

# INGONYAMA TRUST BOARD STRATEGIC PLAN : 2014/15 – 2017/18

PRESENTATION TO THE PORTFOLIO  
COMMITTEE ON RURAL DEVELOPMENT AND  
LAND REFORM

9 JULY 2014

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# BACKGROUND

The Ingonyama Trust was established in 1994 by an Act of Parliament – Act No 3 of 1994 with His Majesty the King as the sole Trustee. An amendment Act in 1997 among other things established a Board to administer the affairs of the Trust. The Board comprises of eight members plus Isilo or his nominee as Chairperson. The eight (8) Board members are appointed by the Minister of Rural Development and Land Reform, after considering National and Provincial interests.

The Trust is the largest landowner in the Province with a total extent of 2,844,903 hectares held under some 1600 individual titles. The Trust owns land in all of the District Municipalities and Metro Municipal areas in KwaZulu-Natal.

The Board sees Real Estate as its major activity. The core business of the Trust is to administer the land for the “material benefit and social wellbeing of the individual members of the tribes”. However, no alienation or burdening of the land may occur without the written permission of the relevant traditional or community authority.

# Vision, Mission and Values

## **Vision**

To be a leader in sustainable communal land management.

## **Mission**

To contribute to the improvement of the quality of life of the members of the traditional communities living on Ingonyama Trust Land by ensuring that land management is to their benefit and in accordance with the laws of the land.

## **Mandate**

As per Section 2 of the Ingonyama Trust Act 3 of 1994 as amended.

## **Values**

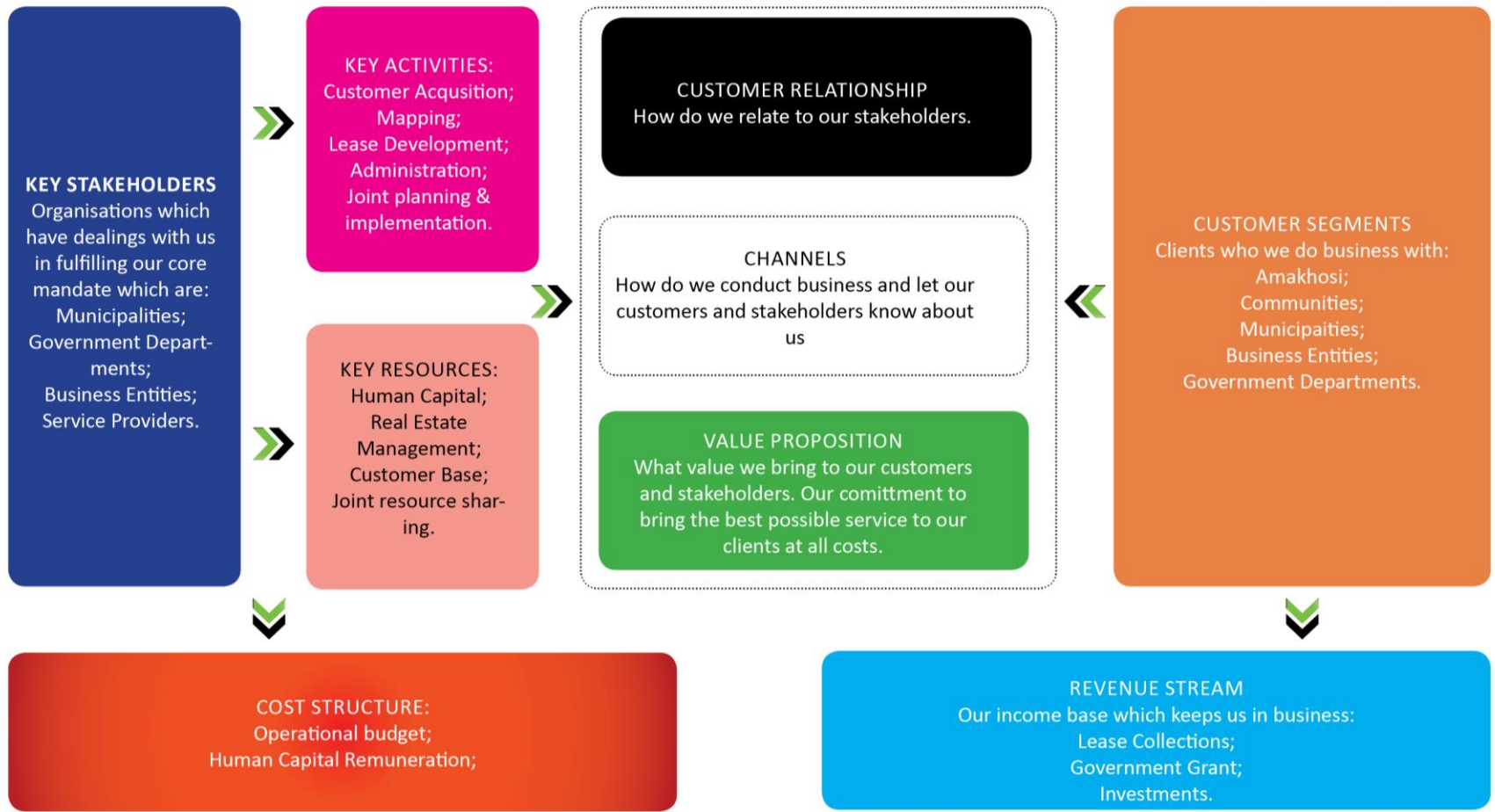
- Transparency,
- Integrity,
- Honesty,
- Professionalism,
- Value for money,
- Open Communication,
- Consultation and
- Service excellence.

