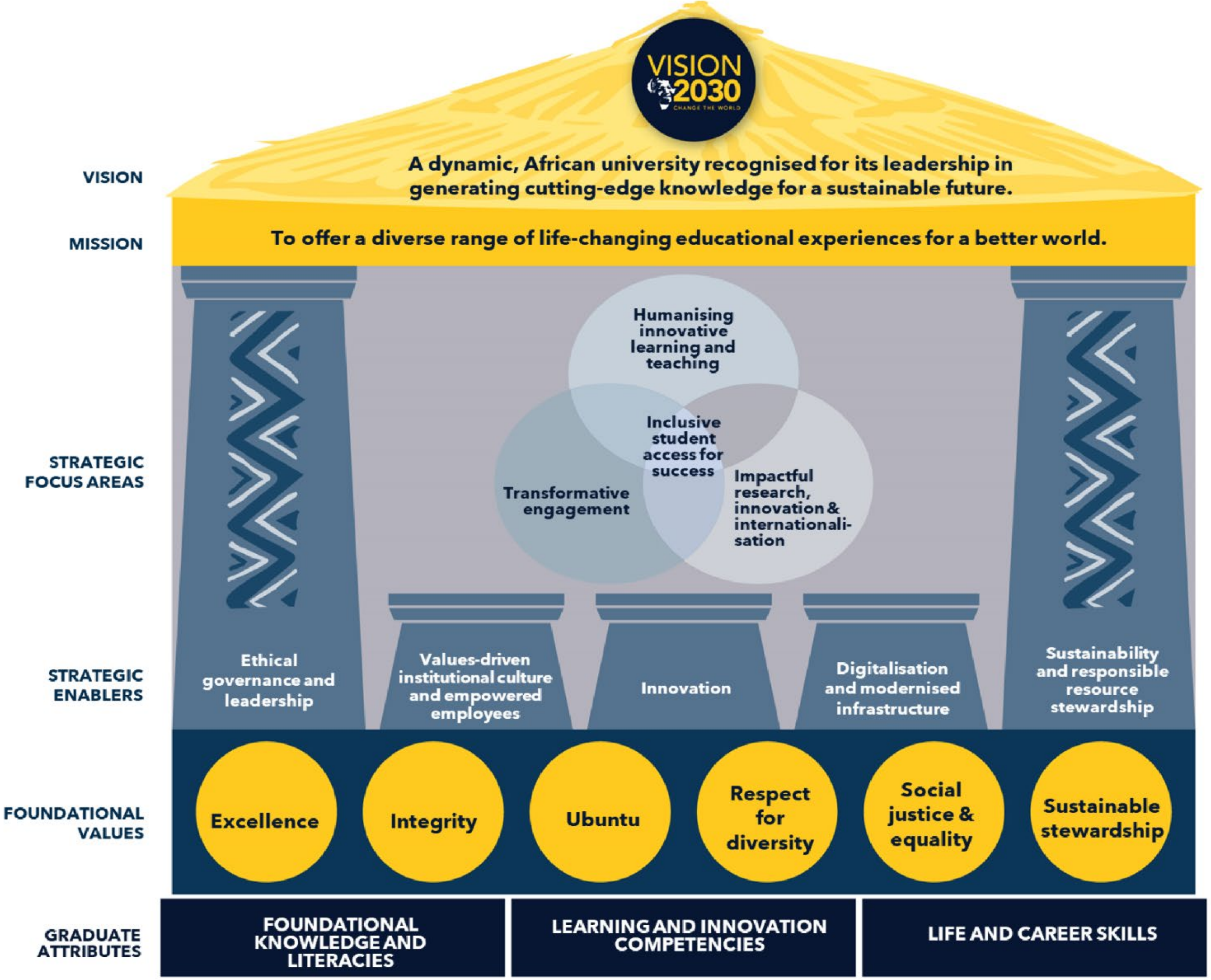


Figure 1: Infographic summarising V2030 Strategic Priorities and Strategic Enablers

- Resource mobilisation across the university is guided by the values of the University, namely:
  - Excellence
  - Integrity
  - Ubuntu
  - Respect for diversity
  - Social justice and equality, and
  - Sustainable stewardship.

6. Locating the IRMS with the University Strategic Planning Framework

Vision 2030 is the primary strategy for the University. MANCO portfolios, faculties, and other business units are expected to develop their own strategic plans and annual operational plans that contribute to achieving Vision 2030. This IRMS, like other overarching strategies, is intended as to provide dedicated focus and coordination to one aspect of V2030 – in this case, resource mobilisation - within the broader context of institutional strategies and plans. relationship between Vison 2030 strategy and various strategies and plans important to ensure alignment, integration and coordination. The relationship to the other institutional strategies and plans can be summarised as follows:

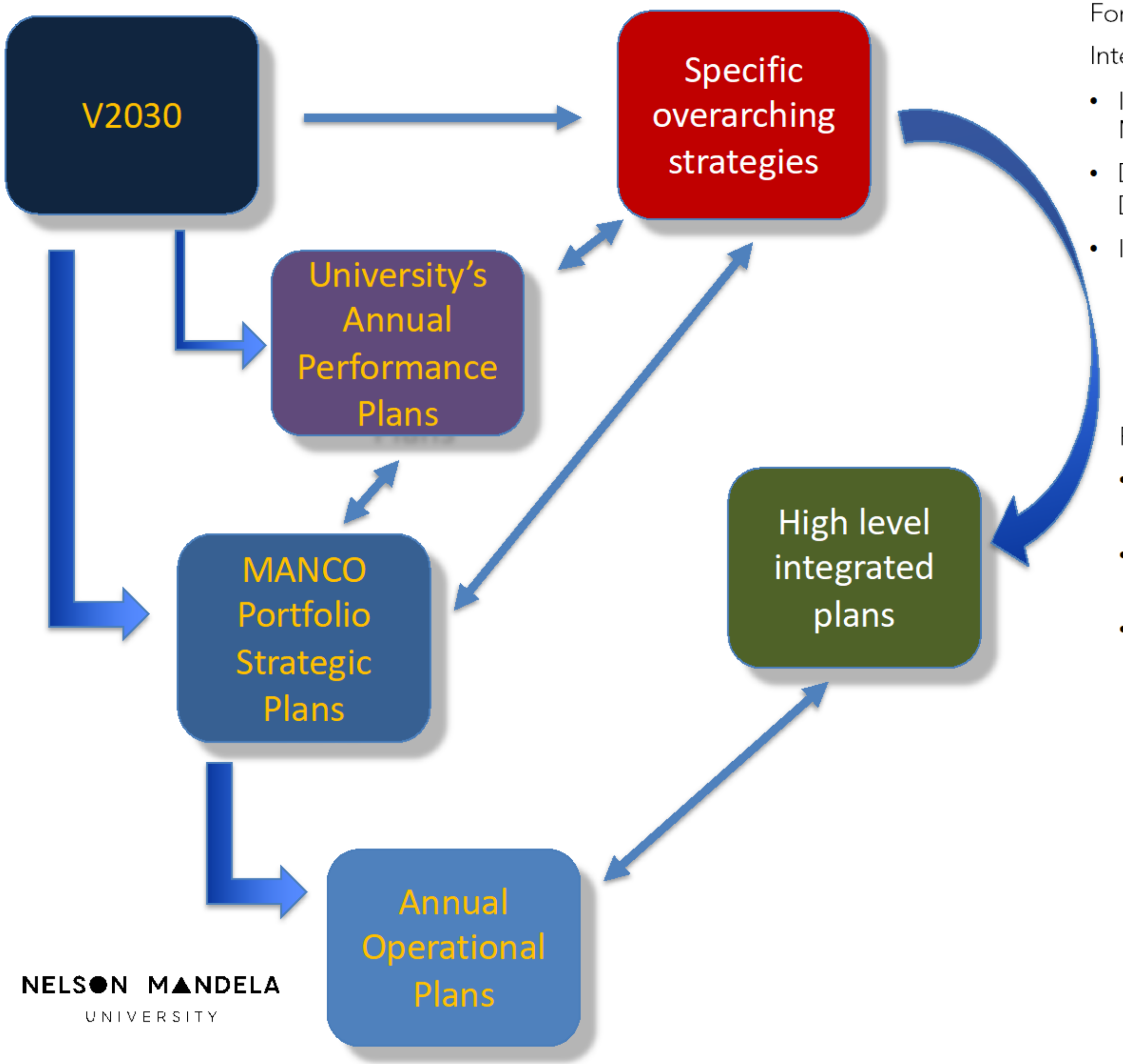
University Strategy - reviewed every five years

Each executive management portfolio develops five-year strategic plans aligned to Vision 2030 – reviewed annually

Faculties, divisions, campuses and institutional entities develop five-year strategic and annual performance plans aligned to Vision 2030 – reviewed annually

Individual performance plans aligned with annual performance plans of organisational units

Figure 2: Infographic showing the 'golden thread' between V2030 and individual performance plans



For e.g.

Internationalisation Strategy

- Institutional Resource Mobilisation Strategy
- Digitization and Digitalization Strategy
- Institutional People Strategy

For e.g.

- Institutional Resource Mobilisation Plan
- Digitization and Digitalization Plan
- Institutional Transformation Plan, 2023-27

Figure 3: Relationship of IRMS to other institutional strategies and plans

7. Situational Analysis

7.1 V2030 SWOT Analysis

Resource mobilisation occurs within the broad social, political and economic context described in V2030.

Figure 4: Updated V2030 SWOT analysis.

Over and above this, and with specific reference to resource mobilisation, from 2014 Nelson Mandela University undertook a process of re-imagining resource mobilisation in order to ensure the financial sustainability of the University in the medium- and long-term. Declining state funding in real terms and the 2015 and 2016 #FeesMustFall protests refocused attention on the importance of universities being able to generate additional funding in innovative resourceful ways. The announcement of free higher education in December 2017 for certain categories of students and its subsequent phased roll-out has alleviated some pressure on universities, but has not removed the necessity for interventions to mobilise resources for those students not covered by the expanded NSFAS scheme; and initiatives which will promote the medium- and long-term sustainability of the Nelson Mandela University.

7.2 Managing Risks to the Sustainability and Viability of Nelson Mandela University

Council and management of the University have a keen appreciation of the risks to Mandela University in the macro-environment outlined above. Moreover, the University has a robust approach and appropriate architecture for identifying, managing and mitigating risk, overseen by the Audit and Risk Committee of Council.

