

29 June 2021

Group Executive: Impact Centre

Dear Prof Heidi van Rooyen,

APPROVAL OF 2021 BUSINESS PLAN AND BUDGET ALLOCATION FOR 2021/22

I am pleased to advise that your Business Plan for 1 April 2021 to 31 March 2022 has been approved and will be funded as per the provisions set out in this letter. The budget allocation is based on discussions held and resolutions taken at the Executive Committee meeting held on 27 May 2021.

The financial model that has been applied from 01 April 2010 remains effective during this financial year, providing for a Cost Centre allocation from the baseline grant, and a target for raising external income. The Cost Centre allocation makes provision for salaries (for non-billable time), overhead and other direct expenses.

Please note that no separate Capital Expenditure (CAPEX) allocation was received for 2021/22. Capital expenditure using baseline funding is therefore only permitted with prior approval from the CEO and in accordance with the approved Delegation of Authority matrix. Capital expenditure using project funds is permitted in line with approved Delegation of Authority matrix.

The following principles were applied in allocating your centre's annual budget:

1. The Parliamentary grant was used to cover 80% of your total permanent/long term salary bill *as at 31 March 2021*. Time billing charged on research projects will cater for the remaining 20% of salaries over and above normal cost centre operational costs. This is consistent with the previous financial year;
2. All new positions to be filled will be funded at 80%, with the parliamentary grant allocation provided from date of appointment, after 1 August 2020 to the end of the financial year;
3. The total external Income target of **R182,183 million** is the difference between the total expenditure reflected in the ENE and the sum of the parliamentary grant and other expected guaranteed income (rental income and interest received);
4. The external income allocation for your centre was based on the centre's percentage consumption of the total parliamentary grant allocated in Programme 2, and consideration of the secured funding as indicated by your centre;
5. In instances where staff are funded 100% by a project, no additional funding was allocated from the parliamentary grant;
6. Your organogram (refer to Table 3) comprises *funded vacancies*, set out in Table 2 of this letter, included in your permanent salary bill as at 1 April 2021, and unfunded vacancies. Please confirm the accuracy and completeness of both these schedules; and
7. A moratorium on all baseline-funded appointments remains in place. Executives are required to submit motivations to fill any vacancies. The following criteria will be considered when reviewing motivations:

- a) Operational Requirements with specific reference to impact and risks associated with not filling the budgeted vacancy;
- b) Achievement of HSRC strategic objectives e.g. achieving LeaPTTS targets at an organisational level as well as achieving Equity Targets;
- c) Regulatory positions e.g. Occupational Health Officer; and
- d) Exhaustion of alternatives to ensure that the responsibility is discharged e.g. redistribution of workloads, sharing or reassignment of resources.

Contract extensions are subject to the same criteria outlined above, but in addition will also take into account:

- a) The employee's time billing record during the last year – at least at 60% (where applicable), overall performance at met expectations or above, and no disciplinary matters pending; and
- b) The extension period to be a maximum period of three (3) years unless the employee is close to retirement age in which case the extension will not be greater than the retirement date.

The process for filling baseline -funded vacancies is as follows:

- a) The responsible line manager compiles a motivation as per the criteria.
- b) The signed motivation, including the approved organogram and budget confirmation, is sent to HR for oversight and support based on all applicable criteria requirements.
- c) The motivation is approved by the Responsible Executive who will also be responsible for the budget and the budget implications.
- d) Where applicable, as per the Delegation of Authority Matrix the DCEO, GE:SS, or CEO 's final approval may be applicable.

All Programme 1 and Programme 2 allocations are meant to support the achievement of your business plan and the HSRC's Annual Performance Plan ("APP") and budget for 2021/22, as approved by the Minister of Higher Education, Science and Innovation and Parliament through the Portfolio Committee on Higher Education, Science and Technology. The APP and five-year Strategic Plan 2020-2025 are published on the HSRC Intranet and may be accessed at <http://intranet.hsrc.ac.za>.

The objectives outlined in the HSRC's Strategic Plan and APP for 2021/22 have been cascaded to your centre and incorporated into your approved business plan. You are required to cascade these objectives and targets to the performance agreements of employees in your centre to ensure proper implementation and monitoring thereof.

