



Mid-Year Performance Review Report: 2020

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Nelson Mandela University Mid-Year Performance Review Report 2020

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FOREWORD BY CHAIRPERSON OF COUNCIL

The volatile, uncertain and complex environment within which all universities operate requires that post-school educational institutions continuously assess their strategic priorities against current realities and redirect these where required to ensure that scarce public resources are utilised to promote social justice, equality and long-term sustainability. To this end, the University has been engaged in implementing various interventions to review all aspects of its academic and support operations to provide all students and employees with optimal living, learning and working conditions to realise their full potential.

In light of various challenges affecting the higher education sector, most notably the pressure on the national fiscus due to the severe impact of the COVID-19 pandemic on the global economy, the University Council has mandated four game-changing strategic trajectories for the University to ensure that it differentiates itself within a diverse post-school education and training system, namely:

- Building the brand and identity of Nelson Mandela University, nationally and internationally, in alignment with the values and legacy of its iconic namesake;
- Positioning the University as the leading Ocean Sciences university in the country and, in the longer term, on the African continent;
- Transforming health sciences education towards the establishment of the tenth medical school in the country; and
- Revitalising the humanities and fostering transdisciplinarity.

In addition to the above, the University has been implementing a wide-ranging organisational redesign process over the past two years to ensure that its structures, systems and processes are agile, fit for purpose and strategically aligned. As part of this, the University is working to enhance the efficiency and responsiveness of the student access and enrolment value chain to improve the conversion rate of admissions to registrations for first-time entering students, which is currently 45%. This has been identified as one of the main contributing factors for the low uptake of offers made and is a critical precondition for achieving the University's enrolment targets at under- and postgraduate levels.

It is pleasing to note that the University exceeded the 2020 undergraduate enrolment target, largely due to higher proportions of senior undergraduate students returning as a result of the expanded NSFAS financial support available. The University has also introduced several Advanced Diplomas at undergraduate level which are experiencing strong growth. However, if the current postgraduate enrolment trends continue, it is anticipated that the University will need to scale down future enrolment projections as part of the mid-term enrolment planning review in 2022. While the reasons for the decline in postgraduate enrolments need to be verified, this trend can probably be attributed to

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limited funding for students who were funded by NSFAS at undergraduate level but no longer qualify for this support at postgraduate level. A gradual decline in international student enrolments by -3.7% on average per annum from 2010 to 2020 has also contributed to the decline in postgraduate enrolments and this trend is not likely to be reversed in the short-term considering the negative impact of the COVID-19 pandemic on international student mobility.

A further impediment to increasing postgraduate enrolments remains restricted postgraduate supervisory capacity across most faculties due to significant numbers of senior academics retiring and being replaced by a new generation of academics who are still pursuing their PhD qualifications. The intention is to reverse these trends through investing in developing the next generation of academics, supporting staff to obtain their Doctoral qualifications so that they are equipped to supervise Master's and Doctoral candidates and produce quality research publications, and prioritising the filling of academic vacancies across all faculties. On a positive note, concerted efforts to diversify the demographic profile of academic employees at all levels, accompanied by significant investments in research capacity development interventions, are beginning to yield positive results as demonstrated by the University's research publication targets for 2020 having been met. Furthermore, a lower than targeted student: staff FTE ratio is a positive improvement which will impact positively on the quality of learning and teaching and student success rates.

In line with its vision and mission as a comprehensive university, Mandela University has been systematically increasing access to higher education for first generation students from socio-economically disadvantaged backgrounds, particularly those from quintiles one to three schools, which are the most deprived. More than half of new first-time entering students enrolling at Mandela University are from schools in poorer areas and this has significant implications for financial support, as well as the need for expanded academic support to ensure that these students are given every opportunity to achieve their full potential. To this end, the University continues to invest in holistic, wraparound student support services to ensure that all students have an equal chance of success irrespective of their socio-economic status. Student success rates and graduate outputs at various qualification levels will be carefully monitored on a continuous basis to assess the impact on the COVID-19 pandemic on student academic performance, especially for those students with limited access to mobile devices and connectivity.

Council will continue to support the Vice-Chancellor, executive management, as well as all employees and students in positioning Nelson Mandela University as a higher education institution of choice, which is globally recognised for its leadership in generating cutting-edge knowledge for a sustainable future.

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COMPLIANCE WITH REPORTING REGULATIONS

In accordance with the Regulations for Reporting by Public Higher Education Institutions, Section 41, read with Section 69 of the Higher Education Act, 1997 (Act. No. 101 of 1997), Nelson Mandela University's Mid-Year Performance Report (MYPR) provides an overview of the progress that had been made up to 30 June 2020 against targets set out in the 2020 Annual Performance Plan (APP) regarding the following:

- Enrolment performance against Ministerial approved targets;
- Progress and expenditure with respect to earmarked funding allocations; and
- Financial performance up to 30 June for the year under review, detailing income and expenditure for the six-month period, as well as a comparison between the actual and budgeted revenue and expenditure for the period.

According to the Reporting Regulations, the MYPR must be approved by Council and submitted during the fourth quarter for the year under review.

OFFICIAL SIGN-OFF

It is hereby certified that the Nelson Mandela University Mid-Year Performance Review (MYPR) Report for 2020 accurately reflects the mid-year performance of the University relative to the 2019/20 targets submitted to the Department of Higher Education and Training in its annual performance plan.