Developing and implementing an IRMS is one of the mitigation measures identified in the University's risk register. The specific entry in the risk register from quarter 4 of 2024 relating to budgeting and resource mobilisation is:

Risk No	Strategic Focus Area / Enabler	Risk Event	Quarter Two		Quarter Three	Movements on the residual risk ratings: Q2 to Q3	Rationale for the Movements on the residual risk ratings: Q2 to Q3
			Inherent Risk Rating	Residual Risk Rating	Residual Risk Rating		
IR01	Promote long-term sustainability through strategy-aligned resource mobilisation and responsible stewardship.	Inability to maintain and expand Medical School beyond planned capacity.	25	23	23	⇨	No significant change
IR02	Improve efficiencies and value creation through digitalization, integrated systems, agile service delivery, and modernised infrastructure.	Safety and security compromise.	25	23	23	⇨	No significant change
IR03	Improve efficiencies and value creation through digitalization, integrated systems, agile service delivery, and modernised infrastructure.	Cyberscurity threats.	20	13	13	⇨	No significant change
IR06	Promote long-term sustainability through strategy-aligned resource mobilisation and responsible stewardship.	Financial sustainability of the University.	16	10	10	⇨	No significant change
IR07	Improve efficiencies and value creation through digitalization, integrated systems, agile service delivery, and modernised infrastructure.	Energy insecurity.	20	8	8	⇨	No significant change
IR08	Improve efficiencies and value creation through digitalization, integrated systems, agile service delivery, and modernised infrastructure.	Inability to seize the opportunities and respond to the challenges presented by the rapid change in technologies such as AI in the 4IR.	12	8	8	⇨	No significant change
IR12	Improve efficiencies and value creation through digitalization, integrated systems, agile service delivery, and modernised infrastructure.	Possible suboptimal governance of enterprise IT.	9	6	6	⇨	No significant change
IR14	Promote long-term sustainability through strategy-aligned resource mobilisation and responsible stewardship.	Resource allocation not adequately aligned to University strategies.	12	5	5	⇨	No significant change

Legend

SE 4	Improve efficiencies and value creation through digitalisation, integrated systems, agile service delivery, and modernised infrastructure.
SE 5	Promote long-term sustainability through strategy-aligned resource mobilisation and responsible stewardship.

Figure 5: Extract of Risk Register pertaining to IRMS.

8. Vision 2030 Resource Mobilisation Imperatives

The fundamental purpose of the IRMS is to enhance resource mobilisation by improving planning, coordination, implementation, monitoring, evaluation and reporting on resource mobilisation in order to contribute to the University achieving its Vision and Mission by directly and indirectly supporting and contributing to the relevant Strategic Focus Areas and Strategic Enablers contained in V2030.

8.1 Resource Mobilisation Strategic Enabler and Strategic Goals

In terms of strategic alignment, the IRMS aligns and gives expression to Strategic Enabler 5 of V2030 (Promote long-term sustainability through strategy-aligned resource mobilisation and responsible stewardship) The relevant Strategic Goals in Vision 2030 are:

Vision 2030 Strategic Enablers	Strategic Goals
SE 5: Promote long-term sustainability through strategy-aligned resource mobilisation and responsible stewardship.	• SG 5.1: Develop and implement a multi-year resourcing plan informed by financial modelling to fund the progressive, future focused strategic aspirations of the University. • SG5.2: Optimise the academic programme and qualification portfolio, graduate and research outputs of each faculty to promote financial viability and maximise subsidy yield. • SG 5.3: Increase and diversify revenue streams through integrated resource mobilisation, enterprise development, commercialisation and investment strategies. • SG 5.4: Mobilise funding for bursaries and scholarships to widen access for academically deserving financially needy under- and postgraduate students. • SG 5.5: Develop and implement budgeting and resource allocation models that advance strategic alignment, transversal collaboration and sustainable growth.

Figure 6: Alignment of IRMS with Vision 2030

9. Transversal Resource Mobilisation Priorities

Moving from the general to the specific, this IRMS and plan focus on the Nelson Mandela University transversal university priorities that contribute to achieving V2030. These are:

a. Repositioning equalising forms of engagement
b. Research and innovation excellence (incl. internationalisation)
c. Transformation, decolonisation, and institutional culture
d. Student access and success
e. Student entrepreneurship and youth employability
f. Revitalising the humanities
g. Sustainability and transdisciplinarity
h. Medical school
i. Ocean sciences
j. Food sovereignty and security
k. Digitalisation and the Virtual Academy
l. Broad-based black economic empowerment.[4]

[4] The transversal priorities primarily derive from S. Muthwa, "Advancing Mandela University – Consolidating the Gains, Charting the Future Together" (29 March 2023).

Website: https://www.mandela.ac.za/Leadership-and-Governance/Vice-Chancellor-s-Profile/Advancing-Mandela-University-2023 (accessed 20 July 2024) and the 2025 Budget Directives (August 2024), p. 14. The 12th transversal priority is not included in this IRMS as third stream income cannot be utilised for the purposes of B-BBEE.

SECTION C: INSTITUTIONAL ARRANGEMENTS FOR RESOURCE MOBILISATION AT NELSON MANDELA UNIVERSITY

10. Mapping Implementation Role Players

Taking as a point of departure the fundamental principle that resource mobilisation is the responsibility of Branches, Divisions, Faculties, Schools, Departments and entities throughout the University, coordination and implementation the following are the salient institutional arrangements for effective implementation of the IRMS. Effective resource mobilisation across all three of the University’s income streams is thus a shared responsibility across the University. This can be depicted as follows:

Figure 5: Mapping Key Implementation Role Players

11. Institutional Arrangements for Coordination

11.1 SRMA

The SRMA was conceptualised as an office located at a strategic level in the Office of the Vice-Chancellor with both an operational resource mobilisation role as well as a transversal coordinating role. It was conceptualised as a lean, flexible and agile office at a strategic level that will support, facilitate, coordinate and direct resource mobilisation across the University; as well as deliver on specific functions like raising funding for bursaries and scholarships and managing identified catalytic projects. The purpose of the SRMA is to support to the Vice-Chancellor by leading and managing the provision of strategic direction, high level planning, coordination, support and reporting of resource mobilisation and advancement across the University and to implement certain strategic projects in line with institutional strategy. It also plays a role in coordinating resource mobilisation and providing capacity and support to where required to other role players in mobilising resources.

11.2 Finance

The strategic mandate of Finance includes:

- Contributing to the development and implementation of institutional strategic priorities.
- Promoting strategy-aligned budgeting, resourcing strategic objectives in a sustainable manner.
- Being actively involvement in decision making processes, ensuring immediate, medium and long-term implications, opportunities and risks are considered.
- Providing accurate information for reporting and decision-making.
- Leading and promoting resource stewardship.
- Building collaborative and trusted relationships.
- Promote adherence to university policies and procedures.

- Pursuing new technologies and processes that support and improve service delivery meeting the evolving needs of the university and its stakeholders.
- Recruiting, developing and retaining a diverse, innovative and value-based high performing finance team.

Finance plays a role in resource mobilisation by providing the mechanisms and structures necessary for gathering, allocating, and managing resources efficiently.

11.3 Institutional Strategy

The Office for Institutional Strategy (OIS) fulfils an advisory function concerning institutional strategy, strategic projects incubated within the Office of the Vice-Chancellor, institutional research, monitoring, evaluation and reporting, strategy intelligence and data analytics. In so doing, Institutional Strategy fulfils an integrative function at an institutional level to promote strategy-aligned planning, implementation, decision-making, policy formulation, and resource mobilisation and allocation. In so doing, the Office provides accessible, user-friendly, and technology-enabled strategy intelligence and institutional research to inform strategy-aligned planning, implementation, monitoring, evaluation and reporting at all levels of the University in alignment with the indicators and targets outlined in the Vision 2030 Monitoring, Evaluation, Reporting and Learning Framework (MERL).

The Office for Institutional Strategy strives to achieve optimal impact, inter alia, in:

- Facilitating institutional strategy development and implementation to position the University favourably.
- Supporting to senior management in crafting portfolio and faculty five-year strategic and annual operational plans aligned with institutional strategy.
- Informing evidence-based planning, budgeting, and reporting through integrated strategy intelligence, data analytics, performance dashboards, and modelling.
- Enhancing strategic integration and alignment of academic, enrolment, financial, human resources, ICT, and infrastructural planning.
- Conducting institutional research, policy analyses, benchmarking studies, and environmental scanning to inform institutional strategy and policy formulation.

- Monitoring, evaluation and reporting on institutional strategy implementation and performance against predetermined strategic goals, indicators, and targets.
- Developing and implementing technology-enabled institutional monitoring, evaluation, and reporting platforms to support integrated planning and reporting.

11.4 SRFSC

As part of the organisational redesign of the committee structure of MANCO, the SRAC (which had been a task team of MANCO) was repurposed as a MANCO committee, the Strategic Resourcing and Financial Sustainability Committee (SRFSC) and provides an important mechanism for Finance, the SRMA and Institutional Strategy to enhance strategy-aligned budgeting, resource allocation and resource mobilisation.

a) Functions

i. To ensure improved coordination and integration of strategic resource mobilisation across the University; and greater alignment of resource allocation and strategy in order to enhance long-term financial sustainability through innovative resource mobilisation and responsible stewardship.

ii. To act in an advisory capacity to the Management Committee (MANCO) on matters pertaining to strengthening the alignment between institutional strategy and resource mobilisation and allocation to ensure that these processes enable and support the achievement of institutional strategic priorities, goals and objectives.

iii. To ensure the overall strategic management of resource mobilisation and allocation, to monitor progress in achieving institutional strategic priorities and to make recommendations to MANCO in this regard.

iv. The following functions relating to Strategic Resource Mobilisation:
   - Provide guidance and advice on the Resource Mobilisation Strategy and its strategic direction and implementation; and
   - Reporting to MANCO on strategic resource mobilisation.

b) Composition

iii. Senior Director: Institutional Strategy (Chairperson)
iv. Senior Director: Strategic Resource Mobilisation and Advancement (Vice Chairperson)
v. Chief Information Officer
vi. Senior Director: Management Accounting and Analytics
vii. Senior Director: People and Institutional Capability
viii. Senior Director: Infrastructure, Services and Optimisation
ix. Senior Director: Legal Services
x. Dean: Learning and Teaching
xi. Representative of Executive Deans in Science, EBET, Health Sciences, Humanities, Law, BES and Education Faculties
xii. Director: Research Support and Management
xiii. Director: Student Governance and Development
xiv. Engagement and Transformation representative at Director level
xv. Risk Management representative
xvi. SRC.

Whilst the SRFSC has performed an important function in the allocation of strategic funding, it has not yet reached its potential for coordinating resource mobilisation. This is something which will receive attention going forward as part of the implementation of the IRMS.

11.5 Lifting Coordination of Commercialisation

Ramping up commercialisation initiatives at Mandela University has long been recognised as one of the significant ways in which recurring or annuity income that would contribute to the University's sustainability could be boosted. The strategic framework for commercialisation, adopted by MANCO in 2021 recognises that the University currently has three broad nodes of commercialisation initiatives: within the People and Operations and the

Student Life and Development portfolios; the Innovation Office and Innovolve (Pty) Ltd for IP-related commercialisation; and the Nelson Mandela University Investment Company (Pty) Ltd for commercialisation of property, and training and advisory services. At the same time, the University also has a number of initiatives promoting student entrepreneurship and enterprise development and incubation.