The HSRC Board is legally bound to oversee and report on the HSRC's performance in accordance with the objectives set in the HSRC Act, Strategic Plan and APP. You are therefore required to report on achievement against your business plan on a quarterly basis. The individual programme reports will be consolidated to inform the quarterly reports on achievement against the APP to be submitted to the HSRC Board, the Minister and the Portfolio Committee on Higher Education, Science and Technology and The National Treasury. The Auditor-General of South Africa is required to audit the performance of the HSRC based on the quarterly and annual performance plans. The format and dates for reporting will remain as communicated by the CEO.

In the previous financial year the organisation realised significant operational cost savings due to the impact of Covid-19 on our operations. The onset of the pandemic and the associated restrictions affected both our spending ability and our capacity for raising external income. In our continuing attempt to respond with the necessary agility to ensure our ongoing sustainability, the operational allocations in this financial year have been reduced in line with the operational spending trend of the previous year. Line items such as travelling, courier services, telephones and copying must be reduced in line with our current working from home arrangements. The money being freed up by this has been earmarked for use towards strategic, unfunded research activities as a ring-fenced allocation on your budget. The portion allocated towards operational expenditure must be utilised in your centre to ensure that existing, fixed-cost items are being honoured and to support our continued working from home arrangement.

It is envisaged that this approach will

- (i) Enhance our spending ability so that we do not end the financial year with an unspent surplus and the risk of having to return the money to the National Treasury;
- (ii) Enable us to pursue our strategic objectives and respond to important research priorities that remain otherwise unfunded; and
- (iii) Mitigate the challenges with raising external income in the current hostile economic circumstances.

Your centre's budget allocation for the period 1 April 2021 to 31 March 2022 is set out in Table 1 and is informed by your business plan and objectives and the principles explained above.

Table 1: Budget Allocation for the 12-month period 1 April 2021 to 31 March 2022

	Allocation from Parliamentary Grant	Other Income	Salaries	Operational Expenditure	2021/22 - Allocation	2020/21 - Allocation	2019/20 - Allocation
Impact centre							
Impact Centre	24,386,626	3,000,000	22,061,626	5,325,000	27,386,626	23,179,173	-
BDIL	-	-	-	-	-	-	4,800,000
Internal Seminars	200,000	-	-	200,000	200,000	325,000	400,000
HSRC Review publications	200,000	-	-	200,000	200,000	325,000	700,000
Corporate communications	600,000	-	-	600,000	600,000	650,000	7,500,000
Policy Briefs Training & Dissemination Workshop	200,000	-	-	200,000	200,000	285,000	450,000
PAN	600,000	-	-	600,000	600,000	590,000	-
Annual Report	290,000	-	-	290,000	290,000	290,000	450,000
HSRC Awards	220,000	-	-	220,000	220,000	220,000	300,000
Total Allocation	26,696,626	3,000,000	22,061,626	7,635,000	29,696,626	25,864,173	14,600,000

All expenditure for the year must be limited to amounts in this allocation letter.

Table 2. Vacancies approved for 1 April 2021 to 31 March 2022

Baseline funded approved vacancies for period 1 April 2021 to 31 March 2022.

Unit	Position	Budgeted CTC	Source of funding
Impact Centre	Director : Science & Society	R1 007 700	Base Line Grant
Impact Centre	Policy Dialogue Manager	R785 100	Base Line Grant
Impact Centre	Researcher	R422 100	Base Line Grant. New position
Impact Centre	PhD Research Trainee	R245 220	Base Line Grant
	Total	R2 460 120	**

**** Included in the budgeted salaries.**

I would also like to draw your attention to the general requirements for managing the allocated budget as well as performance in your centre. In particular, you are kindly reminded of your duty to ensure compliance with all HSRC policies and procedures, including the following:

