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INGONYAMA TRUST BOARD

• 65 Trelawney Road, Southgate, Pietermaritzburg, 3201 • P.O. Box 601, Pietermaritzburg, 3200
• Tel: 033 846 9900 • Fax: 033 386 2528 • www.ingonyamatrust.org.za

INGONYAMA TRUST BOARD Strategic Plan

for

2014-2015

KWAZULU-NATAL

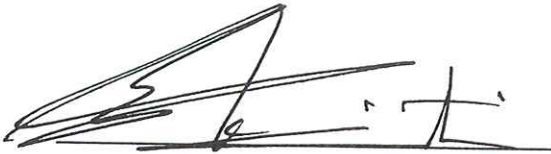
Date of tabling: _____

Foreword

This Strategic Plan is guided by long-term plans of the government, the Medium Term Strategic Framework (MTSF) and other government policies. In developing this APP, four priority areas were identified and these are:-

- a) Land Administration
- b) Support to Traditional Communities
- c) Co-ordination of stakeholders relations and liaison
- d) Governance matters

As the Executive Authority, I am satisfied that this Strategic Plan addresses the key priorities that are to be undertaken by ITB. I, therefore commit myself to support and ensure that this Strategic Plan is implemented.



The Honourable Nkwinti, G E (MP)

Minister of Rural Development and Land Reform

Official sign-off

It is hereby certified that this Strategic Plan:-

- Was developed by the Secretariat and the Board of Ingonyama Trust under the guidance of the Department of Rural Development and Land Reform.
- Was prepared in line with the current Strategic Plan of the Department of Rural Development and Land Reform's Strategic Plan 2014/15.
- Accurately reflects the performance targets which Ingonyama Trust Board will endeavor to achieve given the resources made available in the budget for 2014/2019.

Mr A Mia
Chief Financial Officer

Signature:



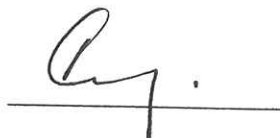
Mr A Mia
Acting Head of the Secretariat

Signature:



Ms L Archary
Acting Deputy Director-General

Signature:



Mr M Shabane
Director-General

Signature:



Mr M Skwatsha (MP)
Deputy Minister

Signature:



Ms C K Mashego – Dlamini (MP)
Deputy Minister

Signature



Approved by:
The Honourable Nkwinti, G E (MP)
Minister of Rural Development and Land Reform

Signature:



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Part A: Strategy Context

1. Vision

To become a leader in sustainable communal land management.

2. 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.

To develop progressive business models for the social and economic upliftment and the empowerment of the members of traditional communities on land administered by the Trust.

3. Values

- Transparency
- Integrity
- Honesty
- Professionalism
- Value for money
- Open Communication
- Consultation
- Service Excellence

4. Legislation and other mandates

4.1 Constitutional and Legislative mandates

The legislative mandates of the Ingonyama Trust Board are derived from the Constitution of the Republic of South Africa. The specific legislation is the KwaZulu-Natal Ingonyama Trust, Act 3 of 1994 as amended. The Board is also required to take

cognisance of the National, Provincial and Municipal law applicable on the land that is on Ingonyama Trust land.

4.2 Policy mandates

The trust has made significant progress in policy development for its efficient functioning. Some of the key policies include:

Supply chain management policy

Asset management policy

Investment policy

Human Resources policy

During the 2014 – 2019 period the trust will continue working on these and also develop other policies in order to execute its mandate.

4.3 Relevant court rulings

There are various forms of litigation matters that Ingonyama Trust Board engaged in which included intergovernmental litigation and addressing land invasions. The judgments of the matters that were in favour of Ingonyama Trust Board are in the process of being enforced.

In the past financial years, Ingonyama Trust Board engaged in litigation defending a claim from eThekweni Municipality. The Municipality applied to the High Court of KwaZulu Natal, Durban for an order declaring the Ingonyama Trust land within Respondent's area rateable from 29th May 1996 (the commencement of Proclamation 80/1996) to 2nd October 1998 (commencement of KwaZulu-Natal Ingonyama Trust Amendment Act No. 9 of 1997); and similarly declaring the said land rateable from 2 October 1998 to 2 July 2005 (commencement of Local Government: Municipal Property Rates Act 6 of 2004). An order in the above terms was granted on 23 December 2010. Ingonyama Trust Board appealed this decision at the Supreme Court of Appeal in Bloemfontein and the appeal was heard on 8 November 2011.

The basis of the appeal was that Ingonyama Trust was exempt from the payment of rates in terms of section 3(3) (a) of the Rating of State Property Act, 79 of 1984 in that it is the State holding the state property in trust for the benefit of the inhabitants judgement was delivered on 1 June 2012, upholding the appeal, and granting Ingonyama Trust Board legal costs, including those incurred at the Durban High Court.

5 Situational analysis

5.1 Performance Delivery environment

In developing its Annual Performance Plan, the Ingonyama Trust Board has identified Outcome 7 and Outcome 8 of the Government Programme of Action as informing its mandate.

Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all;

Outcome 8: Sustainable human settlements and improved quality of household life.