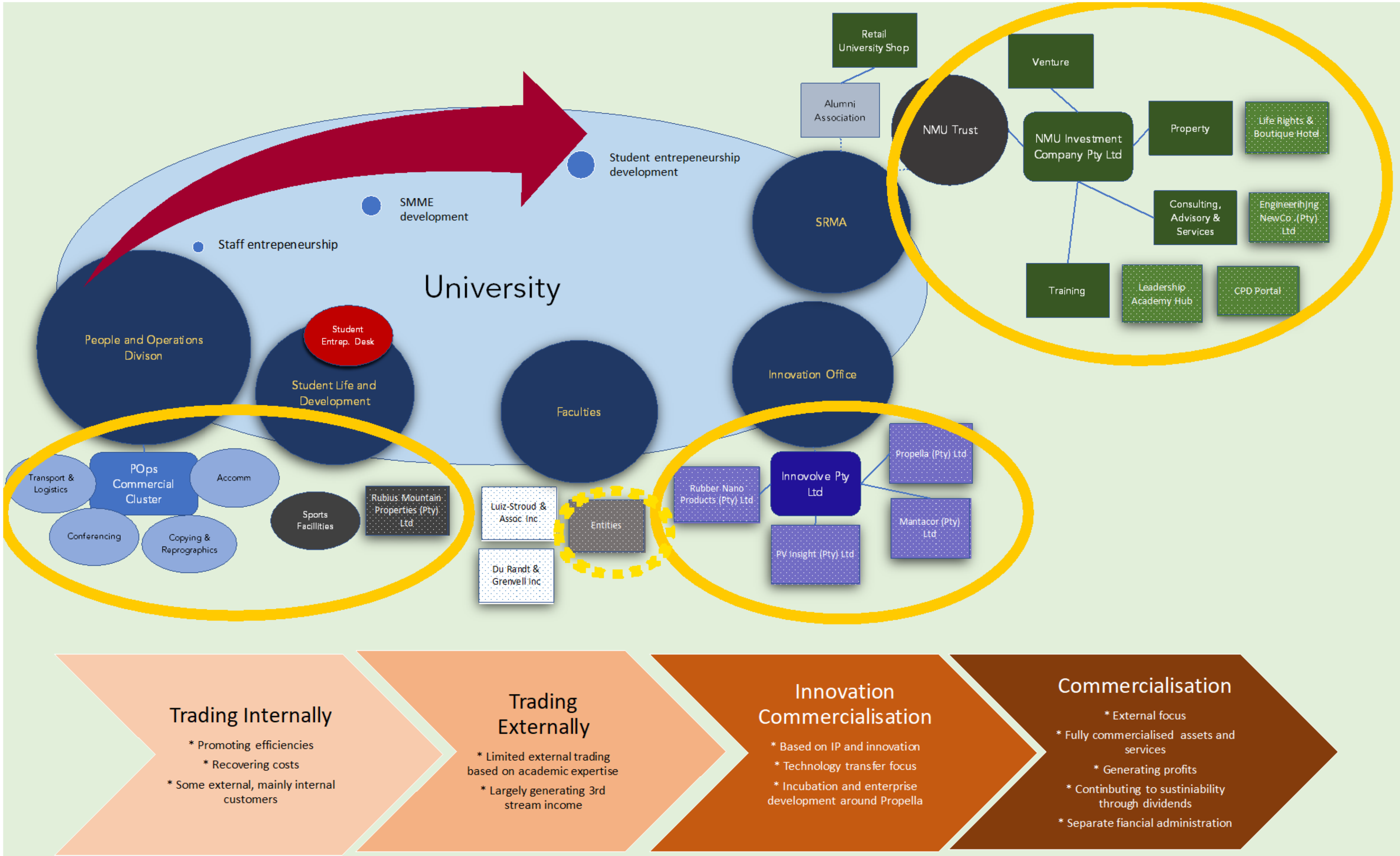


Figure 7: Summary of Strategic Framework for Commercialisation

While the University has put in place several institutional arrangements for stimulating commercialisation, and whilst there is progress on several fronts, the full potential of this to contribute to the sustainability of Nelson Mandela University is still a considerable way off. There are a number of possible reasons for this have been identified, along with proposed interventions. Chief among the possible solutions are identifying a champion to promote and coordinate commercialisation at a MANCO portfolio level; implementing an effective change management plan to facilitate a different mindset towards commercialisation and way of, for e.g. managing training and SLPs, and establishing a more conducive policy environment and pipeline to encourage effective commercialisation of university land, intellectual property, services and similar opportunities.

The starting point could be to assign the coordination of commercialisation to one of the Deputy Vice-Chancellors. This would not remove responsibility or ownership from the other portfolios, but simply create a mechanism where planning, implementation, monitoring and reporting on commercialisation is coordinated at MANCO level. The Deputy Vice-Chancellor to whom the function is assigned could convene quarterly meetings with relevant role players in the University to:

a) plan commercialisation initiatives for each year
b) agree on targets to be included in the respective annual operational plans
c) discuss and coordinate responses to any new opportunities that arise
d) monitor implementation
e) provide the necessary feedback to MANCO and Council; and
f) review progress at the end of the year and finetune interventions for the following year.

SECTION D: MONITORING, EVALUATION AND REPORTING

12. Tracking and Reporting on Resource Mobilisation

Finance tracks and reports on all income, including third stream income as part of its general operations, including in the consolidated annual financial statements each year. Other monitoring and reporting on resource mobilisation happens in different business units across the University. The effective monitoring of implementation of Vision 2030 and the IRMS also requires reporting against a set of agreed-upon indicators.

12.1 Financial Reporting

Finance monitors and reports on resource mobilisation throughout each financial year and an analysis of the sources of 3rd stream income is included in the consolidated annual financial statements at the end of each year under the following categories:

a) Trust
b) Finance income
c) Private gifts and grants
d) Contract research
e) Sale of goods and services

The following summary of 1st, 2nd and 3rd stream income provides a baseline for this IRMS.

Extract from Consolidated AFS - Recurrent income

Recurrent Income	R ' 000 2015		R ' 000 2016		R ' 000 2017		R ' 000 2018		R ' 000 2019		R ' 000 2020		R ' 000 2021		R ' 000 2022		R ' 000 2023		Var
State Appropriations	766 185	37%	874 640	39%	907 588	38%	1 045 366	39%	1 177 049	39%	1 335 311	44%	1 425 819	46%	1 635 217	47%	1 382 149	37%	-15%
Tuition and other fees	656 922	32%	677 892	31%	745 304	31%	841 950	32%	893 040	30%	908 241	30%	1 074 508	35%	1 186 394	34%	1 303 452	35%	10%
Other Income / 3rd stream	629 357	31%	662 625	30%	758 234	31%	777 497	29%	924 380	31%	790 023	26%	594 097	19%	662 555	19%	1 003 896	27%	52%
Total Recurrent Income	2 052 464	100%	2 215 157	100%	2 411 126	100%	2 664 813	100%	2 994 469	100%	3 033 574	100%	3 094 424	100%	3 484 166	100%	3 689 497	100%	6%
Other Income / 3rd stream	629 357	100%	662 625	100%	758 234	100%	777 497	100%	924 380	100%	790 023	100%	594 097	100%	662 555	100%	1 003 896	100%	52%
Trust	45 233	7%	63 750	10%	109 010	14%	97 041	12%	104 864	11%	97 264	12%	102 152	17%	103 526	16%	112 478	11%	9%
Finance Income	100 852	16%	129 983	20%	161 482	21%	194 273	25%	237 475	26%	210 019	27%	152 486	26%	246 980	37%	384 244	38%	56%
Private Gifts and Grants	334 845	53%	301 459	45%	319 220	42%	304 818	39%	398 343	43%	301 664	38%	126 039	21%	64 934	10%	229 252	23%	253%
Contract Research	102 778	16%	116 087	18%	99 848	13%	111 793	14%	98 467	11%	104 997	13%	147 308	25%	172 035	26%	169 174	17%	-2%
Sales of goods and services	45 649	7%	51 346	8%	68 674	9%	69 572	9%	85 231	9%	76 078	10%	66 112	11%	75 080	11%	108 748	11%	45%

Figure 8: Synopsis of sources of income, 2015-23

12.2 Monitoring and Evaluation Indicators

Over and above this other monitoring and evaluation indicators are contained in the V2030 Monitoring, Evaluation, Reporting and Learning (MERL) indicators approved by MANCO. Given the interconnectedness of, for e.g., meeting enrolment targets, the PQM, research outputs, student success rates and many other key aspects of operations with 1st, 2nd and 3rd stream income, most of these have some bearing on the financial sustainability of the University in one form or another, but the MERL indicators of particular relevance to the IRMS, are:

Vision 2030 Strategic Enabler	Goals	Indicators	Type of data	Baseline 2022	Targets/ Milestones 2023	Targets/ Milestones 2024	Targets/ Milestones 2025

SE 5: Promote long-term sustainability through strategy-aligned resource mobilisation and responsible stewardship	7.1 Develop and implement a multi-year resourcing plan informed by financial modelling to fund the progressive, future focused strategic aspirations of the University.	Strategic resource allocation as % of total annual budget	Quantitative	3%	3%	3%	3%
	7.2 Optimise the academic programme and qualification portfolio, graduate, and research outputs of each faculty to promote financial viability and maximise subsidy yield.	Total cost of personnel (Academic and Professional Administrative and Support Services) as a % of Council controlled recurrent income. Expected norm is between 58-63% as per DHET.	Quantitative	56.77%	58%	58%	58%
		Academic: PASS ratio of salary expenditure	Quantitative	49:51	50:50	50:50	51:49
		Academic full-time equivalent (FTE) student: staff ratios	Quantitative	29:1	29:1	29:1	29:1
	7.3 Increase and diversify revenue streams through integrated resource mobilisation, enterprise development, commercialisation, and investment strategies.	Government subsidy as a % of total recurrent Council controlled revenue	Quantitative	52.33%	51%	53%	53%
		Tuition fees as a % of total recurrent Council controlled revenue	Quantitative	35.38%	37%	37%	37%
		Third stream revenue by:	Quantitative	12.28%	12%	10%	10%
		Trust (encumbered and unencumbered) for bursaries	Quantitative	R95.3 million	R94 million	R98 million	R100 million
		Engagement project funding mobilised through the Trust	Quantitative	R11.9 million	R12 million	R12 million	R15 million

		Investment income (restricted and unrestricted)	Quantitative	5.17%	8.19%	7.84%	7.52%
		Other income (restricted and unrestricted)	Quantitative	14.03%	3.24%	3.36%	3.45%
	7.4 Mobilise funding for bursaries and scholarships to widen access for academically deserving and financially needy under- and postgraduate students.	International donations as % of third-stream income	Quantitative	R332 616	R1 million	R5 million	10 million
		Alumni donations	Quantitative	R235 510	R300 000	R550 000	R550 000
		Number and % students receiving funding from National Student Financial Aid Scheme (NSFAS)	Quantitative	57.7%	58.1% (actual)	57%	58%
		Number of students benefitting from bursaries and scholarships mobilised though the Trust	Quantitative	1 240	1 250	1 325	1 450
	7.5 Develop and implement budgeting and resource allocation models that advance strategic alignment, transversal collaboration, and sustainable growth.	Student debt ratio - student debt before impairment/total tuition and other fees (expected norm < 20%)	Quantitative	33%	30%	29%	29%
		Irrecoverable student debt/Total student debt outstanding (expected norm <50%)	Quantitative	10%	10%	9%%	9%
		Facilities net surplus (deficit) Expected norm to be self-funded.	Quantitative	(R21 919 443)	(R17 824 346)	(R15 996 010	(R13 594936)
		Student accommodation net surplus (deficit). Expected norm to be self-funded.	Quantitative	R26 702 000	R2 086 219	R8 990 209	R12 994 142
		Total current assets excluding inventories and receivables/Total current liabilities (liquidity ratio). Expected norm is > 2:1	Quantitative	5.13	4.11	4.11	4.11
		Total Council-controlled reserves/total Council-controlled annual recurrent expenditure	Quantitative	0.63	0.8	0.9	1

		(sustainability ratio). Expected norm is >= 1 - Council set target.					
		External loan debt as a % of operating income. Expected norm is <10%.	Quantitative	8%	8%	6%	6%
		Percentage of capital employed that is financed by long term debt. Expected norm is <10%.	Quantitative	4.09%	4%	4%	4%
		Net surplus as % including finance income	Quantitative	12.87%	10%	10%	10%

Figure 9: Vision 2030 MERL Indicators i.r.o. Resource Mobilisation and Stewardship

APPENDIX 1: TEMPLATE AND EXAMPLE OF HIGH-LEVEL THREE-YEAR PLAN

Deriving from the IRMS, a high-level plan for strategic resource mobilisation is being prepared that will identify the specific programmes and activities within the university's transversal priorities that need to form the focus of resource mobilisation in the period 2025 to 2027. This will then also feedback in an iterative manner into the strategic plans and annual operational plans of the relevant portfolios and form the basis of more integrated and coordinated resource mobilisation, monitoring and reporting.