- Correct procedures in relation to the delegation of authority policy and matrix;
- HR requirements and labour legislation;
- Improved leave management which constitutes approval of leave requests by management within 24 hours, and periodic review and verification of annual, sick and study leave reconciliations against HR records;
- Occupational Health and Safety requirements;
- Supply Chain Management and National Treasury Regulations;
- Management of risks within your areas of responsibility in consultation with the ERM Unit;
- Safeguarding of assets in your possession and ensuring timely reporting of all incidents;
- Recording all mobile assets in a Mobile Equipment register, ensuring that all research staff (including short-term contract staff) log the movement of assets timeously. You are reminded that all asset movements must be recorded in the movement register;
- Approval of all budgets and funding proposals according to the delegation of authority matrix prior to the submission of funding proposals;
- Vetting of ALL contracts signed with any third parties by our Legal Department which are in turn filed on the HSRC's contract repository;
- Timeous and accurate capturing of information on the Research Management System (RMS) (including both financial and performance targets). Members of the Executive are required to sign off quarterly reports confirming that the information captured in RMS is valid, accurate and complete;
- Finance Policies and Procedures which have been designed and implemented to comply with the Public Finance Management Act (PFMA) as well as Treasury Regulations;
- All private telephone and excessive data usage must be recovered from employees, where they exceed the amount allowed in the policy, currently R75 and R90 respectively;
- Prudent management of funds, to meet cash-flow requirements;
- Upholding and complying with internal controls to ensure that the HSRC remains a well-managed organisation;
- Your finances must be managed to avoid achieving a net deficit by 31 March 2022; and
- Adherence to National Treasury Cost Containment measures as well as the guideline as published and communicated via our Corporate Communications.

You are also reminded to comply with the HSRC Research Policy, including the requirement that all HSRC research projects must be submitted to the Research Ethics Committee (REC) for ethics approval or exemption from ethical review.

The HSRC Act (Act 17 of 2008) includes certain legal obligations that the HSRC must comply with. In this regard, your attention is drawn to the following legal requirements:

- All research projects involving the development of datasets need to make budgetary provision for the curation and requirements for dissemination thereof; and
- Requirements in relation to the management of intellectual property, protection of indigenous knowledge, and research to be undertaken in areas falling under the jurisdiction of traditional leaders (cf. Section 14 of the HSRC Act) must be complied with, and appropriately recorded in the RMS and related project filing systems.


The eResearch Knowledge Centre (“eRKC”) will remain the central contact with all system and database service providers and custodians where the subscriptions for these systems and databases are processed through individual research programmes’ budgets. The eRKC will further utilise Information Specialists to transfer knowledge and Information on the usage of information resources.

With reference to curation of datasets, you are required to submit your annual data deposit plan to the Head: Digital Curation in eRKC. This data deposit plan will be reviewed and finalised in consultation with the Office of the Deputy CEO: Research, to ensure that formal agreement is reached on the number of datasets from your centre to be deposited and curated before the end of this financial year. Subsequent quarterly reports on performance will then also require progress reports on datasets deposited and curated, in accordance with the approved data deposit plan.

Information Technology (“IT”) is the custodian of all applications and hardware in the organisation. Decisions to procure these items must be reviewed and approved by IT prior to finalisation.

In conclusion, I would like to wish you well in the new financial year.

With kind regards



Professor Leickness Simbayi
CEO (acting)

1. Acceptance of allocation letter

This allocation letter was made available to you in duplicate.

The responsible official should please initial each page of the allocation letter and sign this page in full before returning one original to the Office of the CEO attention: Ms Ivy Mahloko.

I, _____ in my capacity as _____ of

_____ hereby accept the conditions as outlined in the allocation letter dated

_____ 2021.

Signature: _____

Date _____

Table 3 - Organogram

Vacant posts on the organogram above is unbudgeted vacancies.
Please refer to Table 2 for budgeted vacancies.