MS NOZIPHO JANUARY-BARDILL
CHAIRPERSON OF COUNCIL

PROFESSOR SIBONGILE MUTHWA
VICE-CHANCELLOR

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ENROLMENT PERFORMANCE (2020) AGAINST MINISTERIAL APPROVED TARGETS

Nelson Mandela University's academic size and shape targets constitute the basis for monitoring and evaluating progress at institutional level in meeting our Vision 2020 strategic priorities as it pertains to key performance indicators such as student enrolments, student success, qualifications profile of instructional staff, as well as research outputs. The University carefully monitors enrolment and other key performance indicators against the six-year enrolment plans approved by the Department of Higher Education and Training (DHET), as well as the targets contained in its Vision 2020 strategic plan and Annual Performance Plans (APPs).

Due to our commitment to promoting student access for success through high-quality educational provision and an ecosystem of holistic student support, the University pursues a sustainable growth strategy in terms of its student enrolments, staff capacity, financial resources, and infrastructural facilities. Of significance in this regard is the need to maintain a delicate balance between undergraduate diploma and degree enrolments, as well as between under- and postgraduate enrolments and across various fields of study. Furthermore, enrolment targets are informed by various considerations, such as the distinctive academic character of a comprehensive university, the student intake profile, the qualification profile and research outputs of academic staff, and the impact of the implementation of the HEQSF on curriculum renewal.

In terms of its overall enrolment profile, while the majority of students continue to be enrolled at undergraduate level, the University will strive to progressively increase its share of enrolments at postgraduate level given the demand for high-level skills, knowledge generation and innovation, and the development of a new generation of demographically diverse academics. An analysis of enrolments over the past three years indicate that the higher education context has been turbulent with various factors impacting on trends, particularly as it relates to first-time entering and postgraduate enrolments, as well as success rates and graduate outputs. First-time entering enrolments and success rates in scarce skills fields such as science, engineering and health sciences are also negatively impacted by poor NSC results in Mathematics and Science especially in the Eastern Cape from which the University draws 68% of its learners. Targeted interventions are in place to partner with schools to boost performance in these critical subjects and thereby expand the pool of school-leavers with the requisite Grade 12 results to meet the admission requirements of scarce skills fields of study. Going forward, it will also be necessary to explore additional extended programme provisioning to facilitate the transition of school-leaving learners with the potential to succeed into scarce skills fields, as well as continued efforts to attract higher proportions of talented, top-performing learners from other provinces.

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Postgraduate enrolment growth is managed responsibly after careful consideration of the postgraduate supervisory capacity and qualification profiles of permanent academic staff, while also exploring innovative strategies such as expanding postgraduate supervisory capacity through honorary, emeritus, visiting and adjunct professors as well as suitably qualified research associates. Low postgraduate enrolments are a systemic challenge which is not unique to Nelson Mandela University. In recognition of the need to increase enrolments at the postgraduate level, the University set an ambitious enrolment target and increased funding for scholarships. However, due to historic debt, nearly 30% of scholarships awarded by the University as Postgraduate Research Scholarships (PGRS) were not taken up by qualifying students. Some recommendations for increasing postgraduate enrolment that are at various stages of implementation include the following:

- Annual marketing campaigns to recruit talented postgraduate students.
- Financial assistance at levels that will improve chances of access and success for postgraduate students.
- Collaboration with faculties to design, develop and implement mechanisms to track postgraduate student progress and introduce interventions for academically vulnerable students at an early stage where needed.
- Broad-based research skills and postgraduate supervisory capacity development workshops.

Declines in international student enrolments also contributed to the decline in postgraduate enrolments. Over the period 2010 to 2020, international postgraduate enrolments declined by -3.7% on average per annum. To address this, various strategies are being explored efforts to promote integrated enrolment management. This includes developing student recruitment, brand visibility and profiling strategies that are informed by the internationalisation strategy and enrolment plan of the University. During 2021, the International Office will partner with the faculties and the Office for Institutional Strategy to set enrolment targets for international students to inform student recruitment plans. This is particularly important within the context where we continue to attract postgraduate students whose applications are declined, because these programmes are full or there is a lack of postgraduate supervisory capacity. Finally, the International Office has just finalised a strategic plan for the revitalisation of semester study abroad programmes, short learning programmes and internship programmes. This plan is based on a hybrid approach of virtual and actual international mobility of students as means of taking advantage of the opportunities presented by the 4IR context.

The table below provides an overview of the 2020 key performance indicators (as submitted in the 2020 APP) and progress made in relation to student access and success, staff efficiency and related research outputs. Where targets were not fully achieved, reasons are provided for the deviations.

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Important note: The data in the shaded section of the table is being reported against the 2019 APP targets, because the 2020 data is either unavailable due to the timing of the submission of the report and/or is too provisional in view of the HEMIS auditing timeframes, relative to the approved 2020 targets.