An example of the template has been inserted for the Medical School. The full three-year plan for covering the other transversal priorities will be included in conciliation with the portfolio leads as the planning process for 2025 unfolds.

TRANSVERAL PRIORITY: MEDICAL SCHOOL

Programme(s)	Project(s)	Activities/eDeliverables	Sources of Funding, 2025			Sources of Funding, 2026			Sources of Funding, 2027		
			Council Budget		3rd Stream	Council Budget		3rd Stream	Council Budget		3rd Stream
			Ops	SRFSC		Ops	SRFSC		Ops	SRFSC	
(A) Medical School Research Programme											
	1. Construction of and establishment of Medical School Research Centre										
		(i) Finalise Proposal for the Research Centre (R250m+ & 24-36 months build)									
		(ii) Seeking international funder(s) and sponsor(s)									
	2. Strengthening Nanomedicine Research Platform										
		(i) Finalise contract agreement DSI R9,9m award									
		(ii) Appointment of Interim Chair (funded from Professors Project)									
		(iii) Project Plan Implementation deliverables as per proposal submitted									
	3. Build Research Enterprise through successful Research Grants awards										
		(i) Establish minimum research staffing base in the Medical School									
		(ii) Finalise appointment of Joint Mandela Uni - ECDOH Academic Clinical Heads of Department									
		(iii) Research grant applications - basic sciences, clinical sciences, population sciences									
(B) Medical School Specialist and Sub-specialist Programme											
	1. Achieve Full Accreditation of Primary MMed Specialist Programmes (4 Year Programme)										
		(i) Finalise appointment of Joint Mandela Uni - ECDOH Academic Clinical Heads of Department									
		(ii) Obtain accreditation through Mandela Uni, HPCSA, CHE, SAQA									
		(iii) First Registered PG Students for Specialist in Training Programme (2027)									
	2. Achieve Full Accreditation of MPhil Sub-specialist Programmes (2 Year Programme)										
		(i) Obtain accreditation through Mandela Uni, HPCSA, CHE, SAQA									
		(ii) First Registered PG Students for Sub-specialist in Training Programme (2028)									
(C) Medical School MBChB Programme											
	1. Achieve Full Accreditation for the MBChB Programme from 2027 onwards										
		(i) Project Plan Implementation of all HPCSA Accreditation Panel Recommendations									
	2. Secure support funding for MBChB Medical Students for next 3 years										
		(i) Seek and search for new partners, sponsors, funders for bursaries and scholarships									
		(ii) Secure existing partners, sponsors, funders for bursaries and scholarships									
		(iii) Secure MOA's where possible with HWSETA, ECDOH, Foundations,									
	3. Secure support funding for Learning and Teaching equipment, infrastructure, and vehicles										
		(i) Finalise prioritised Learning and Teaching equipment list for MBChB Clinical Yrs. 4, 5 and 6									
		(ii) Seek and secure new partners and sponsors for Learning and Teaching equipment									
		(iii) Seek and secure new partners for infrastructure development on ECDOH Clinical Platform									
		(iv) Seek and secure new partners for vehicle sponsorship - in support of the MBChB Clinical Year 6 - Longitudinal Integrated Clerkship Model with Year 6 medical students placements in District Hospitals in the Sarah Baartman District, Eastern Cape - first 3 District Hospitals in 2026 and additional 3 in 2027. Students will be placed in L&T groups of 6-8 students per District Hospital									

ANNEXURE G: CRITERIA FOR STRATEGIC RESOURCE ALLOCATION

Catalytic strategic programmes and projects can be described as those transversal priority areas initiated by the University with the intention of accelerating transformative innovations that contribute to achieving Vision 2030 strategic focus areas and enablers. Strategic resource allocation seeks to enable strategy execution and will be guided by the criteria outlined below.

Programmes and projects	Criteria for evaluating catalytic strategic programmes and projects				
List of strategic projects per transversal priority area	**Strategic alignment and positioning**	**Transformative innovation and change**	**Collaboration and integration**	**Sustainability and income generation potential**	**Multiple impacts**
	In what ways is the project aligned with the strategic aspirations of the University to be in the service of society? To what extent will the project contribute substantively to the strategic positioning of the University?	Will the project accelerate transformative innovation aligned with the transformation priorities and goals of the University?	In what ways will the project be implemented in collaboration with role players across different MANCO portfolios and/or faculties? To what extent will the project leverage collaborative partnerships internally and externally?	Does the project have the potential to generate diverse revenue streams to promote long-term sustainability? Will the project sustain itself financially after the University has provided initial seed funding?	How will the project result in multiple positive impacts internally and externally to advance the public good?

ANNEXURE H: TEMPLATE FOR STRATEGIC RESOURCE ALLOCATION APPLICATIONS

<table>
<tr><th colspan="4">TEMPLATE FOR STRATEGIC RESOURCES AND FINANCIAL SUSTAINABILITY PROJECTS</th></tr>
<tr><td>1. Project name</td><td colspan="3"></td></tr>
<tr><td rowspan="14">2. Alignment with institutional priority area(s)
Please indicate which institutional strategic priority area the project most closely aligns with</td><td>INSTITUTIONAL STRATEGIC PRIORITY AREA</td><td>MANCO LEAD(S)</td><td>Mark with X</td></tr>
<tr><td>Repositioning equalising forms of engagement</td><td>DVC Engagement & Transformation (ET)</td><td></td></tr>
<tr><td>Research and innovation excellence (including internationalisation)</td><td>DVC Research, Innovation & Internationalisation (RII)</td><td></td></tr>
<tr><td>Transformation, decolonisation, and institutional culture</td><td>DVC ET & DVC Learning & Teaching (LT)</td><td></td></tr>
<tr><td>Student access and success</td><td>DVC LT & DVC RII</td><td></td></tr>
<tr><td>Student entrepreneurship and youth employability</td><td>DVC ET, DVC LT & DVC People & Operations (PO)</td><td></td></tr>
<tr><td>Revitalising the humanities</td><td>DVC LT</td><td></td></tr>
<tr><td>Sustainability and transdisciplinarity</td><td>DVC RII & DVC ET</td><td></td></tr>
<tr><td>Ocean sciences</td><td>VC</td><td></td></tr>
<tr><td>Medical school</td><td>DVC LT</td><td></td></tr>
<tr><td>Food sovereignty and security</td><td>DVC LT, DVC ET & DVC PO</td><td></td></tr>
<tr><td>Digitalisation and the Virtual Academy</td><td>DVC PO & DVC LT</td><td></td></tr>
<tr><td>Broad-based black economic empowerment</td><td>ED Finance</td><td></td></tr>
</table>

TEMPLATE FOR STRATEGIC RESOURCES AND FINANCIAL SUSTAINABILITY PROJECTS	
3. Provide a brief description of the project, including the duration	
4. Summarise the strategic impact, significance, and alignment of the project with Vision 2030 strategic focus areas and enablers	
5. Strategic risks and/or opportunities to be addressed through or arising from the project	
6. Deliverables/outputs to be achieved through the project	YEAR 1:
	YEAR 2:
	YEAR 3:

TEMPLATE FOR STRATEGIC RESOURCES AND FINANCIAL SUSTAINABILITY PROJECTS		
7. Alignment of project with SRFSC criteria *Please allocate a score of 1-5 for each of the criteria with a brief motivation for your score*	MOTIVATION/RATIONALE *Please score in an honest and authentic manner and do not score 5 for each of the criteria to ensure that your project is prioritised. Each of the scores **must** be accompanied by written motivations. **If the score is not motivated, the SRFSC will assign the criterion a score of 0.***	SCORE 1: very limited 2: limited 3: somewhat 4: significant 5: very significant
7.1 Strategic alignment and positioning	*In what ways is the project aligned with the V2030 strategic aspirations of the University to be in the service of society?*	
	Motivation:	
	To what extent will the project contribute substantively to the strategic positioning of the University?	
	Motivation:	
7.2 Transformative innovation	*Will the project accelerate transformative innovation aligned with institutional transformation priorities and goals?*	
	Motivation:	
7.3 Collaboration and integration	*In what ways will the project be implemented in collaboration with role players across different MANCO portfolios and/or faculties?*	
	Motivation:	
	To what extent will the project leverage collaborative partnerships internally and externally?	
	Motivation:	
7. Alignment of project with SRFSC criteria	MOTIVATION/RATIONALE *Please score in an honest and authentic manner and do not score 5 for each of the criteria to ensure that your project is prioritised. Each of the scores **must** be accompanied by*	SCORE 1: very limited 2: limited

Please allocate a score of 1-5 for each of the criteria with a brief motivation for your score	*written motivations.* ***If the score is not motivated, the SRFSC will assign the criterion a score of 0.***	3: somewhat 4: significant 5: very significant
7.4 Sustainability and income generation potential	*Does the project have the potential to generate diverse revenue streams to promote long-term sustainability?*	
	Motivation:	
	To what extent will the project sustain itself financially after the University has provided initial seed funding?	
	Motivation:	
7.5 Multiple positive impacts	*How will the project result in multiple positive impacts internally and externally to advance the public good?*	
	Motivation:	

<table>
<tr><th colspan="6">TEMPLATE FOR STRATEGIC RESOURCES AND FINANCIAL SUSTAINABILITY PROJECTS</th></tr>
<tr><td rowspan="6">8. Summary of financial implications
Indicate projections of income and costs associated with the project for its duration (of 1-3 years)</td><td>Income/cost projections</td><td>YEAR 1</td><td>YEAR 2</td><td>YEAR 3</td><td>TOTAL</td></tr>
<tr><td>Income
(indicate anticipated income from <u>all</u> internal and external sources)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Salary costs</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Capital/infrastructure/ equipment costs</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Operational costs</td><td></td><td></td><td></td><td></td></tr>
<tr><td>TOTAL</td><td></td><td></td><td></td><td></td></tr>
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ANNEXURE I: BUDGET DIRECTIVES 2026

Budget Directives

2026

Table of Contents

1. INTRODUCTION

An effective budget plan is a practical, "working document", designed to invest consistent strategic thinking into day-to-day decision-making and to ensure that a sense of strategic priority informs the routine management of human, financial and capital resources.