# PERFORMANCE DELIVERY ENVIRONMENT

<b>Government Perspective</b>	<b>Description and application to ITB</b>
<b>National Initiatives</b>	<p><b>National Government Priorities</b></p> <p>The current government set its priorities in 2009 during the beginning of its term, twelve priorities were decided as critical to the functioning of government. Out of the twelve we as ITB see ourselves as a contributing factor to Outcome 7 and Outcome 8 of the Government Programme of Action as informing its mandate.</p> <ul style="list-style-type: none"> <li>• <b>Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all;</b></li> <li>• <b>Outcome 8: Sustainable human settlements and improved quality of household life.</b></li> </ul>
<b>Provincial Initiatives</b>	<p><b>Provincial Growth and Development Strategy</b></p> <p>This strategy for the provincial government is setting the tone of government delivery until 2030 and is aligned with the policy frameworks as adopted by national government, as we operate within the province we are then expected to provide input to this strategy which puts emphasis on areas such as Human and Community Development, Strategic Infrastructure, Job Creation, Environmental sustainability and Spatial Equity. It also drives to the point that we need an integrated planning model to ensure that we work hands on deck to ensure our contribution benefits the KZN Province.</p>
<b>Departmental goals</b>	<p>Ingonyama Trust Board also contributes to the following two goals of the Department of Rural Development and Land Reform which are; <b>effective land planning and administration that is biased towards rural areas and increased access to and productive use of land.</b></p>



# BUSINESS MODEL



# STRATEGIC OVERVIEW

STRATEGIC OBJECTIVES	MEASURABLE PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM – TERM TARGETS			
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Unlocking an enabling environment conducive to development on Trust land	Number of tenure rights granted by the Board and signed by both parties	New Indicator	859	1157	1200	1300	1350	1400	1450
	Number of land management projects identified and implemented	New Indicator	New Indicator	4	5	6	7	8	9
Effective and efficient asset management services	Land Holding Register maintained	New Indicator	4	4	4	4	4	4	4
Provide Human Resources Management	Number of HRM / Legal policies developed / reviewed	-	-	New Indicator	5	5	5	5	5
Support to Traditional Councils in capacity building programs	Number of TC workshops held on land management issues	New Indicator	23	40	43	45	52	52	55

# APP QUARTERLY TARGETS 2014/15

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
			1st	2nd	3rd	4th
Number of tenure rights granted by the Board and signed by both parties	QUARTERLY	1200	300	300	300	300
Number of land management projects identified and implemented	QUARTERLY	5	1	1	1	2
Land Holding Register maintained	QUARTERLY	4	1	1	1	1
Number of HRM / Legal policies developed / reviewed	QUARTERLY	5	1	1	1	2
Number of TC workshops held on land management issues	QUARTERLY	43	10	10	11	12



# INCOME AND EXPENDITURE BUDGET SUMMARY

	Rands	%
<b><u>Income</u></b>	<b>62,702,000</b>	<b>100,00%</b>
ITB own funds	45,395,664	72,39%
Transfer payment funding	17,306,336	27,61%
<b><u>Expenditure</u></b>	<b>62,702,000</b>	<b>100,00%</b>
ITB own funds	45,395,664	72,39%
Transfer payment funding	17,306,336	27,61%
<b><u>Expenditure</u></b>	<b>62,702,000</b>	<b>100,00%</b>
Operating expenditure	57,702,000	92,03%
Capital	5,000,000	7,97%