Key performance indicator	Target (2020) Percentage or total number	Mid-year performance targets as per APP	Actual Mid-year performance	Reason for deviation
A. ACCESS				
Headcount totals (2020)				
First-time entering undergraduate	6 580	6 580	5 340	Only 5 340 first-time entering students registered in 2020, which was 1 240 less than the target of 6 580. If this trend continues, the University will need to scale down future projections of first-time entering students as part of the mid-term enrolment planning review. The University is working to enhance efficiency and responsiveness of the student access and enrolment process in order to improve the first-time entering uptake. This was identified as one of the main contributing factors for the low uptake of offers made in 2020.
Headcount enrolments	29 792	29 203	29 351	It is not foreseen that the University will achieve the target of 29 792. The enrolment target at undergraduate level was achieved but the University has experienced an unforeseen decline in postgraduate enrolments in recent years.
Headcount enrolments (Foundation Provisioning)	1 940	1 940	2 232	In recent years, the University has been enrolling much higher percentages of students from quintiles 1 to 3 schools. Drawing more students from economically disadvantaged backgrounds also led to a rapid increase in extended programme enrolments.
Headcount enrolments total UG	25 124	24 622	25 444	The University exceeded the undergraduate enrolment target by 320. The University is experiencing a higher than expected growth in returning undergraduate students as a result of the expanded NSFAS financial support available to students. The University has also introduced several Advanced Diplomas at undergraduate level which are experiencing strong growth.
Headcount enrolments total PG	4 347	4 260	3 699	Funding for postgraduate studies and restricted supervisory capacity remain the most important impediments to increase enrolments at

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Key performance indicator	Target (2020) Percentage or total number	Mid-year performance targets as per APP	Actual Mid-year performance	Reason for deviation
				postgraduate level. Declines in international student enrolments also contributed to the decline in postgraduate enrolments. Over the period 2010 to 2020, international postgraduate enrolments declined by -3.7% on average per annum.
Occasional	321	321	208	Occasional student numbers are unpredictable making it difficult to set targets for these enrolments.
Enrolments by Major field of study (2020)				
Science, Engineering, Technology	11 470	11 244	10 544	The University is currently 926 below the target and will not be able to meet the target. The University experienced a sharp decline in health sciences programmes as a result of the discontinuation of programmes with accreditation problems. Enrolments in Engineering, the Built Environment and Information Technology have also declined because of the poor Mathematics and Science performance of school leavers, as well as the phasing out of B Tech programmes.
Business/Management	9 325	9 139	9 137	The University experienced a sharp decline in business undergraduate diploma programme enrolments following an increase in the mathematics requirements, which was deemed necessary in view of historically poor success rates of these students. The enrolments are, however, increasing and the University currently has 182 fewer enrolments than the target.
Education	2 068	2 029	2 298	The University exceeded the target by 230. The higher than expected growth can be attributed to the strong uptake in the new Advanced Diploma (TVET) programme.
Other humanities	6 929	6 791	7 372	Increased admission requirements, especially in respect of Mathematics performance, resulted in many students not qualifying for admission to Business/Management and Education qualifications who thus enrolled for qualifications in the Arts faculty. This led to a surge in humanities enrolments.
Distance education enrolments	17	17	13	The University only has one distance programme (Master's in Nanoscience) with low enrolments.

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Key performance indicator	Target (2020) Percentage or total number	Mid-year performance targets as per APP	Actual Mid-year performance	Reason for deviation
B. SUCCESS (2019 Outputs against APP 2019 Targets)				
Graduates UG	5 603	5 603	5 520	Non-achievement of the target at undergraduate level is the result of the discontinuation of undergraduate Pharmacy qualifications experiencing accreditation challenges, as well as the phasing out of B Tech programmes.
Graduates PG	1 607	1 607	1 431	Historic debt, financial aid for postgraduate studies and restricted supervisory capacity remain the most significant impediments to increase graduates at postgraduate level. Declines in international postgraduate enrolments also contributed to the decline.
Success rate	79%	79%	79%	In essence, more than half (53%) of new matriculating, first-time entering students enrolling at Mandela University are from schools in poorer areas and this has significant implications for expanded financial and academic support to ensure that these students are given every opportunity to successfully complete their studies. The University continues to invest in holistic, wraparound student support services to ensure that all students have an equal chance of success irrespective of their socio-economic status.
Undergraduate output by scarce skills (2019 Outputs against APP 2019 Targets)				
Engineering	421	421	433	The University experiences difficulties in recruiting students with the requisite Mathematics and Physical Science achievement levels to expand enrolments in Engineering programmes. It is particularly difficult in the Eastern Cape with the poor matric results in the province. Competition for high-performing school-leaving students with Mathematics and Physical Science has intensified within the higher education sector with the introduction of the NSFAS fee-free bursary scheme since these students can opt to study at any university in the country. Despite these challenges the University was able to slightly exceed the target by 12 graduates.
Life and physical sciences	292	292	200	See comment above which is equally applicable to graduates in Life and Physical Sciences.