The Nelson Mandela University will, through its budget, strive to, within its given constraints, achieve its strategic objectives and goals through effective allocation and utilisation of its resources.

The budget will strive to achieve and support the following financial milestones:

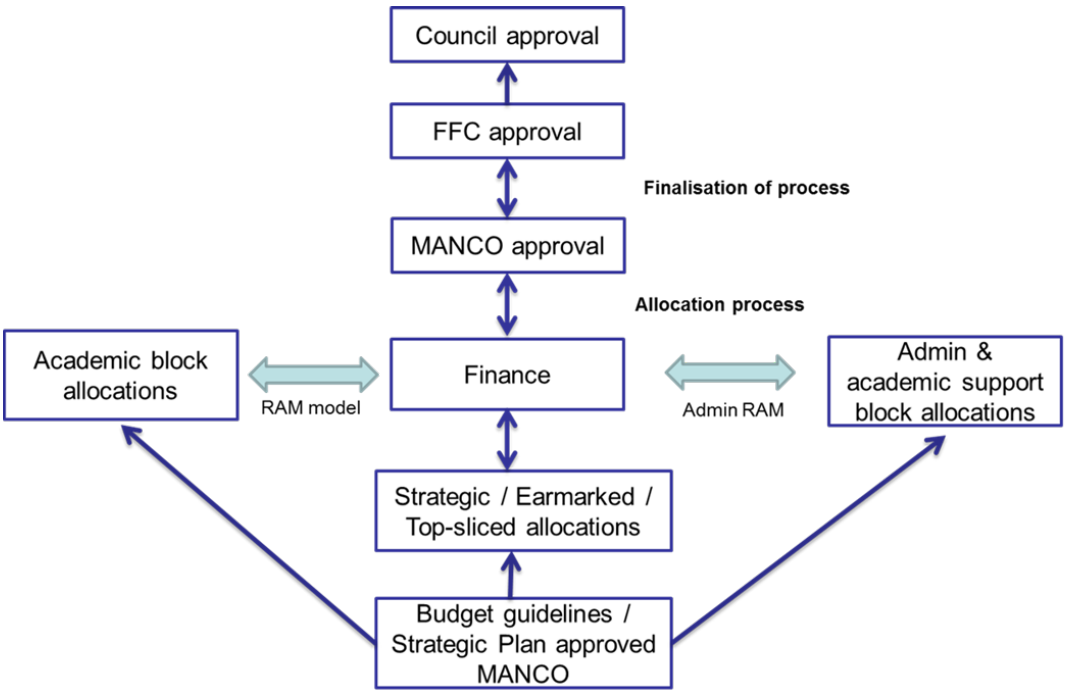
- Strategic priorities of the Nelson Mandela University.
- Generate reserves towards future sustainability.
- Fair and equitable distribution of available resources within financial constraints.
- Meet contractual and statutory requirements.

The current funding framework of the Department of Higher Education and Training (DHET) does not allocate funds towards specific cost units and therefore provides no specific guidelines on how funds should be allocated. The budget will therefore be based on the Resource Allocation Model (RAM) developed by the Nelson Mandela University.

The Summarised Budget action plan for 2026 to ensure that the budget receives Council approval by November 2025 and to be able to implement by January 2026 is as follows:

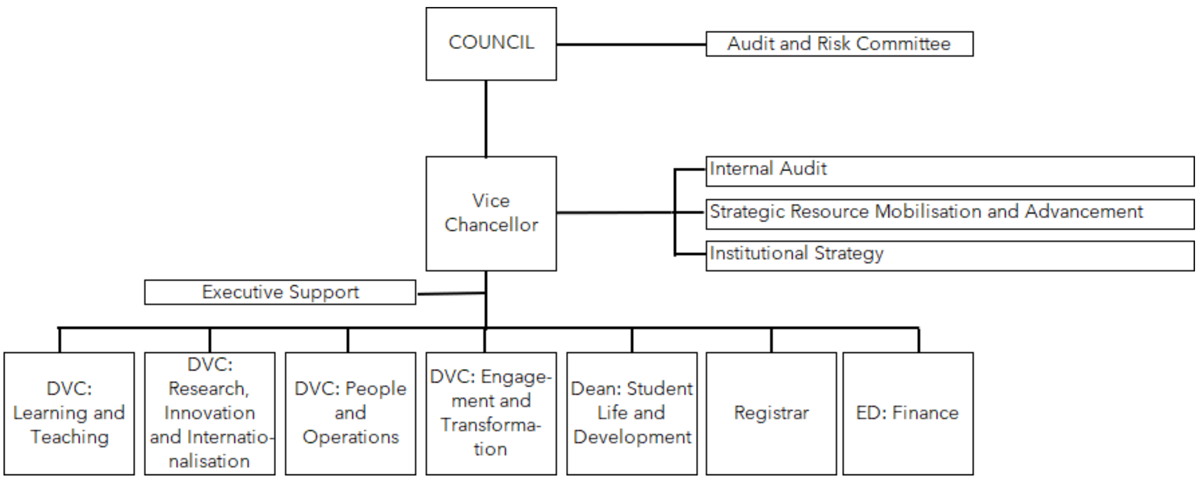
ACTION	DUE DATE
Budget directives discussed by SIVTT	01 August 2025
Budget directives approved by MANCO	11 August 2025
Budget recommended by MANCO	22 October 2025
Budget approved by Finance & Facilities Committee	06 November 2025
Budget approved by Council	27 November 2025

2. BUDGET PROCESS



3. ORGANISATIONAL BUDGET STRUCTURE

Budgets to be submitted by MANCO members according to the following structure:



VICE-CHANCELLOR

- Executive Support
- Internal Audit
- Strategic Resource Mobilisation and Advancement (SRMA)
- Institutional Strategy

DEPUTY VICE-CHANCELLOR: LEARNING AND TEACHING

- Faculty of Humanities
- Faculty of Business & Economic Sciences
- Faculty of Science
- Faculty of Engineering, Built Environment & Technology
- Faculty of Law
- Faculty of Health Sciences
- Faculty of Education
- LT Collab, including Extended Programmes
- Office of the Dean: Learning and Teaching
- Office of the DVC: L&T

DEPUTY VICE-CHANCELLOR: RESEARCH, INNOVATION AND INTERNATIONALISATION

- Research Support and Management
- Research Development
- Library & Information Services
- Innovation Office
- International Office
- Office of the DVC: RII

DEPUTY VICE-CHANCELLOR: ENGAGEMENT AND TRANSFORMATION

- HIV/AIDS Unit
- CANRAD
- Transformation
- Engagement
- CIPSET
- CRISHET
- Centre for Women and Gender Studies
- Hubs of Convergence
- Office of the DVC: ETP

DEPUTY VICE-CHANCELLOR: PEOPLE AND OPERATIONS

- Office of the DVC: PO
- Infrastructure Services and Space Optimisation
- Support Services
- Human Resources
- Campus Governance and Management: George
- Campus Governance and Management: Missionvale, Bird Street and Second Avenue
- ICT Services
- Communication and Marketing

EXECUTIVE DIRECTOR: FINANCE

- ED: Finance office
- Finance Operations
- Management Accounting and Analytics
- Revenue Management
- Supply Chain Management

DEAN: STUDENT LIFE AND DEVELOPMENT

- Student Housing
- Student Universal Accessibility and Disability Services (UADS)
- Student Governance & Development
- Student Health Services
- Madibaz Sport
- Portfolio Management and Integration

REGISTRAR

- Academic Administration
- Institutional Governance
- Legal Services
- Risk and Ethics Advisory

4. BUDGET DIRECTIVES STRATEGIC CONTEXT

Strategic budget directives need to be guided by the University's strategic imperative of being a socially embedded, transformative higher education institution in the service of society.

Nationally and globally, universities are increasingly being called upon to respond to complex and intractable challenges, such as climate change, hunger, poverty, and inequality. In the South African context, public universities are confronted with a constrained national fiscus, characterised by stagnant government subsidies and nationally regulated tuition fee increases. This is coupled with escalating costs and ever-increasing demands for access to fee-free higher education for the poor. Against this backdrop, the financial sustainability of the South African higher education sector remains a critical priority.

The evolving political landscape in the country, shaped by the Government of National Unity (GNU) and its policies, introduces both opportunities and uncertainties for higher education. While the GNU aims to stabilise governance and stimulate economic growth, the realignment of national priorities, potential policy shifts on higher education funding, and competing socio-economic demands may impact the flow of government subsidies and earmarked funding for universities. These dynamics require the University to remain agile in its planning, ensuring that budgeting processes anticipate possible policy changes while safeguarding financial sustainability and academic priorities.

Compounding these pressures are broader global geopolitical developments that directly and indirectly influence the higher education sector, including tariffs imposed by the current United States administration, the withdrawal of USAID support, and conflicts such as the Russia-Ukraine war and the

Israel-Palestine crisis. These dynamics contribute to supply chain disruptions, inflationary pressures, and reduced access to international funding opportunities and partnerships, requiring the University to adapt its budgeting strategies to remain sustainable and globally competitive.

Nelson Mandela University's Vision 2030 Strategy articulates our strategic intentions and aspirations as we offer life-changing educational opportunities, pioneering and impactful research and innovation, and transformative engagement that contribute to a better world. As a centrepiece of Vision 2030, the University strives to contribute to a more inclusive and socially just society through equalising partnerships with societal stakeholders that advance the co-creation of African-purposed solutions.

The University's core academic missions are supported and enabled through a values-driven, inclusive institutional culture that liberates the full potential of students, employees, and communities. Further critical strategic enablers that support our intentions include ethical governance and leadership, empowering employees to embrace the future world of work, creating an enabling environment for innovation, accelerating digitalisation, ensuring the optimal utilisation of modernised and flexibly designed infrastructure, and promoting long-term sustainability and responsible resource stewardship.

Vision 2030 foregrounds the significance of transversal endeavours to advance strategy-aligned resource mobilisation, budgeting, and resource stewardship as a critical enabler of advancing excellence in our core academic missions and support services. To this end, Executive Management established the Sustainability and Institutional Viability Task Team (SIVTT) to critically reflect on the following core dimensions underpinning long-term financial sustainability, while also exploring strategies to improve efficiencies and cost-effectiveness in our institutional operating models, systems, processes, and service delivery, namely:

- **Academic optimisation**: Assessing the optimal academic size and shape of the University, including a review of our programme and qualification mix, enrolment management strategies and modes of delivery to ensure that the University differentiates itself as a dynamic, African university of choice for students and employees.
- **Improved efficiencies**: Identifying and implementing interventions to promote operational efficiencies and effectiveness through system and process improvements and cost containment measures, which enable the progressive redirection of resources to the academic core missions.
- **Strategy-aligned resource mobilisation and budgeting**: Diversifying income generation by exploring alternative sources of revenue such as commercialisation, technology transfer, online delivery of short learning programmes, enterprise development and infrastructure optimisation. Furthermore, it is important to ensure that budgeting and resource allocation are aligned with the Vision 2030 strategic focus areas, enablers, and goals. To this end, the 2026 budget directives seek to guide resourcing and investment priorities at an institutional level in a strategy-aligned manner.