# Total Consolidated Income

<b>INCOME</b>		<b>Proposed 2014/2015</b>
<b>A</b>	<b>ITB Own Fund Income</b>	<b>45 395 664</b>
	Rental Income - Non - Mining	15 329 922
	PTO - Commercial	9 696
	Investment Income	9 722 851
	Interest on overdue debtors accounts	88 491
	Rates due from lessee	12 561
	From Reserves (for operating and capital expenditure)	20 232 143
<b>B</b>	<b>Department of Rural Development and Land Reform Funding</b>	<b>17 306 336</b>
	Transfer Payment	17 294 000
	Investment Income	12 336
<b>TOTAL INCOME</b>		<b>62 702 000</b>



# ITB Own Fund Expenditure

## C ITB Own Fund Expenditure

**45 395 664**

Advertisement and public awareness campaigns	328 230
Legal fees	1 345 050
Bank charges	47 297
Provision for doubtful debts	100 000
Payment to beneficiary communities ( 90 % Portion )	22 647 168
Capital expenditure including new office accommodation	5 000 000
Staff training	220 500
Salaries	7 373 000
Tenure upgrade and formalisation of settlements	1 050 000
Cultural events and meetings	1 050 000
Land tenure information system - maintenance	200 000
Rates - ITB office accommodation	150 000
Repairs, grass cutting, cleaning and other	90 000
Land identification and management plan	562 146
Workshops for Co-operation agreements	441 000
Workshops and road shows	330 750
Review and maintenance of policies	157 500
HRM strategy and communication strategy	157 500
Rent - ITB Ulundi office	200 000
Rates - ITB land	3 945 523

# Departmental Funding Expenditure

<b>D Departmental Funding Expenditure</b>		<b>17 306 336</b>
Board members' remuneration	17	629 554
Bank charges	18	9 764
Travel ,accommodation, meetings	19	2 494 565
Salaries	20	9 344 000
External audit fees	21	588 000
Internal audit fees	22	220 500
Internal audit committee members' remuneration		11 025
Insurance	23	360 000
Stationery & other		420 000
Crockery & cutlery		15 750
Motor vehicle expenses		185 649
Computer software and licencing and maintenance		200 000
Asset tagging expenses		5 250
Electricity and water		683 551
Security expenses	24	900 000
Telephone	25	360 000
Cleaning ,repairs and maintenance	26	678 728
Contract - Real estate		200 000
<b>TOTAL EXPENDITURE</b>		<b>62 702 000</b>

# ITB OWN INCOME

<u>INCOME</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
<u>ITB Own Fund Income</u>	45 395 664	40 761 658	43 538 212	46 313 458

Rental Income - Non - mining	15 329 922	16 096 418	16 901 239	17 746 301
Royalties and Prospecting Income	9 696	10 181	10 690	11 224
Investment Income	9 722 851	10 208 993	10 719 443	11 255 415
Rates due from Lessee	12 561	13 188	13 848	14 540
Interest on overdue debtors accounts	88 491	92 916	97 561	102 439
From reserves ( for new rates )	10 000 000	1 000 000	1 050 000	1 102 500
From reserves ( for capital expenditure )	5 000 000	500 000	525 000	551 250
From Reserves for Strat Plan expenditure	5 232 143	12 839 962	14 220 431	15 529 789

# DEPARTMENT FUNDING

	<u>2014/15</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
<u>Department of rural development funding</u>	17 306 336	18 081 953	18 801 601	19 741 681
Transfer Payments - Current estimated baseline	17 294 000	18 069 000	18 788 000	19 727 400
Investment Income	12 336	12 953	13 601	14 281
<b>TOTAL INCOME</b>	<b>62 702 000</b>	<b>58 843 611</b>	<b>62 339 813</b>	<b>66 055 139</b>