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Key performance indicator	Target (2020) Percentage or total number	Mid-year performance targets as per APP	Actual Mid-year performance	Reason for deviation
Animal and human health	584	584	506	The discontinuation of programmes that experienced accreditation challenges led to a sharp decline in graduates in the human health sciences.
Teacher education	411	411	408	Performance is close to the target, falling short by just 3 graduates.
Success rate	87%	87%	86%	Lower than expected success rate is the result of the same factors that affect the University's overall success rate.
C. EFFICIENCY				
<i>Instructional/Research Professional Staff (2019)</i>				
% Staff with doctoral degrees	46%	46%	45%	The percentage of staff with doctoral qualifications has decreased from 46% in 2018 to 45% in 2019. This was largely because of retirements and resignations of highly qualified, senior academic staff members, as well as challenges in filling vacancies that arise in faculties, particularly in scarce skills fields of study. The intention is to reverse these trends through investing in developing the next generation of academics, supporting staff to obtain their Doctoral qualifications so that they are equipped to supervise Master's and Doctoral candidates and produce quality research publications, and prioritizing the filling of academic vacancies across all faculties.
Number of NGAP staff	8	8	12	Performance in line with funding allocated by DHET for NGAP appointments.
Ratio of FTE students to FTE instructional/research staff	30:1	30:1	27:1	A lower than targeted student: staff FTE ratio is a positive improvement. The University considerably increased the budget available for academic staff appointments to enable faculties to fill more vacancies and recruit additional academic staff to mitigate an ever-increasing student: staff ratio that impacts negatively on the quality of learning and teaching, as well as student success rates.

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Key performance indicator	Target (2020) Percentage or total number	Mid-year performance targets as per APP	Actual Mid-year performance	Reason for deviation
D. RESEARCH OUTPUT (2019 Outputs against APP 2019 Targets)				
Publication units per FTE staff	0.7	0.7	*0.7	Performance in line with the target.
Research Masters graduates	328	328	262	Funding for postgraduate studies and restricted supervisory capacity remains the most important impediment to increase graduates at postgraduate level. Declines in international postgraduate enrolments also contributed to the decline in graduates in the postgraduate programmes. The University has seen sharp declines in Master's programme enrolments which is now being reflected in declines in graduates. In recognition of the need to increase enrolment at the postgraduate level, the University set an ambitious enrolment target and increased funding for scholarships. However, due to historic debt, nearly 30% of scholarships awarded by the University as Postgraduate Research Scholarships (PGRS) were not taken up.
Doctoral graduates	100	100	97	Performance is close to the target.
Publication Units	435	435	*473	The University produced more publication units than the target, which is a positive indicator of staff research productivity.

*This data is preliminary. Final data will only be available by the end of 2020 once DHET has reviewed the publication output units for books, chapters in books and conference proceedings.

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EARMARKED GRANTS

Nelson Mandela University received allocations from DHET associated with the following grants:

- University Capacity Development Grant;
- Foundation Provision Grant;
- Clinical Training Grant; and
- Infrastructure and Efficiency Grant.

EARMARKED GRANTS FOR 2020 (FUNDING ENVELOPES AND INFRASTRUCTURE PROJECTS)

BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
University Capacity Development Grant	R24 390 063	R5 004 193	1. Project 1: Peer Learning Circles to enhance student success	Increasing number of peer learning facilitators and creating learning circles for them in the following areas: First-Year Success; SI; Tutors and Mentors; Writing Development; PG Orientation; Beyond the Classroom (Co-curricular); & Internships	Indicator in June = 50% of budget spent by 30 June = R2 502 097	Budget spent = R2 251 887 45% of the budget spent by 30 June
		R1 126 909	2. Nurturing Emerging Scholars and Teachers (NEST)	Increase in activities to nurture emerging scholars and teachers who are	Indicator in June = 50% of budget spent by 30 June = R563 455	Budget spent = R563 455 50% of the budget spent by 30 June

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
				Senior Buddies, SI Assistant Coordinators, Teaching and Research Assistants, and Writing Coordinators		
		R6 772 000	3. Supporting Early Career Academics as Emerging and Engaged Scholars	Enhancing and increasing activities to support early career academics in terms of induction activities, mentoring, teaching practice development, supporting masters & doctoral studies, developing research supervision practice, and article writing capacity development	Indicator in June = 50% of budget spent by 30 June = R3 386 000	Budget spent = R3 047 400 45% of the budget spent by 30 June
		R5 350 139	4. Supporting Mid-Career & Senior Academics	Enhancing and increasing activities to support mid-career & senior academics to enhancing teaching	Indicator in June = 50% of budget spent by 30 June = R2 675 070	Budget spent = R2 407 563 45% of the budget spent by 30 June

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
				facilitation, academic leadership development, mentoring & coaching, innovation grants, and supervision practice development		
		R3 803 713	5. Teaching Development linked to Institutional & Faculty Priorities	Opportunities for teaching development linked to discipline-based T&A practices, Blended learning and TEL, Humanising pedagogy, teaching innovation grants and recognition, and rewarding T&L excellence	Indicator in June = 50% of budget spent by 30 June = R1 901 857	Budget spent = R1 711 671 45% of the budget spent by 30 June
		R1 373 645	6. Curriculum Development	Increase T&L and curriculum development opportunities and creating space (time) for curriculum	Indicator in June = 50% of budget spent by 30 June = R686 823	Budget spent = R618 140 45% of the budget spent by 30 June