While the work of SIVTT is still underway, the process of cascading Vision 2030 has resulted in the formulation of strategic plans within each executive management portfolio. Together with the Vision 2030 institutional strategy and the Vice-Chancellor's *Advancing Mandela University* address, the parameters for sustainable and strategy-aligned resource mobilisation and budgeting are increasingly informing the annual budgeting process. Even further progress will be made from 2026 as measures are implemented to promote an integrated approach to institutional strategy, budgeting, and performance management.

Through the budget directives, the University seeks to optimally resource the academic core missions while sustainably catalysing strategic initiatives and growth areas, driving down cost structures through efficiencies, and freeing up capital in non-core assets. A surplus from Council-controlled recurrent operations, before finance income, is budgeted. Finance income is utilised to grow reserves, seed new initiatives, and advance strategy implementation.

The University's budget is based on an Institutional Resource Allocation Model that allocates high-level block allocations of resources to the Academic Project, Professional and Administrative Support Services (PASS), Strategic Projects, CAPEX, Bursaries, Overheads and Earmarked Accounts and Other Expenses that are further distributed via budgetary processes and allocation models.

These budgeting processes are overseen by various committees that are representative of faculties and directorates within the University to ensure stakeholder inclusivity. These committees allocate funds based on models and processes informed by institutional strategy and the Council's performance objectives. The Annual Performance Plan (APP), which includes a three-year cash flow and reserve accumulation plan, supports the annual budget and guides the monitoring of financial sustainability.

The directives pertinent to each category of the budget will be discussed in the sections that follow.

4.1 Institutional Directives

4.1.1 In striving for financial sustainability with strategy-aligned allocation of resources, the planning and budgeting strategy adopted is to plan the next two budget cycles as recovery budgets, while focusing on the Vision 2030 Strategy, with resources being aligned in a phased approach towards the strategy. A break-even operational budget (operational budget before investment income) will be targeted, while investment income that is not restricted or earmarked will be utilised to grow reserves according to the Council's performance objectives of between 5% and 10%. The University will ultimately target at least a 5% surplus on recurrent revenue to grow unrestricted reserves to equal annual recurrent costs as per the sustainability indicator (Council-controlled reserves/annual recurrent expenditure on Council-controlled expenditure).

4.1.2 **State subsidy and tuition fee income:**

The fiscus is under enormous pressure given the competing additional funding needs that the National Treasury must meet. Indications from recent engagements with DHET are that the university sector will receive no additional funding over the next few years, and state subsidy will not improve for the 2026 financial year. DHET have committed to defending the subsidy block grant baseline with the National Treasury.

In the 2025 financial year, there was a 1.97% decrease in the **subsidy**.

Therefore, for the 2026 financial year, two models will be projected in our budget in relation to subsidy income.

- 0% increase from the 2025 baseline
- Calculation based on the latest MTEF data

The projected increase of the sector block grant is 4.4% (2026/27), but the ratio and proportion of funding allocations to individual universities is dependent on universities individual performance i.e. teaching inputs, teaching outputs, research outputs and institutional factors.

The impact of a deviation from the approved enrolment plans (over/under-enrolment) will result in penalties charged against defaulting institutions. Furthermore, late submissions of annual report (R20 million first offence; R40 million repeat offenders) and, or adverse audit opinion outcomes (R20 million) will result in a decrease in subsidy allocation. Due to our 2025 Annual Report being submitted on time without any adverse audit opinion, the 2026 subsidy allocation will not be impacted by this new directive

Given the uncertainties in relation to the above, as well as other potential shifts in funding at a national level, the risk posed by this variable in achieving our desired bottom line is significant. We expect to receive confirmation of our 2026 funding allocation in December 2025, once updated information on the Medium-Term Expenditure Framework (MTEF) is available, an updated subsidy calculation will be included in the budget.

Tuition fee increases should be adjusted by at least the Higher Education Pricing Index (HEPI), which was historically Consumer Price Index (CPI) +2%, falling to around CPI post COVID, the latest report being 0.8% above CPI in 20204. Based on the recent engagements with DHET, a framework for fee regulation will not be ready for implementation in 2026, and there are no time frames as to when this will be finalised.

USAf have proposed an interim proposal for a sectoral approach to the fee increases for 2026 - 2028, which will incorporate proportional inclusion of both the CPI at 70% and the latest HEPI at 30%. This is yet to be confirmed.

The Monetary Policy Committee forecasts/projects the headline inflation for 2026 at 4.5 %. Therefore, for the 2026 financial year, three models will be projected for the tuition fee increase

- 2025/26 financial year: 4.5% (CPI)
- 2025/26 financial year 4.7% (combination of 70% CPI (2026 projected and 30% HEPI (2024)
- Zero % (The Prior Minister initially recommended a zero tuition increase for 2025 and subsequently deferred this decision)

Any increase in tuition fee income above the DHET approved tuition fee compact, is not funded by the National Student Financial Aid Scheme (NSFAS), therefore, the University would have to factor that difference/shortfall into the budget if considered.

4.1.3 **Residences** will be budgeted for based on a self-funded or auxiliary budgeting model. Auxiliary Enterprises must be self-supporting, they should not be regarded as profit centres and play an integral role in helping the University meet its institutional mission and goals.

- A surplus budget is to be achieved, using the Council's performance indicator of between 5% and 10% for reserve accumulation
- Fees of the refurbished residences and or not breaking even will be adjusted to align with comparative on-campus residence fees up to a maximum of the NSFAS capping.
- Residence budgets need to budget for finance and capital costs on external and internal loans.

- Residences to budget for 100% occupancy, considering the demand, therefore, it is the responsibility of the directorate to ensure the residences are fully occupied all the time
- On-campus accommodation to be prioritised in allocating beds to students
- NSFAS-funded students who meet on-campus criteria are to be prioritised for on-campus accommodation. The student fee account will be charged the applicable fee.
- On campus residences accommodating NSFAS-funded students, that exceed the NSFAS cap residence fee, to be reviewed and adjusted within the agreed CAP (2025 NSFAS cap + fee compact approved or 2026)
- Upgrading of existing residences should be planned/scheduled during the recess period as far as possible, wherein students will not be on campus to avoid loss of revenue.
- Accredited **off-campus expenses and revenue** are agency funds, and all direct costs are to be recovered through an off-campus overhead recovery levy.
- A five-year capital plan is to be maintained and budgeted for to assist with the maintenance of the residences.
- Residence fee increases need to take cost and affordability into account while considering NSFAS caps, Ministerial norms and standards.
- For the 2026 residence fee increases, based on the tuition fee increase assumptions.
  - Projection of CPI + 2% (6.5% - in line with tuition fee income).

- As was the case in prior years, NSFAS will not pay additional amounts over the agreed-upon fee negotiation increases with DHET.
- As Residences are considered an auxiliary unit, they will be charged for the utilities used (e.g. municipal service and rates) and are required to budget for all direct costs and overheads, including bad debt.

4.1.4 **The Medical School** will, in the interim, continue to work on a separate RAM model, whereby they will budget utilising 100% of fees and subsidy as revenue streams. 15% of revenue will accrue to the central budget as an overhead recovery. The bulk of the resourcing to establish and sustain the Medical School will come from State subsidies and grants as well as fees. Other resource generation initiatives will be targeted to supplement these two main sources of funding, but cannot replace them. Significant income can be generated from research-related functions, but this will only grow as the Medical School builds capacity.

According to DHET, the approved allocation of funds to assist the Medical School was a once-off in 2025 from reprioritised funding on other grants (a deviation from the previous approval that was an annual allocation of the R37 million for the next 10 years). The shortfalls projected from the Medical School may have to be funded through Strategic funding as administered by Strategic Resource and Financial Sustainability Committee (SRFSC). Compounding the funding challenges of the Medical School is the budget-constrained Eastern Cape Department of Health, which is unable to fund its approved and agreed commitment to the programme. This poses a risk to the accreditation by HPSCA.

4.1.5 **Third stream income** overhead recovery will be recouped according to the official Nelson Mandela University policies, and this revenue stream is budgeted using actual 2025 income as a baseline.

4.1.6 **Mandela International Office**

- The tuition fee increases for international students should be in line with the tuition fee increases and the sector approach.
- The baseline of 2025 will be used for 2026 using the same directives applicable for PASS

budgets.

4.1.7 **Auxiliary budgets** (catering, venue hire, university shop, etc.) will be budgeted on a self-funding business model. Facilities are considered an auxiliary unit and are required to budget for all direct costs and overheads. This should be covering indirect costs through an overhead recovery rate or contributing to the central fiscus. This principle is to be included in the phased turnaround strategy.

For the last number of years, the Catering unit (as part of Facilities auxiliary budget line item) has been budgeted at a material deficit, which is absorbed by the central budget. The 2026 budget for the Catering unit must be accompanied by a detailed turnaround strategy, as current and prior approved business model have not succeeded. Support Service Department is to submit a turnaround strategy regarding the Catering unit, to be considered during the budget allocation (with realistic time frames, i.e., break-even timeline and making a surplus in a certain period). The work of SIVTT under the auspices of DVC–PO on improved efficiencies should focus on this strategy.

As the mitigating factor on the recurring losses by Facilities, MANCO last year approved a Directive to be drafted on the utilisation of the Catering Division. This is in line with the Supply Chain Management policy that needs to be adhered to. **Support Services needs to enforce this Directive to improve the profitability of the Catering division.**

4.1.8 **Reprographic services and ICT Copy Shop** will budget on a business model principle, with revenue accruing to the central budget to a maximum of 15%.

4.1.9 **The Strategic Resource Mobilisation and Advancement (SRMA) Office** will target an offset of cost via the generation of unrestricted/unencumbered revenue sources and overhead recoveries. With the subsidy declining and tuition fees also not increasing at desired levels, SRMA must play a significant role in ensuring that the University brings in third-stream income that is unencumbered (to assist with the operations of the University). Bursaries and scholarships are currently the main sources of revenue resources mobilised by SRMA. These assist in strategy implementation, in that they promote access for the so-called "missing middle" students. A revenue budget will not be raised from SRMA, as all income (sponsorship and donations) to be allocated directly and in totality to student accounts.

4.1.10 **Institutional Entity funding:** Institutional entities will typically generate third-stream income and possibly subsidy from research outputs. Qualifying entities will be included as such in the RAM to facilitate the allocation of resources to those entities. The funding will be allocated via SRFSC.

MANCO to be consulted and provide the approval prior to any new entity being established (be it an institutional entity or faculty-based entity).

Effective back-office support is crucial for the success of third-stream income generation. It ensures that all activities are conducted efficiently, transparently, and per established policies and procedures. Strong back-office support also helps to minimise risks and maximise the potential revenue generated from these activities. Third stream income in the context of universities refers to revenue generated from sources other than government subsidies (first stream) and tuition fees (second stream). Contract management: Negotiating, drafting, and managing agreements related to third-stream activities. Financial management: Ensuring compliance with financial regulations. Legal support: Providing legal advice and guidance related to third-stream activities. Compliance: Ensuring that all activities comply with relevant laws and regulations.