# ITB OWN FUNDS EXPENDITURE

	<u>2014/15</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
<b>EXPENSES</b>				
<b><u>ITB Own Fund Expenditure</u></b>	<b>45 395 664</b>	<b>40 761 658</b>	<b>43 538 212</b>	<b>46 313 458</b>
Advertisement and public awareness campaigns	328 230	344 642	361 874	379 967
Legal fees	1 345 050	1 412 303	1 482 918	1 557 064
Bank charges	47 297	49 663	52 147	54 754
Provision for doubtful debts	100 000	100 000	105 000	110 250
Payment to Community Beneficiaries (90 % Portion)	22 647 168	23 779 526	24 968 502	26 216 927
Capital exp including new office accommodation	5 000 000	500 000	525 000	551 250
Tenure upgrade and formalisation of settlements	1 050 000	1 102 500	1 157 625	1 215 506
Land tenure information system	200 000	200 000	210 000	220 500
Rates provision(rates on ITB land )	3 945 523	1 000 000	1 050 000	1 102 500
Land identification and management plan	562 146	590 253	619 766	650 754
General expenses	90 000	94 500	99 225	104 186
Staff training	220 500	231 525	243 101	255 256
Salaries	7 373 000	8 745 658	9 921 411	11 015 820
Cultural events and meetings	1 050 000	1 102 500	1 157 625	1 215 506
Rates office accommodation	150 000	157 500	165 375	173 644
Workshops for co-operation agreements	441 000	463 050	486 203	510 513
Workshops and roadshows	330 750	347 288	364 652	382 884
Review and maintenance policies	157 500	165 375	173 644	182 326
HRM strategy and communication strategy	157 500	165 375	173 644	182 326
Rent - ITB Ulundi office	200 000	210 000	220 500	231 525