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
				development activities		
		R1 373 645	7. Project Management	Appoint staff (project manager and researchers) to manage the UCDP projects	Indicator in June = 50% of budget spent by 30 June = R686 823	Budget spent = R979 731 71% of the budget spent by 30 June
	Total	R24 390 063				
Foundation Provision Grant	Earmarked R11 297 000 NMU allocation R11 891 593 Total for 2020 = R23 188 593	R1 597 253	Humanities	75% success rate in each programme	50% of budget spent by 30 June	Spent R798 626 50% by 30 June
		R6 565 973	Business & Economic Sciences	75% success rate in each programme	50% of budget spent by 30 June	Spent R3 282 986 50% by 30 June
		R1 346 212	Engineering, Built Environment & IT	75% success rate in each programme	50% of budget spent by 30 June	Spent R673 106 50% by 30 June
		R3 167 070	Law	75% success rate in each programme	50% of budget spent by 30 June	Spent R1 583 535 50% by 30 June
		R8 880 467	Sciences	75% success rate in each programme	50% of budget spent by 30 June	Spent R4 440 233 45% by 30 June
		R1 631 618	Teaching & Learning	75% success rate in each programme	50% of budget spent by 30 June	Spent R815 809 50% by 30 June

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
	TOTAL	R23 188 593				
Clinical Training Grant	R20 652 000	R11 230 331	Nursing Sciences	As per Project plan sent to DHET History shows 100% performance on projects. 2019/20 - completed with audit reports submitted	N/A - No funding to date	N/A - No funding to date
		R985 105	Radiography			
		R1 168 909	Biomedical			
		R5 423 422	Pharmacy			
		R472 933	Dietetics			
		R972 714	Emergency Medical Care			
		R398 586	Biokinetics			
	TOTAL	R20 652 000				
Infrastructure & Efficiency Grants	R195 515 000	R7 433 000	Disability related projects	Increased/upgraded university infrastructure	Increased/upgraded university infrastructure	Complete
		R58 829 000	Phase 2 Engineering building	Increased/upgraded university infrastructure	Increased/upgraded university infrastructure	Complete
		R50 776 000	New Life sciences building	Increased/upgraded university infrastructure	Increased/upgraded university infrastructure	Complete
		R3 210 000	Equipment for laboratories	Increased/upgraded university infrastructure	Increased/upgraded university infrastructure	Complete
		R20 500 000	Upgrade of existing student residences	Increased/upgraded university infrastructure	Increased/upgraded university infrastructure	Complete

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
		R40 767 000	New education building	Increased/upgraded university infrastructure	Increased/upgraded university infrastructure	Complete
		R3 000 000	African language development	Increased/upgraded university infrastructure	Increased/upgraded university infrastructure	Complete
		R11 000 000	Infrastructure backlogs at Missionvale	Increased/upgraded university infrastructure	Increased/upgraded university infrastructure	Complete
	Total:	R195 515 000				
Infrastructure & Efficiency Grants	R150 600 000	R59 500 000	Purchase of CSIR building	Increased/upgraded university infrastructure	DHET approved R59.5 million for the purchase of the CSIR campus, R24 million for maintenance at CSIR and R66 million for student residences (plan for implementation sent to DHET in June 2016)	CSIR campus purchased
		R24 500 000	Maintenance CSIR	Increased/upgraded university infrastructure	Increased/upgraded university infrastructure	Maintenance of various blocks within the campus undertaken and completed

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
		R66 600 000	Student Residence	Increased/upgraded university infrastructure	Developer appointed	Developer appointed and construction in progress
	Total:	R150 600 000				
Infrastructure & Efficiency Grants	R81 701 896	R1 768 028	Creation of additional computer laboratory at 2nd Avenue Campus	Increased/upgraded university infrastructure	All spending in-line with funds received to date	Project completed - February 2018 at 100% of budget
		R4 995 607	ICT Networking and Connectivity Infrastructure. Technology solutions for improved campus security. Teaching venues e-readiness enhancement across all campuses.	Increased/upgraded university infrastructure	All spending in-line with funds received to date	Core Switch replacement and redundant wireless connectivity to 2 nd Avenue and Missionvale campuses complete. Various security projects completed, like green walkways, security operation centre creation, additional CCTV, panic buttons, biometric installations, SALTO PAE

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
						integration and analytics, license plate recognition implemented. Replacement of 50-seater computer laboratory at Missionvale Campus. Completed end 2018 at 100% budget
		R24 938 261	Maintenance CSIR	Increased/upgraded university infrastructure	Maintenance currently underway. Phased in urgent areas	Work in progress
		R4 000 000	Ocean Sciences Branding	Increased/upgraded university infrastructure	Planning and scoping underway for Phase 2	Phase 1 complete
		R9 000 000	Development of Administration Hub (D Block)	Increased/upgraded university infrastructure	Consultants	Design development drawings complete Detail drawings in progress
		R9 000 000	Student Commons	Increased/upgraded university infrastructure	Construction tender advertised	Construction in progress

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
		R6 000 000	Housing of SRMU	Increased/upgraded university infrastructure		Complete
		R2 000 000	Accommodation of SAIMI	Increased/upgraded university infrastructure		Complete
		R20 000 000	Transdisciplinary Cluster & Research Chairs	Increased/upgraded university infrastructure	Consultants developing tender documents	Design development drawings complete Detail drawings in progress
	Total:	R81 701 896				
Infrastructure & Efficiency Grants	R61 801 582	R6 736 365	Teaching venues e-readiness enhancement across all campuses. Redundant Storage Area Network and servers for critical services	Increased / upgraded university infrastructure	All spending in-line with funds received to date	Addition of 48 computers at Missionvale laboratory and 24 computers at Sanlam Computer Village. Digitally enable 40 lecture venues across campuses. Implementation of a Technology enabled facility at South Campus. Establishment of Disaster recovery facility is nearing