A Project Management Back-office will be funded from overhead recovery on third-stream income.

Faculty-based entities are primarily funded through the faculty RAM, with additional institutional support considered only in exceptional cases. Such support requires motivation by the relevant Executive Dean and DVC, and approval through the SRFSC and MANCO. Where granted, funding will be applied for annually and limited to a maximum period of two years.

4.1.11 **Foundation Funding:** This is earmarked grant funding received by the DHET. This programme is also funded by formal tuition fees and operational subsidy. The full earmarked grant funding is allocated to the programme, which also gets an allocation based on the Academic RAM

4.2 Salary Directives

Where departments/units/sections have moved, in relation to the MANCO members, the relevant baseline salary budgets will be based on the principle of funding to follow function.

The approved salary budget (Council Funded) benchmark is 65% of fees and subsidy, which provides funding for Academic and PASS staff. Due to stagnant subsidy projections over the next budget cycles, sufficient budget provision is required to maintain desirable student/staff ratios, competitive market-related remuneration practices, funding of mission-critical posts and the implementation of business models with associated head-count reductions. Council has therefore agreed for the 2025 budget to deviate from the 65% benchmark to 66.5% for three years (2025 – 2027), including using gross fees instead of net fees to enable this strategy. **MANCO must devise plans and strategies to revert to the 65% benchmark for the 2028 financial year.**

The capacitation of the Internal Audit department, which reports functionally to the Audit and Risk Committee (ARC), at the request of the Audit and Risk Committee, should be prioritised for funding in 2026. The costing and the approval of the posts must be considered by MANCO for approval. The funding should be considered and included in the baselines before considering remuneration contingency.

Other unfunded mission-critical posts to be considered by the authentication committee and to develop a five-year road map for funding of these posts, to be funded within the Council's agreed salary indicator.

4.2.1 **The Academic salary block:**

The priority on the salary budget is to ensure that the Academic project is protected and properly funded. The academic salary block is calculated using the 2025 salary Block allocation adjusted with the effect of the 2025 general salary increases and factoring in the 2026 planned enrolment target.

The remuneration philosophy to migrate academic staff to a 100% compo-ratio was completed in 2024, therefore, block allocations going forward will be inclusive of the 100% compo-ratio for the faculties.

A percentage of the block funding is top-sliced and set aside for academic priorities, which is managed and controlled by the DVC- LT. Faculties are allocated funding based on the Academic RAM, while strategic cross-subsidisation will be agreed upon by the DVC: L&T and the Deanery. The academic models, affordability models, workload/minimum teaching loads and student: staff ratios will inform the level of cross-subsidisation at the faculty level.

The faculties' block allocation is top-sliced for strategic cross-subsidisation within the faculty. Allocations to departments are based on the Academic RAM, while the Executive Dean and FMC will agree upon strategic cross-subsidisation to support Vision 2030 and Faculty strategic priorities.

4.2.2 PASS salary block:

For the 2026 budget, MANCO members to receive the 2025 approved salary block allocation, adjusted with the effect of the 2025 salary increase.

A further adjustment to the baseline may be required to fund the remuneration contingency within 66.5%. Options on reducing the overtime spend and the secondary contract review process will be considered as part of reducing the salary budget to aid the remuneration contingency (through the work of SIVTT).

MANCO members to prioritise their budget allocations to best fund their directorate's human resource requirements within budget and according to portfolio strategic plans aligned to V2030. Once budget allocations are made to MANCO members, the amounts are distributed to directorates to fund fixed commitments, vacant posts and additional requirements, including overtime, etc.

Vacant posts to remain frozen as per the moratorium, as we migrate back to the 65% benchmark from 66.5%, wherein the approval of such posts is required to fill in those vacant posts. This serves as a strategic enabler to ensure mission-critical posts are funded.

4.2.3 Remuneration Contingency

Remuneration contingency will be budgeted centrally, taking affordability and macroeconomic conditions into account. It will be based on calculating 66.5% (65% +1.5% deviation approved for 3 years (2025-2027) x (2026 gross tuition fees + 2026 operational subsidy + foundation subsidy) less the Academic salary block allocation (incl. Foundation) and PASS salary block allocations.

This will include Salary and Conditions of Service increases for 2026. Provisions for an increase in fringe benefits and other statutory cost increases, and academic qualification bonuses will be budgeted centrally with inputs from HR. Maternity leave, sick leave, and disability leave will be budgeted for centrally with inputs from HR, firstly funded from accrued savings on MANCO members' salary budget.
Research leave funding is to be budgeted centrally for PASS staff and within the faculties' academic salary allocation for Academic Staff.

Scarce and Critical Skills allowance that have been approved by the committee to be funded centrally will be included in the baseline for that specific MANCO portfolio in the budget for the following year of the allowance.

4.3 Strategic Directives

Strategic budget allocations by nature are designed to support the implementation of the Vision 2030 Strategy. Funding will be non-recurrent and allocated for a specific period only (seed funding normally for a maximum period of 3 years, after which time the project should be self-funded, generating income through subsidy or fees, or successfully concluded and mainstreamed).
The parameters set for this budget item target an allocation of 3% of 2026 net tuition fees + 2026 operational subsidy from the central budget before any transfer from reserves. The allocation will at least be equal to the 2025 baseline.

Strategic allocations towards staffing costs to include all associated costs, including the general increase and CAPEX requirements. Capital items funded through SRFSC are to be submitted to Capital Resource Allocation Committee (CRAC) for approval before procurement, to ensure that all capital items purchased through council funds are standard (technical inputs from CRAC).

Strategic allocations are intended to facilitate the implementation of the Vision 2030 strategic focus areas and enablers, the strategic plans of MANCO portfolios, and the transversal strategic priorities articulated in Vision 2030 and the Vice-Chancellor's *Advancing Mandela University* address.

The following transversal priorities of the University, will inform the allocation of strategic resources:

- Repositioning equalising forms of engagement
- Research and innovation excellence (incl. internationalisation)
- Transformation, decolonisation, and institutional culture
- Student access and success
- Student entrepreneurship and youth employability
- Revitalising the humanities
- Sustainability and transdisciplinarity
- Medical school
- Ocean sciences
- Food sovereignty and security
- Digitalisation and the Virtual Academy
- Broad-based black economic empowerment

Funding of these transversal priorities may be phased in according to a multi-year programme indicating what projects will be funded in which year and to what proportions, given that it may not be possible to fund all projects in the same year. Strategic allocations will progressively migrate to a three-year rolling forecast of strategic funding required (annually and over three years) to implement approved projects that align with the V2030 strategy and transversal priorities.
Each of the above transversal priorities has been assigned to a MANCO lead(s) to steer, screen, and prioritise collaborative applications for SRFSC funding. All projects intended to address a transversal priority must be channelled through the relevant MANCO lead(s) and integrated, where possible. In this way, fewer strategy-aligned projects will receive proportionately more funding to enable impactful, integrated strategy implementation rather than piecemeal, ad hoc interventions.

Where relevant, strategic resource allocation and expenditure patterns over the past three years (2023-2025) will be analysed to inform 2026 allocations. This is intended to promote progressively improved allocative efficiencies (i.e., comparison of allocations versus historical spending patterns). In-year monitoring and reporting on strategic resource allocation and expenditure trends will be maintained, and strategic funding will be redistributed in the second and third quarters of each financial year if reasonable motivations for underspending are not provided by the responsible MANCO lead(s). If allocations of strategic funding to capital items are not spent by June, this will be followed up on, and the funding will be redirected if it is projected that it will not be utilised for the intended purpose.

Recurring items that have historically become part of the strategic resource allocations will be carefully reviewed. The responsible MANCO lead(s) will be expected to align these historical, recurring items to the transversal priorities to qualify for strategic funding. Furthermore, wherever feasible, the responsible MANCO lead(s) should develop an exit strategy to progressively shift recurring, operational items to their "mainstream" budgets as part of their baseline according to the relevant directives. Recurring operational items that are shifted to the baseline of a MANCO portfolio through the application of the budget directives will not be considered for strategic funding in subsequent years.

An allocation will be made to fund the Vice-Chancellor's Catalytic Strategic Projects aligned to projects as mandated by Council and V2030.

The funding of the Digitalisation Strategy should be considered through a resource mobilisation strategy from different sources of funding i.e. Infrastructure and Efficiency Grant (IEG), SRMA / Non-Council funds, SRFSC, Council, CRAC (ICT 5-year earmarked reserve).

Transversal priorities including Ocean Sciences and the Virtual Academy could be augmented with funding from the Professors project should the human resources required align with the criteria for the Professors Project.

SARChl and other research chairs need to be considered within the DVC: RII allocation, as there are expected University co-funding contributions required. An analysis needs to be done to determine the projected costs of these chairs and the end date of their contracts over the next three to five years. New SARChl and other research chair applications must first be submitted to MANCO for approval and funding confirmation before the application is submitted to external agencies. The same principle applies to all new institutional and faculty-based entities, as well as project and equipment proposals requiring top-up funding from the University.

Applications for seed funding of strategy-aligned institutional entities are to be channelled through the DVC RII for research entities and/or the DVC ETP for engagement entities. Faculty entities are to be funded from third-stream income generation.
Quarterly reports on the funded transversal priorities to be submitted to MANCO for noting and action if necessary. This should be done through the SRFSC.

The annual request for a drawdown from the Strategic Reserve should be considered on the review and approval of the requests by SRFSC and informed by a multi-year strategy (3 – 5 years), and that request should be made and accompany the budget for approval to the FFC.

4.4 <u>Operational Directives</u>

4.4.1 Where departments/units/sections have moved in relation to the MANCO members, the relevant operational baseline budget will be based on the principle of funding following the function.

4.4.2 MANCO members will receive an operating budget for their core business in two block allocations where applicable:

Institutional overheads / earmarked allocations – Budget is allocated based on zero based budgeting approach considering contractual agreement/ operational requirement and work of SIVTT.

Institutional overheads include Insurance, External Audit Fees, Bank Charges, Municipal Rates and Services and Collection Fees, USAF fees and Diesel.

Earmarked allocations include: Shuttle service, Staff Development (HR only), Sport Levy, Reprographic Services, SRC levy, Student/Staff Discount on Tuition Fees, Long Service Awards, Alumni Levy, Student Printing Quota, Appointment Costs, Strategic Planning Sub Actions, Advertisement Vacancies, Student Transport Levy, FUNDI Loan Rebate, Minor Building Works, Legal Fees (Legal Services only), Internet Levy, Animal & Human Ethics, Publication of Inaugural Lectures, Research Management policy allocations, Employee Wellness, LIS Computerised Information Services, Employee Relations: Legal costs, Student Engagement and Leadership Development. ICT: ITS Annual Subscription, Celcat Time Tabling, Oracle Licensing, Oracle Performance Tuning, Turnitin - Anti-Plagiarism Software & Microsoft Campus Agreement, Outsourced ICT contracts, Kentico Web Content Management System Outsourced Internal Audits, SRC elections, Student Poverty Initiative, Public Officer compliance, VC Discretionary Fund, University Council. The earmarked accounts and overheads are budgeted on a zero-based budgeting principle, some of these expenditures are based on a contractual basis, therefore need to factor in the terms and conditions of such a contract, while others from a zero-base. A review process will be undertaken to determine the spending patterns on these overheads and whether these still qualify to be categorised as such.