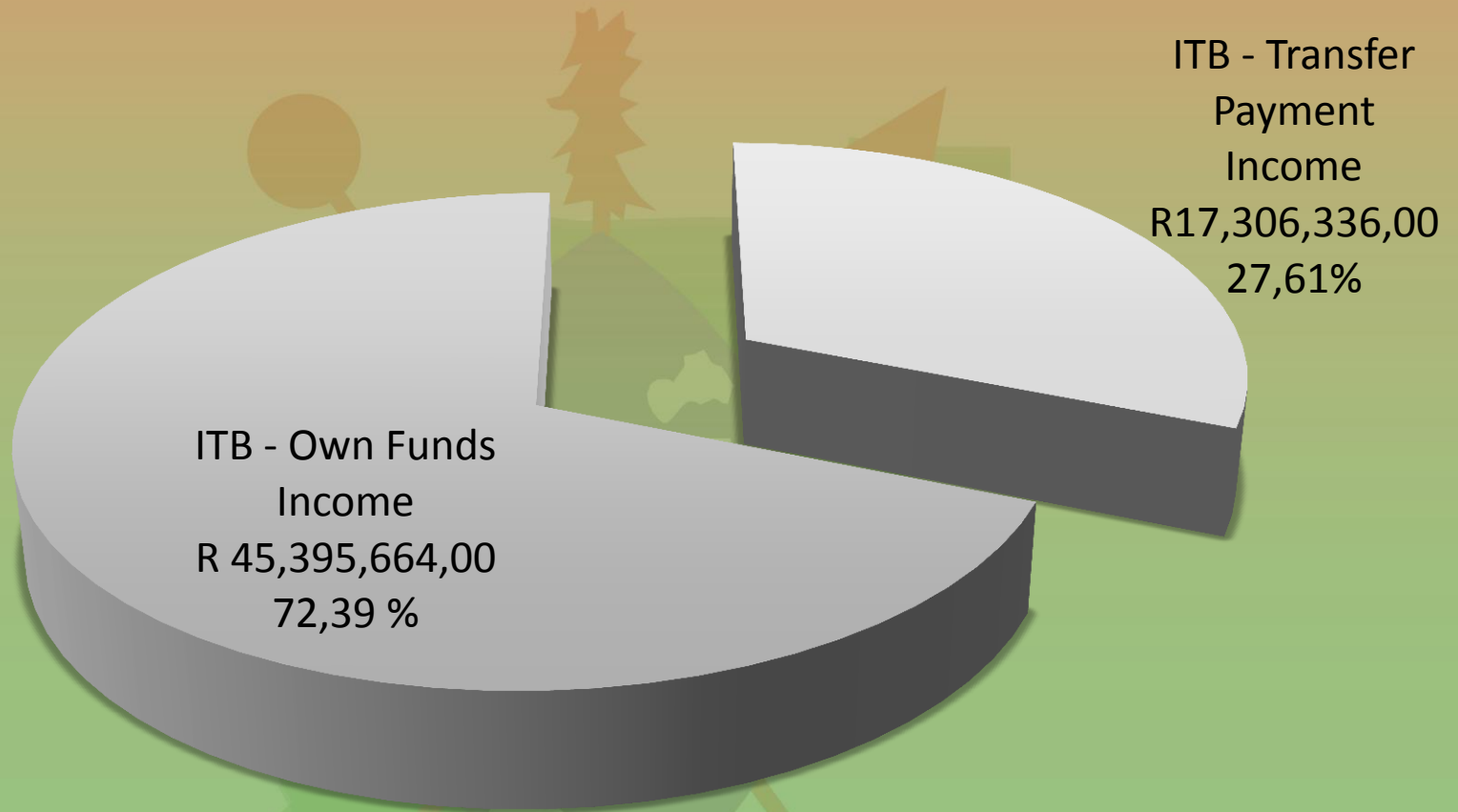
# DEPARTMENT EXPENDITURE

	<u>2014/15</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
<b>Departmental Funding Expenditure</b>	<b>17 306 336</b>	<b>18 081 953</b>	<b>18 801 601</b>	<b>19 741 681</b>
Board members remuneration	629 554	661 032	694 084	728 788
Bank charges	9 764	10 250	10 767	11 306
Travel ,accommodation, meetings	2 494 565	2 619 293	2 750 258	2 887 771
Contract - real estate	200 000	210 000	220 500	231 525
Asset tagging expenses	5 250	5 513	5 788	6 078
Salaries	9 344 000	9 721 501	10 023 121	10 524 275
Audit fees - external	588 000	617 400	648 270	680 684
Audit fees - internal	220 500	231 525	243 101	255 256
Insurance	360 000	378 000	396 900	416 745
Internal audit committee members rem	11 025	11 576	12 155	12 763
Stationery	420 000	441 000	463 050	486 203
Crockery & cutlery	15 750	16 538	17 366	18 234
Motor vehicle expenses	185 649	194 932	204 678	214 912
Computer software	200 000	210 000	220 500	231 525
Security expenses	900 000	945 000	992 250	1 041 863
Electricity and water	683 551	717 729	753 615	791 296
Telephone	360 000	378 000	396 900	416 745
Cleaning ,repairs and maintenance	678 728	712 664	748 298	785 712
<b>TOTAL EXPENDITURE</b>	<b>62 702 000</b>	<b>58 843 611</b>	<b>62 339 813</b>	<b>66 055 139</b>