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
						completion. Estimated budget spend is 85%.
		R29 565 217	Maintenance CSIR	Increased / upgraded university infrastructure	Maintenance of various blocks within the campus undertaken and completed	Maintenance of various blocks within the campus undertaken and completed
		R25 500 000	Ocean Sciences Building	Increased / upgraded university infrastructure	Tender design brief in progress	Tender brief completed
	Total:	R61 801 582				
Infrastructure & Efficiency Grants	R75 000 000	R72 440 538	Student Residences	Increased / upgraded university infrastructure	Contract awarded	Developer appointed and construction in progress
		R2 559 462	Bills three-year contract commencing Jan 2018 (Funding from R75m student residences funding)	Increased / upgraded university infrastructure	Contract awarded	N/A
	Total	R75 000 000				
Infrastructure & Efficiency Grants	R50 000 000	R50 000 000	Student Housing	Increased/upgraded university infrastructure	Contract awarded	Developer appointed and construction in progress
	Total	R50 000 000				

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
Infrastructure & Efficiency Grants	R35 855 925	R4 855 925	Felsted building re-purposes - Bird street	Increased/upgraded university infrastructure	Phase 1 complete. Phase 2 tender documentation complete	Tender to be advertised
		R6 000 000	Water reservoir	Increased/upgraded university infrastructure	Tender awarded.	Construction complete
		R8 000 000	Furntech building - George	Increased/upgraded university infrastructure	Construction tender issued	Construction complete
		R10 000 000	Law faculty additions - Embizweni	Increased/upgraded university infrastructure	Tender documentation complete.	Tender to be advertised and contract awarded
		R7 000 000	Reclaimed water - scheme - South	Increased/upgraded university infrastructure	Phase 1 complete. Phase 2 tender documentation complete	Phase 2 advertised
	Total	R35 855 925				
Infrastructure & Efficiency Grants (2018/2019)	R11 000 000	R11 000 000	University projects - ICT	Increased/upgraded university infrastructure	50% of budget spent by 30 June	Project currently in planning phase.
	Total	R50 000 000				
Infrastructure & Efficiency Grants (2019/2020)	R6 600 000	R6 600 000	University projects - ICT	Increased/upgraded university infrastructure	50% of budget spent by 30 June	Project currently in planning phase.
	Total	R6 600 000				

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BREAKDOWN OF ALLOCATION						
Grant	Earmarked Allocation	Budget	Projects	Linkage to performance indicators	Midyear performance indicator	Progress/Variance Report
Infrastructure & Efficiency Grants (2020/2021)	R4 750 000	R4 750 000	University projects - ICT	Increased/upgraded university infrastructure	20% of budget spent by 30 June	Project currently in planning phase

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FINANCIAL PERFORMANCE NOTES: BUDGET VS REVENUE AND EXPENDITURE AS AT 30 JUNE 2020

EXECUTIVE SUMMARY

The financial performance takes in to account the comparison between the actual and budgeted revenue and expenditure for the period. The revised budget indicates any mid-year budget adjustments to the original Council approved budget, while forecasts are done against revised budgets to take into account projected savings in expenditure or shortfalls in revenue. A benchmark of 50% (6/12) for the period to date is used to compare the financial position of the Nelson Mandela University as at 30 June 2020. A year to date budget is included, however, due to the cyclical nature of revenue and certain categories of expenditure at a Tertiary Institution, the financial results on a month-to-month basis must take into account material timing differences and therefore should be examined per line item where mid-year expectations will be indicated.

The full extent of the financial implications of the COVID-19 pandemic for the University remains to be seen. The COVID-19 impact has presented the University with many challenges including material financial and sustainability risks and it is likely that there will be a significant impact on direct and indirect costs and loss of revenue.

Management approved a budget reprioritisation process for the virement of budgets to assist in addressing new and reprioritised needs due to COVID-19 in 2020. Academic and Campus Readiness Plans have been approved by The Minister of Higher Education, Science and Innovation. These plans are to date largely funded through the 2020 budget reprioritisation, bridging funding from reserves and the virement of funding from Infrastructure and Efficiency Grant interest to a COVID-19 Responsiveness Grant approved by the Minister of Higher Education, Science and Innovation.

The University submitted a costed activity plan to enable multimodal remote teaching, learning and assessment and campus readiness plans at a total budget of R 110.5 million. R 52.3 million has been reprioritised while R 9.3 million of interest on Infrastructure and Efficiency Grant (IEG) earmarked funding has been approved by the Minister for virement to a COVID-19 Responsiveness Grant (CRG). This leaves a shortfall of R 48.8 million. The Universities Finance and Facilities Committee of Council has approved additional budget on a bridging basis depending on potential stimulus funding. There was R30 million allocated for student devices on a loan or sale basis, as well as student data at a cap of six months of R2.8 million per month.

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INCOME

Subsidy for operations is accounted for when received. The first subsidy payment is received in April. This is in respect of the period January to March. During May, subsidy is received for the period April to June. Payments for July to November are received on a monthly basis one month in advance. We are in line with the benchmark, taking into account the deferment of subsidy payments for June and July until later in the year as communicated by the Minister.

The only Interest & Redemption subsidy applicable is on state guaranteed loans where the state pays the loan repayments, nets off the subsidy and recouped in the final subsidy payment.