A recalibrated and efficient student mobility transport model to be implemented. Council to fund inter-campus student transport through enrolment fee inter-campus transport allocation and possible Council considered contribution. A pathway needs to be mapped and costed as to ensure that the end-user pay principle be implemented i.e. off-campus accommodation student transport.

When a request for a line item to be considered as an earmarked allocation/account is approved by MANCO, the associated baseline will be moved from the operational budget to the earmarked allocation.

Operating allocations are split between block funding for Academic (allocated per the Academic Resource Allocation Model (RAM)) and Professional Administrative Support Staff (PASS):

4.4.3 **Academic operational allocation:**

The baseline of the academic operating block allocation is to be adjusted with CPI plus enrolment targets for 2026.

A top slice of the block allocation will be held for strategic interventions and or out-of-budget requests during the budget year, to be controlled and managed by DVC L&T.

Allocations to be made to faculties and qualifying entities based on the Academic RAM (RAM drivers are as follows: teaching input units, teaching output, research output units, module fees, staff-student ratios, as well as a "capex-factor' to make provision for laboratory vs classroom teaching and capital-intensive programmes).

Academic transport (Work Integrated Learning – WIL), maintenance of teaching and research equipment, computer software costs, as well as costs of digitalisation, need to be considered when reviewing baseline costs and funded from the academic operating block top-slice.

Executive Deans of faculties to top slice for strategic interventions and/or out-of-budget requests during the budget year. The balance to allocate using the Academic RAM as a guideline while using zero-based budgeting principles, taking new ways of work into account, new costs and Faculty strategic imperatives aligning with Vision 2030. Executive Deans to approve and provide their zero-based allocation to Finance for the budget loading.

4.4.4 **PASS operational allocation:**

MANCO members are to manage and **reallocate** their operating budget allocation, which excludes overheads and earmarked accounts within **ALL** departments within their area of responsibility.

The MANCO members operating block allocation baseline is to be adjusted with any recurrent additions and or reductions as approved during the current financial year by MANCO, adjusted up by CPI. Each MANCO portfolio is to apply a 5% top slice of the block allocation to be held for strategic interventions and out of budget requests during the budget year, to be controlled and managed by MANCO members for their entire portfolio. Allocations within the MANCO members' portfolios are to be made considering operational plans linked to V2030 and zero-based budgeting principles. The MANCO member to consider zero based budgets submitted by portfolio heads, to be considered and prioritised within their block allocation, with assistance from Finance (zero-base principle). MANCO members to send approved budgets to Finance for the budget loading.

Out of budget requests during the year, by respective MANCO members, to be addressed per the delegation of authority. Mid-year budget review process is to assist as one of the funding mechanisms for out-of-budget requests.

4.4.5 **Provisions** will be made for student fees bad debt (8% tuition fees; 3% residence fees), depreciation and the increase in accumulative leave and post-retirement medical and pension benefits. Bad debt provision will be reviewed based on the latest trends and may be adjusted in the final budget submission.

4.4.6 An earmarked amount will be allocated for **minor building works** (individual works less than R 55 000). Requests by all departments are to be submitted to the DD: ISSO to table the final allocation list within the allocated amount and forward the list of approved projects to the SD: ISSO. All requests must include total project costs.

4.4.7 **Capital Maintenance and Infrastructure** Plan allocations will be according to the current five-year plan and affordability recommended by the **Estate and Facilities Management Committee (EFMC).** EFMC to finalise and recommend the submission of the budget to MANCO and the Finance and Facilities Committee (FFC). Capital maintenance will be prioritised for 2026. IEG-funded projects' unspent funds and interest accrued are to be reviewed, consolidated with virement requests to assist in funding the 6th IEG funding requests. **Provision for university contributions to IEG project funding requests is to be included in the plan.**

4.4.8 **Bursaries/Financial Aid/Concessions/Student Device project** allocation and device bridging funding baseline to be revisited considering NSFAS funding model changes (n+1 rule), missing middle students, economic climate and impact on family incomes, affordability, sustainability and strategy. Bursaries to students are part of the strategy implementation by the University towards improvement in the academic project, allocation is made between Undergraduate and Postgraduate bursaries annually. Postdoctoral and Research Fellowships are now budgeted for as a line item within this budget vote with potential transfers of baseline budgets following applicable governance processes. Post Graduate bursary allocations that are not fully funded need consideration due to increase in NSFAS under-graduate students progressing onto post-graduate studies. This will require a review as to remain within the overall budget.

No formal decision by NSFAS regarding the payment of allowances for 2026, therefore unable to determine whether this will impact the student device allocation. Bridging funding of R15 m to continue to be set aside as a provision.

4.4.9 An analysis needs to be performed by ICT together with the faculties and end-user departments regarding **software packages** used by the university. Analysis as to which of the software is to be funded at the Institutional level, at the faculty level and end-user departmental level.

4.4.10 A budget provision will be kept centrally for **operating budget** implications that flow from the phased-in approach of the **organisational redesign** process. Budget transfers will follow the delegated authority framework.

4.5 CAPEX Directives

4.5.1 Funds for Capital Expenditure (CAPEX) will be allocated according to the original 2025 budget, adjusted for CPI. Capital budget requests are to include new and replacement requests. Only critical replacements are to be considered unless a business case is presented for new business or process re-engineering.

4.5.2 Library books, serials & electronic resources allocation will be based on the 2025 allocation, adjusted for CPI. Adverse effects on the exchange rate are to be considered to make an allocation of at least the same baseline as in 2025.

4.5.3 Infrastructure projects (projects greater than R55 000) are to be budgeted and planned for during the budget cycle. **CAPEX requirements for infrastructural projects are not to be included in the annual CAPEX requests but are to form part of the infrastructural project costs.** All requests are to be forwarded timeously to the SD: ISSO as to be considered and prioritised through the budgeting process for the **Capital Maintenance and Infrastructure Plan** before submission to EFMC, MANCO and finally FFC at the budget approval meeting as to be considered as part of the five-year rolling budget to Council.

4.5.4 All the capital requests for 2026 must be submitted and reviewed by the Capital Resource Allocation Committee (CRAC) for approval and budget allocation. The requests from the Faculties and PASS are to be reviewed by the CRAC sub-committees, and the motivations are to be submitted for CRAC to approve.

4.5.5 CRAC to consider and approve the allocation of funds for **replacement** Digitalisation requests on recommendation of its Computer Equipment subcommittee. The ICT 5-year replacement plan needs to be reviewed and updated, considering the capital requirements included in the Digitalisation strategy, considering all forms of funding available (IEG, Council and third-stream funding).

4.6 Additional Directives

4.6.1 **An inflation rate** of **4.5% is projected as the average CPI for 2026.** This will be considered in our allocation process.

4.6.2 It is the responsibility of MANCO members to monitor and verify that 2025 MANCO approvals for funding in 2026 are included in their operational, salary and strategic budget requests.

4.6.3 **Improving cost efficiencies**: The following are the bases of a financial model which supports "cost-saving" initiatives:

- Where such initiatives involve a MANCO-approved business plan/model, which depicts current costs and future savings for 3 - 5 years.
- Needs "seed" funding for the initial resources required: inclusive but not limited to business/system re-engineering, technology investment, business analysts/ experts for planning and implementation phases.
- Mandatory monitoring and evaluation criteria to evaluate and ensure project success.
- These resources would be funded from: (1) savings in the salary and operating budgets of MANCO members and/or (2) SRFSC funding.

4.6.4 **Utility sustainability** interventions would seek to leverage current sustainability-related infrastructure investments to their ultimate potential through the reinvestment of the savings generated to gear certain projects to their full potential over a shorter period. This includes offsetting the cost of the sustainability project office. As such, a new category will be included within the existing multi-year infrastructure-funding model. The aim of the budget directive, dedicated to utility sustainability interventions, is to continually reduce utility costs by way of the following:

- Water: To increase the usage of cheaper secondary sources of water (New Water, Borehole Water, Rainwater, Grey Water, etc.), over the next 5 years, to 30% of our current water usage.
- Electricity: To decrease the current energy usage through the use of renewable energy sources. The aim is to utilise renewable energy for 30% of the university's energy needs.
- Waste: To generate a sustainable waste management policy and decrease our waste to landfill by 20% over the next 5 years, whilst increasing our recycled waste by 20%. There will be a greater use of alternative water sources (boreholes and return effluent) for potable and non-potable water consumption, which will result in less use and purchase of municipal water. This will require investment in technology to enhance the quality of reclaimed water to suitable standards for consumption, general use and the management thereof.
- These will require an initial, upfront investment (seed capital) that will be recovered over time through savings and efficiency gains.

4.6.5 Reserves are to match the 3 to 5 year rolling plans for Capital Maintenance and Infrastructure, ICT, Teaching and Research Equipment, Professors Project Fund (Academic Staff Equity Development), Strategic Resource Allocation Reserve and the Medical School Reserve. The Capital Maintenance and ICT plans are to be reviewed and prioritised to fund the digitalisation strategy of the university.

4.6.7 Reserve funding was approved for the Security Capitalisation Plan. This plan should span over five years and be funded following the approved plan. Protection Services and ICT to develop a costed plan to be approved at CRAC. The allocation of this should work in the same manner as an earmarked account for the duration of the plan.

4.6.8 **The following additional expenditure control measures**:

- Moratorium on filling PASS vacant posts to remain as we migrate back to the 65% benchmark from 66.5%, wherein the approval of such posts is required to fill in those vacant posts. This serves as a strategic enabler to ensure mission-critical posts are funded. Deviations to be approved via the MANCO-approved process.

- **Filling of Academic vacant posts** to be signed off by the Executive Dean and DVC: L&T after review of affordability and academic models.
- **Overtime, secondary contracts and part-time budgets to be managed by MANCO members. Overtime, as per policy, needs to be pre-approved by MANCO members.**
- Professional Body membership fees may be paid by the University and are limited to one membership per employee, provided such membership enhances the professionalism of employees and is directly related to their roles. Any deviation to be approved by a responsible MANCO member.
- **Campus workshops/breakaways/retreats to be conducted on campus only unless approved by a MANCO member.**
- Finance to work with MANCO members to assist in monitoring, evaluating and controlling expenditure, for example: overtime, catering, travel.
- Increase use of available digital and ICT infrastructure to improve efficiencies.
- Hybrid meetings to be considered and prioritised whenever possible through MS Teams and Zoom.
- Earmarked budget allocations that are based on policy and practices to be reviewed, where necessary and deviations applied if necessary to balance the budget.
- Utilisation of affordability, academic viability and forecasting models to inform decision-making, academic planning, and faculty interventions to enhance the quality, relevance, and efficient delivery of academic offerings. Cuts in government subsidy, the possibility of

unmet enrolment targets and the increased costs due to migration to digital transformation, energy and water costs require the University to refocus its resources to academic programmes that are mission-critical and academically and financially viable

- Shared services (collaboration between faculties and PASS departments) to be considered in all budget requests.