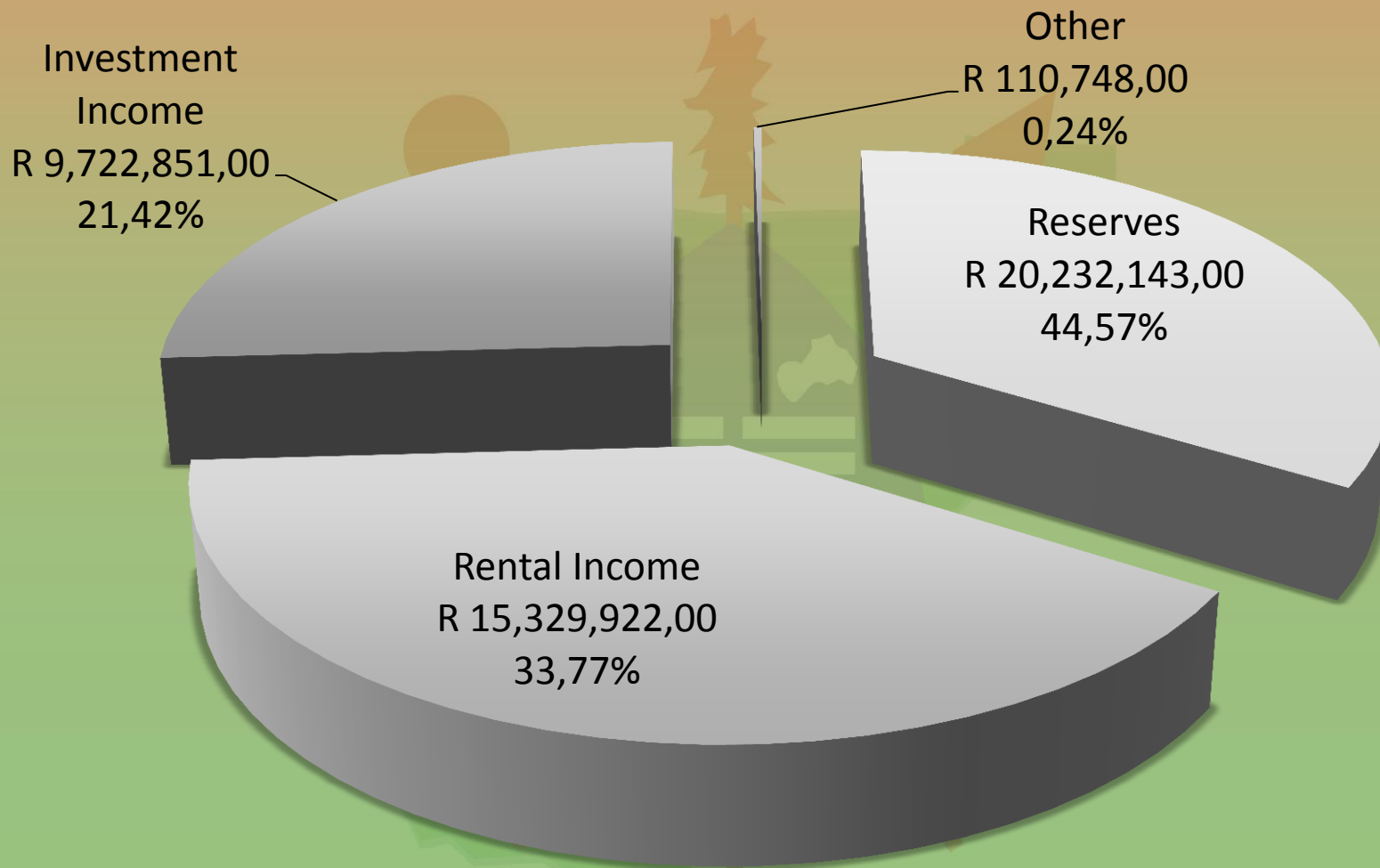




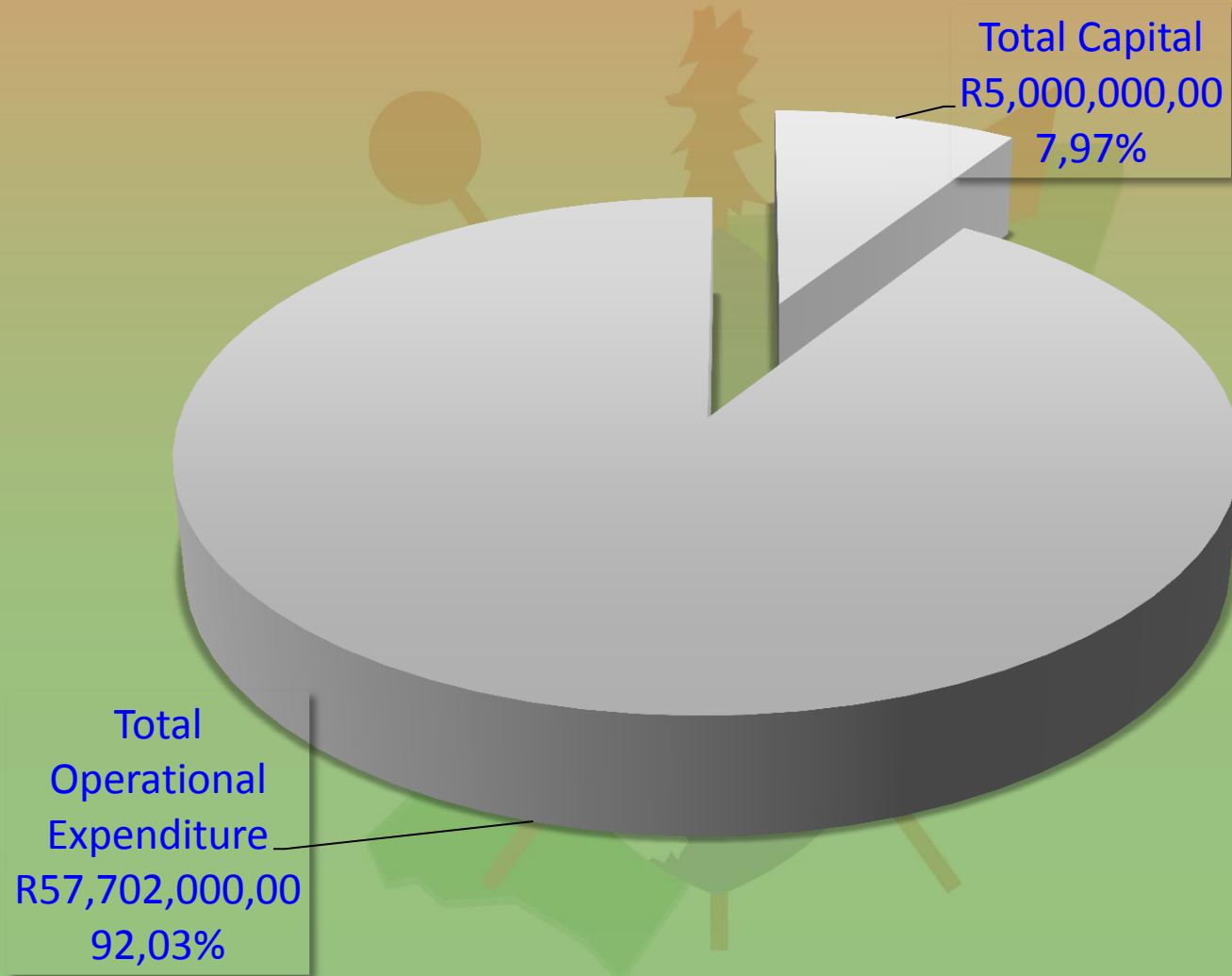
# CONSOLIDATED INCOME ANALYSIS