The actual block allocation for operations in 2020 is R 28.6 million more than the budgeted amount, while the Foundation Grant, R 1.24 million more than budgeted for. This is reflected in the forecast and was mainly due to subsidy cuts from universities that under- and over-enrolled which were pooled and redistributed to all universities. This pushed the rand value per teaching input unit up resulting in more for our University.

At the time of writing this report however, Universities have been informed of a 1.07% or approximately R 13.5 million cut in subsidy for 2020. This was not factored into the June report.

The University Capacity Development Grant (UCDG), which is now a combination of the former Teaching Development Grant and Research Development Grant, is earmarked as a restricted fund, and therefore excluded from the central Council funded budget.

Tuition fees are in line with the adjusted mid-year expectations. A bad debt provision of 6% was originally budgeted, however the forecast has been adjusted up by 2% as a result of adjusted provision due to COVID-19. Recoverability is being monitored carefully following concessions given around access for 2020 together with the impact of COVID-19. Outstanding fees, year on year, is in line with the adjusted benchmark.

Residence fees are in line with mid-year expectations. A bad debt provision of 3% was originally budgeted, however the forecast has been adjusted up by 2% as a result of adjusted provision due to COVID-19. Recoverability is being monitored carefully following concessions given

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around access for 2020 together with the impact of COVID-19. Off-campus accommodation is treated as an agency fund. The net surplus / (deficit) is disclosed in the income statement.

Other income includes Facilities, Trust contributions, Office for International Education etc. and are in line with mid-year expectations except for Facilities and the Office for International Education where revenue budgets are not expected to be met. Corresponding expenditure budgets will be adjusted accordingly after second semester registration.

EXPENDITURE

Strategic allocations are non-recurrent in nature and are allocated to specific projects in line with the strategy of the institution. Spend to date is lower than mid-year expectations and will be monitored accordingly.

Salary forecasts are done monthly, reviewing vacant positions and fixed commitments. The current austerity measures on vacant Professional and Academic Support Staff (PASS) and resultant savings will be returned to central funds.

The forecast assumes that funds as requested & approved for operations will be fully utilized and spent by year end. Management reviews operational budgets during July for possible savings. Budgets will be adjusted and transferred to a COVID-19 Contingency Fund to assist in covering unexpected costs related to COVID-19.

Depreciation & Accumulative Leave Provisions as budgeted for is expensed pro rata on a monthly basis to the income statement.

The finance costs as budgeted, are for reporting purposes, expensed monthly to the income statement.

INVESTMENT INCOME

The investment income is based on the latest cash flow forecast.

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SPECIFIC PROVISIONS

Estimated post-retirement benefits provision as budgeted for is expensed monthly on a pro rata basis to the income statement. Interest earned on unutilised Efficiency Project Funds is earmarked to build up reserves to accommodate infrastructure inflation costs as prescribed by the DHET.

NON-RECURRENT INCOME & EXPENDITURE

Non-recurrent income and expenses represent non-recurrent / once off projects that are not funded by the operational budget. Sources of funds include DHET, reserves, donor and long-term borrowings.

FORECASTED STATUS

As at the end of June, the forecasted deficit from operations of R9.4 million, with R28.6 million surplus after forecasted investment income.

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FINANCIAL PERFORMANCE: BUDGET VS REVENUE AND EXPENDITURE AS AT 30 JUNE 2020

NELSON MANDELA UNIVERSITY MID YEAR PERFORMANCE REVIEW 2020 - BUDGET VS REVENUE AND EXPENDITURE

	YTD Actual	YTD Budget	Approved Budget	Revised Budget	Forecast	Notes
INCOME	1 602 087 594	1 118 895 194	2 245 204 875	2 237 790 388	2 212 958 478	
SUBSIDY	691 230 709	637 616 920	1 282 251 367	1 275 233 840	1 275 233 840	
Operations	691 230 709	631 958 500	1 272 177 527	1 263 917 000	1 263 917 000	Revised budget and forecast per original subsidy allocation prior to announcement of 1.07% budget cut
Interest & Redemption	-	9 920	19 840	19 840	19 840	To be received in final reconciliation payment
Foundation Programme	-	5 648 500	10 054 000	11 297 000	11 297 000	Earmarked funding revised per original subsidy allocation
FEES	893 155 745	435 968 192	871 927 812	871 936 384	853 051 861	
Teaching	784 502 399	385 574 267	771 148 533	771 148 533	755 805 586	
Tuition fees	767 894 340	388 824 908	777 649 816	777 649 816	777 649 816	In line with adjusted mid year expectation
Less: provision for bad debt	(23 014 421)	(23 014 421)	(46 028 842)	(46 028 842)	(61 371 789)	Pro rata of provision. Adjusted forecast up due to COVID-19
Residences	108 653 346	50 393 926	100 779 279	100 787 851	97 246 275	
Residence fees	88 269 260	48 773 724	97 547 449	97 547 448	97 547 448	In line with mid year expectation
Meal fees	-	-	-	-	-	In line with mid year expectation
Off campus Accommodation (net surplus / (deficit))	21 756 813	2 176 753	4 344 931	4 353 505	4 353 505	Agency fund
Vacation accommodation/ rentals	33 825	850 000	1 700 000	1 700 000	33 825	In line with adjusted mid year expectation
Less: provision for bad debt	(1 406 551)	(1 406 551)	(2 813 101)	(2 813 102)	(4 688 503)	Pro rata of provision. Adjusted forecast up due to COVID-19
OTHER INCOME	17 701 140	45 310 082	91 025 695	90 620 164	84 672 778	In line with adjusted mid year expectation