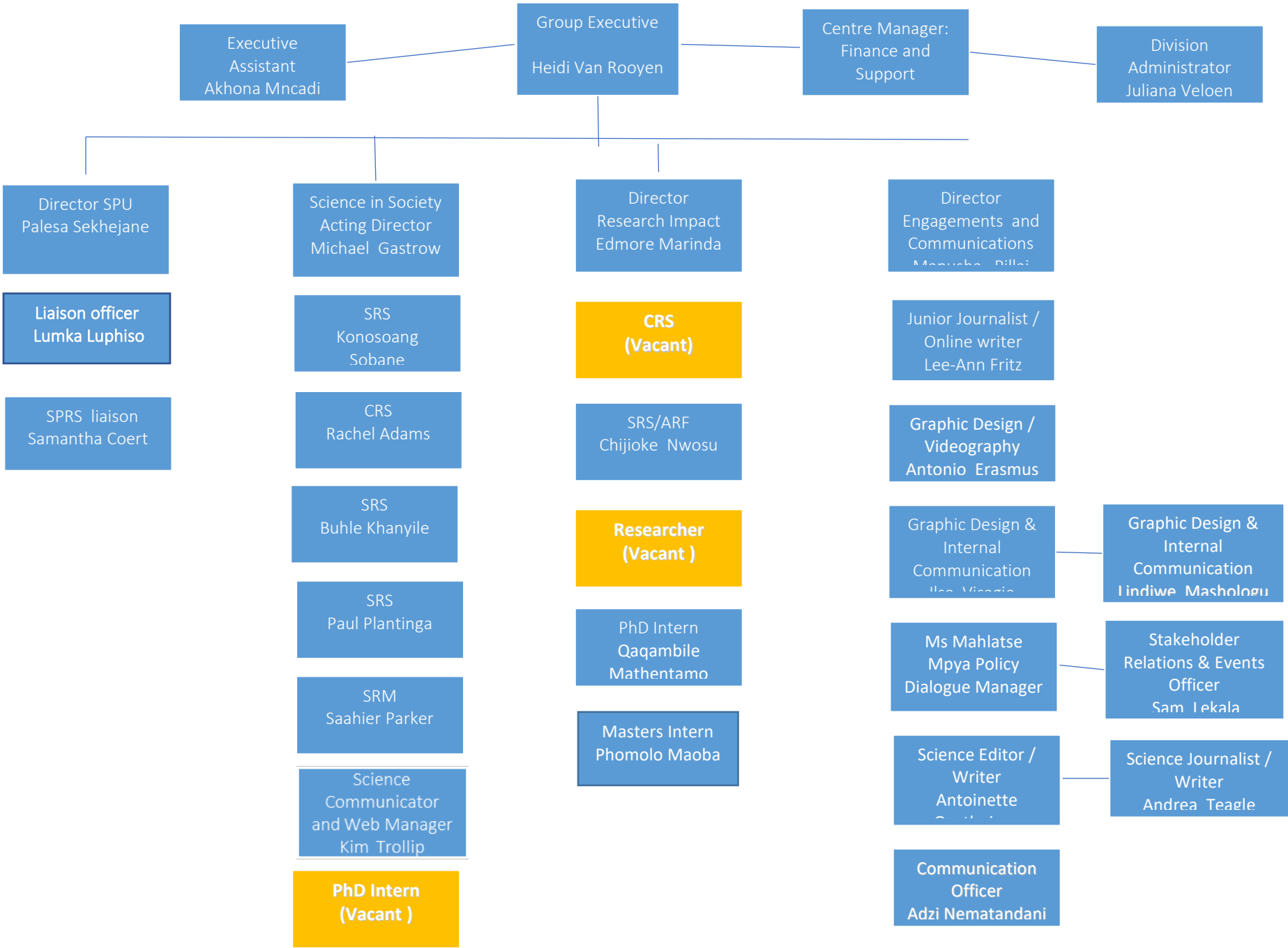


Table 4 - Performance Targets - 2020/2021

Please refer to your approved Business Plan.

Coordinating or other roles			
Outcome	Output	Output indicator	Role
2 A consolidated relationship of trust and influence with government to help guide and inform policy	2.1 High-impact publications and knowledge products	2.1 The number of policy briefs and/or evidence reviews completed and published	Coordinate
	2.2 Use mechanisms	2.2 The number of structured research engagements with government, policy makers and implementers	Coordinate
3 Recognition as a trusted and engaged research partner within scientific communities and civil society	3.1 Use mechanisms	3.1 The number of research-related engagements with communities and civil society forums	Coordinate and review reports generated and submitted by research divisions for DCEO Research's approval
	3.2 Use mechanisms: Partnerships	3.2 The number of solution-orientated communities of practice created or supported with active involvement of HSRC researchers	Coordinate and review reports generated and submitted by research divisions for DCEO Research's approval

Institutional policies and strategies to be developed and/or revised

In accordance with the approved 2020-2025 Strategic Plan, the following strategies must be developed or strengthened in support of the Strategic Plan implementation (the list is not exhaustive):

- **Research Use Strategies**
These strategies will focus on research use through appropriate knowledge-brokering of outputs generated in the research portfolio. The strategies will enable and co-ordinate support and mechanisms for collaboration, convening and communicating.
- **Strategic Partnership Strategy**
- **Communication Strategy**

You are required to submit and report on a plan for developing or regularly updating these strategies, and any others that might be appropriate to your programme of work.