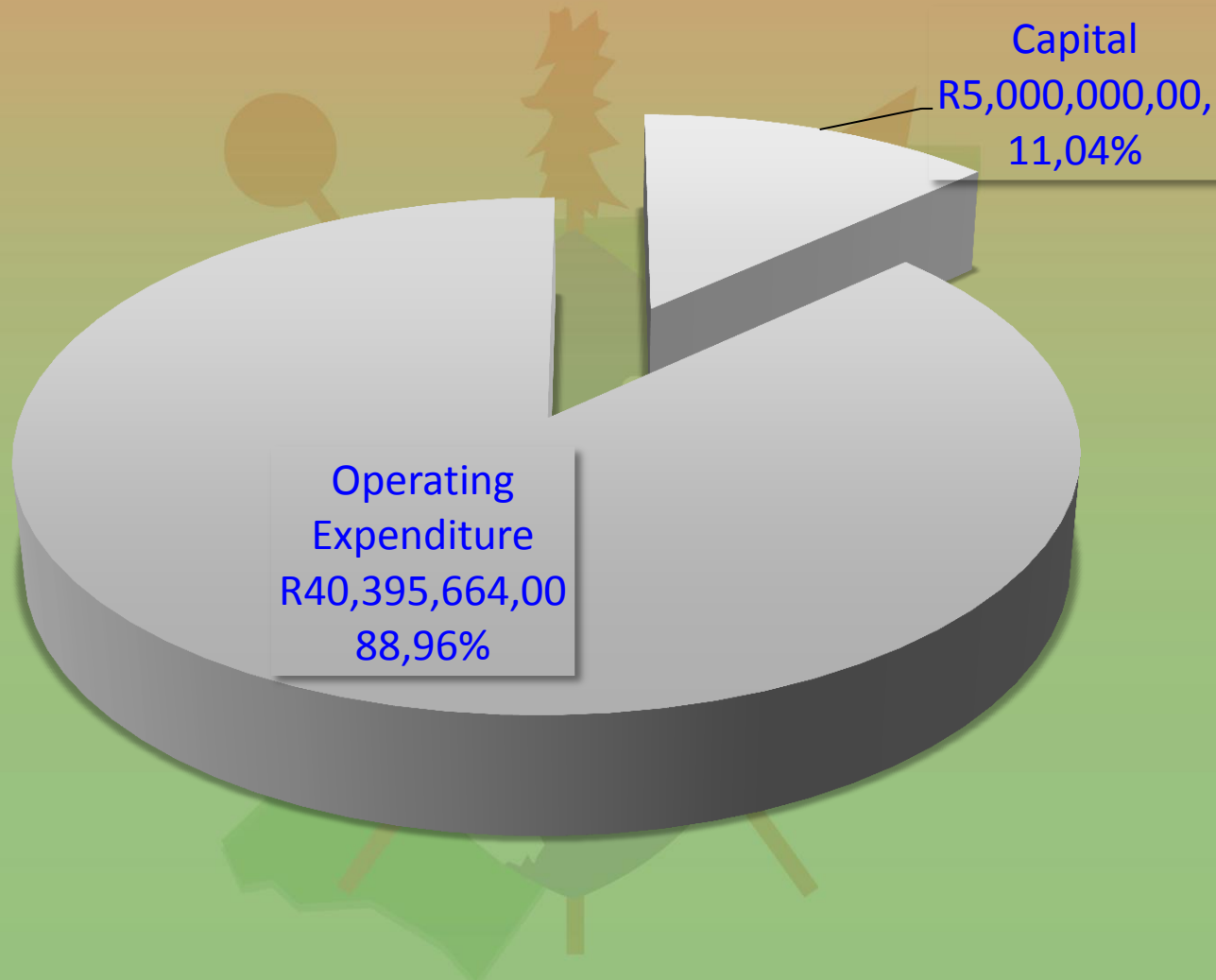
# INCOME ANALYSIS



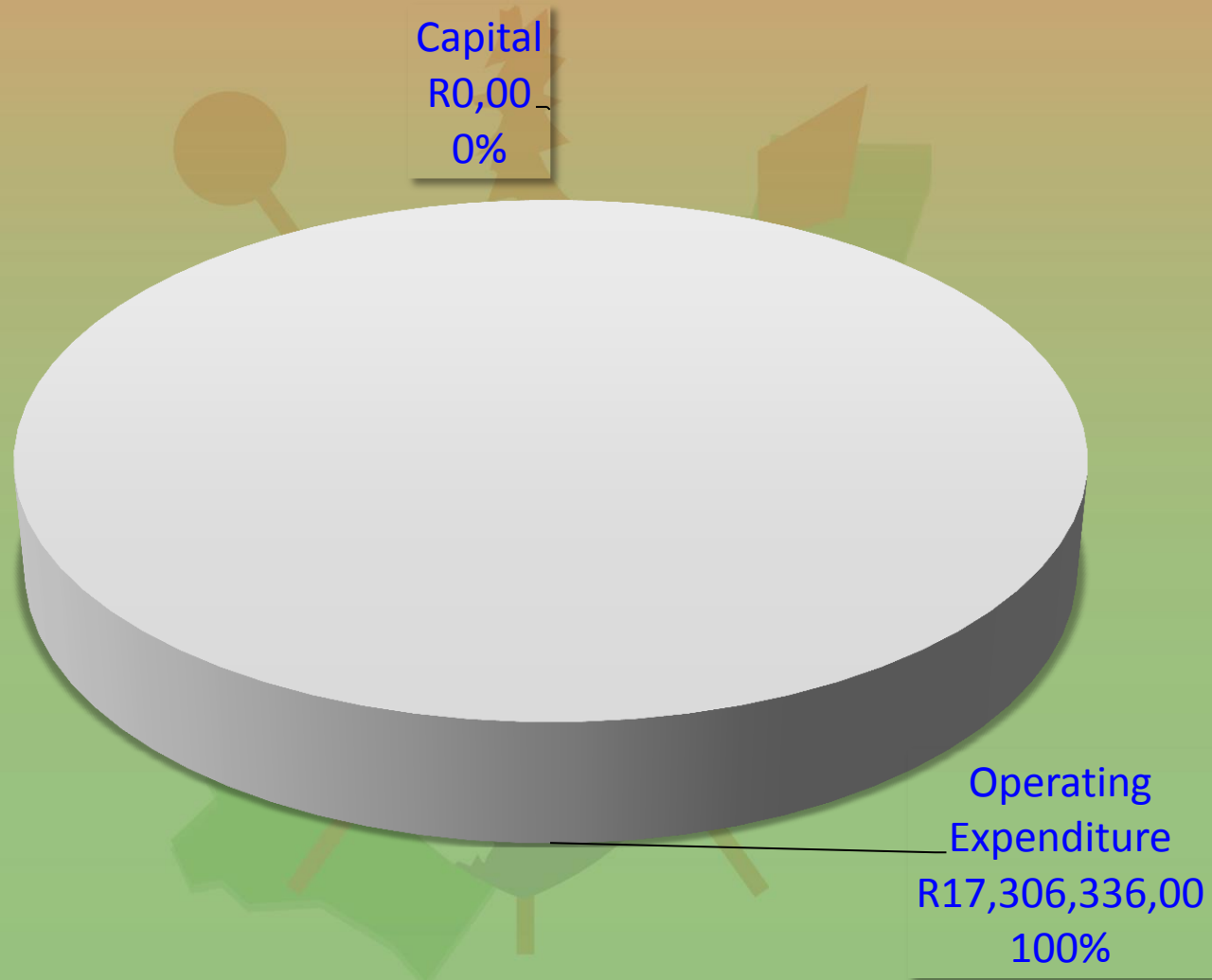
# CONSOLIDATED EXPENDITURE ANALYSIS



# ITB – OWN FUNDS : GOODS AND SERVICES ANALYSIS



# TRANSFER PAYMENTS EXPENDITURE



# Thank You