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NELSON MANDELA UNIVERSITY MID YEAR PERFORMANCE REVIEW 2020 - BUDGET VS REVENUE AND EXPENDITURE

	YTD Actual	YTD Budget	Approved Budget	Revised Budget	Forecast	Notes
EXPENDITURE	916 060 386	1 114 217 585	2 241 544 214	2 228 435 169	2 222 435 169	
STRATEGIC ALLOCATIONS	25 385 960	35 772 571	70 901 030	71 545 142	66 545 142	In line with adjusted mid year expectation
SALARIES	621 034 236	702 187 483	1 391 652 667	1 404 374 965	1 404 374 965	
Academic	571 488 872	635 778 935	1 206 650 556	1 271 557 870	1 271 557 870	
Admin and Academic Support	271 967 188	304 743 576	590 454 525	609 487 151	609 487 151	In line with mid year expectation
	299 521 684	331 035 360	616 196 031	662 070 719	662 070 719	In line with mid year expectation
Remuneration Contingency	144 198	11 464 787	83 314 019	22 929 574	22 929 574	Annual salary adjustment provision allocated
Other	49 401 166	54 943 761	101 688 092	109 887 521	109 887 521	Includes residences, facilities etc.
SUPPLIES AND SERVICES	206 918 366	313 535 706	653 546 867	627 071 412	626 071 412	In line with mid year expectation
PROVISIONS	49 703 179	49 703 179	99 406 357	99 406 357	99 406 357	
Depreciation	44 671 572	44 671 572	89 343 143	89 343 143	89 343 143	In line with mid year expectation
Accumulative Leave	5 031 607	5 031 607	10 063 214	10 063 214	10 063 214	In line with mid year expectation
FINANCE COSTS	4 617 146	4 617 146	9 234 293	9 234 293	9 234 293	
Education & General	6 086	6 086	12 172	12 172	12 172	In line with mid year expectation
Residences	4 611 061	4 611 061	9 222 121	9 222 121	9 222 121	In line with mid year expectation
OTHER OPERATIONS	8 401 500	8 401 500	16 803 000	16 803 000	16 803 000	
Post-retirement benefits	8 401 500	8 401 500	16 803 000	16 803 000	16 803 000	Pro rata of provision
SURPLUS/(DEFICIT) from OPERATIONS	686 027 208	4 677 610	3 660 660	9 355 219	(9 476 691)	

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NELSON MANDELA UNIVERSITY MID YEAR PERFORMANCE REVIEW 2019 - BUDGET VS REVENUE AND EXPENDITURE

	YTD Actual	YTD Budget	Approved Budget	Revised Budget	Forecast	Notes
SURPLUS/(DEFICIT) from OPERATIONS C/F	686 027 208	4 677 610	3 660 660	9 355 219	(9 476 691)	
INVESTMENT INCOME	84 717 964	91 279 140	182 558 280	182 558 280	169 435 928	In line with mid year expectation
LESS : SPECIFIC PROVISIONS	19 987 935	64 668 136	129 336 272	129 336 272	131 336 272	
Escalation - Efficiency Funded Projects	19 987 935	17 168 136	34 336 272	34 336 272	36 336 272	In line with mid year expectation
Transfer to reserves	-	47 500 000	95 000 000	95 000 000	95 000 000	Transfer to be done at year end
SURPLUS/(DEFICIT) from OPERATIONS & INVESTMENT INCOME	750 757 237	31 288 614	56 882 668	62 577 227	28 622 965	
NON RECURRENT INCOME	75 994 000	37 997 173	75 994 345	75 994 345	75 994 345	
DHET / Donor Grants - Efficiency funding	75 994 000	37 997 173	75 994 345	75 994 345	75 994 345	Latest tranche of efficiency funding
NON RECURRENT EXPENDITURE	101 260 764	279 311 141	529 294 671	558 622 282	558 622 282	
Efficiency projects	96 827 040	227 888 557	414 000 000	455 777 114	455 777 114	In line with project plans
Council projects	4 433 724	51 422 584	115 294 671	102 845 168	102 845 168	Spend to accelerate in second semester
TRANSFER FROM EFFICIENCY FUNDED RESERVES	97 945 426	196 681 175	338 005 655	393 362 349	393 362 349	
TRANSFER FROM RESERVES	3 315 338	44 632 794	115 294 671	89 265 588	89 265 588	
SURPLUS/(DEFICIT) (COUNCIL FUNDS)	826 751 237	31 288 614	56 882 668	62 577 227	28 622 965	
NON COUNCIL FUNDED SURPLUS / (DEFICIT)	(15 854 842)	-	-	-	-	
Income	221 348 336	232 160 471	464 320 942	464 320 942	464 320 942	Institutional budgets not set for these activities
Expenditure	237 203 178	232 160 471	464 320 942	464 320 942	464 320 942	and funding group i.e. restricted research funds
SURPLUS/(DEFICIT) (ALL FUNDS)	810 896 395	31 288 614	56 882 668	62 577 227	28 622 965	