Ingonyama Trust Board also contributes to the following two goals of the Department of Rural Development and Land Reform which are; effective land planning and administration that is biased towards rural areas and increased access to and productive use of land.

In attempting to address the performance environment the ITB identified thematic areas within which it operates. In these areas demands for services and certain expectations should be met.

The Ingonyama Trust Board has got a number of stakeholders and most prominent ones which contribute to land management are traditional leaders, traditional communities, tenants (i.e. residential, institutional and commercial), public entities, municipalities, developers and government departments both at national and provincial levels, financial institutions and industries like mining, nature conservation, agriculture, tourism, energy and telecommunications.

The Board's activities in land management include the following;

- The holding of land, disposal of land rights;
- The allocation of appropriate tenure rights for the development of the land.

The housing projects (that the Board supports through Memoranda of Understanding) and other related projects.

Ingonyama Trust Board provides support to the Traditional Councils in community and social upliftment projects, management of funds allocated to beneficiary communities thus empowering Traditional Councils on land management skills.

The Board also identified a security of tenure in the form of leases as the best possible tool for the people who reside on land under Ingonyama Trust Board. The leases, as a legal instrument, improve the quality of life of the people who in the past did not have any documentation in respect of the land that they reside on. The leases also act as a catalyst to investment and business opportunities on land under Ingonyama Trust. This in turn leads to appreciation of the land as an asset, to income generation and job creation.

5.2 Organisational environment

Governance Structure

The Board

In line with its statutory mandate the Board is responsible for:-

- providing strategic leadership;
- monitoring operational performance of management;
- protecting the Trust's financial position;
- ensuring that the Trust adheres to high standards of ethics and corporate behavior;
- reviewing and adopting appropriate risk management and regulatory compliance policies;
- setting policy, standards and objectives and ensure implementation.

Real Estate Management

The objectives of the Real Estate component are to provide property management, land tenure administration and valuation services to the Board and the major tasks and key performance areas are to:-

- Handle and process tenure rights applications;
- Negotiate and draft leases, servitudes, land availability agreements, development rights agreements and other similar documents. Leases include

short term and long term commercial and residential leases, telecommunication leases, agricultural leases and mining surface rights leases;

- Handle real estate related queries by letter, telephone or meetings;
- Inspect properties owned by the Trust;
- Prepare and action Board resolutions on real estate related matters;
- Advise the Board on real estate matters including legislation;
- Supervise real estate related projects including land audits, opening of township registers, endorsement and consolidation of titles, survey matters, and development schemes;
- Liaise with Registrar of Deeds, Surveyor General, Attorneys, Land Surveyors and other service providers;
- Liaise with the Department of Mineral Resources on mineral leases and prospecting contracts;
- Devise and maintain a property records systems;
- Represent the Board at meetings with national and provincial Departments, Traditional Councils and members of the public and would-be developers;
- Provide advice to Traditional Councils on real estate and tenure related matters;
- Generally manage all real estate and land tenure activities covering some 2.7 million hectares with an estimated value in excess of R1 billion.

General Administration

The objective of the General Administration component is to provide an administrative support service to the Board and the Secretariat. The major tasks and key performance areas are to:-

- Provide general administration support;
- Represent the Board at meetings with National and Provincial Government Departments, Traditional Councils and members of the Public;
- Assist with the preparation of the Board's Annual Report and Strategic Plan;
- Ensure that the Ingonyama Trust web site is maintained and regularly updated;

- Provide management and supervision of staff and service providers;
- Assist with the drafting of policies and systems for submission to the Board;
- Ensure that Board and Departmental resolutions are implemented;
- Manage procurement, chain management matters and human resources.
- Act as Secretary to the Board including preparation of agendas, taking of minutes and keeping of records and resolutions;
- Oversee all Board and Committee meetings and arrange logistics;
- Supervise registry, reception and filing systems;
- Supervise maintenance and security of Board property including offices, equipment and vehicles.

Financial Administration

The objectives of the Financial Administration component are to manage the accounting and finances of the Trust. The major tasks and key performance areas are to:-

- Develop and maintain an integrated accounting and financial management system with proper internal controls that comply with audit requirements;
- Develop and implement policies and procedures;
- Manage assets and liabilities;
- Prepare the financial aspects of the strategic plans and budgets;
- Prepare Financial Statements and Board reports;
- Co-ordinate and manage external and internal audit reports;
- Oversee and review all financial activities;
- Oversee financial aspects of procurement and supply chain management;
- Prepare Finance matters to be included in the Annual Report;
- Respond to changing needs for financial information and advice;
- Administer and manage the day to day book-keeping functions of the Trust;
- Invoice and collect Debts;
- The Financial Administration component, in conjunction with the General Administration component, also manages the Trust's Supply Chain Management systems dealing with the acquisition of goods and services

5.3 Description of the strategic planning process

The Strategic Plan focuses on strategic outcomes oriented goals for the trust as a whole, and objectives for each of its main service delivery areas aligned to its budget. The strategic plan covers a period of five years starting from 01 April 2014 .

The Strategic Plan is initiated by the secretariat and then developed in conjunction with the Board. Detailed discussions take place at a workshop to review prior year performances which inform the current strategic plan.

The trust considers the changing environment and stakeholder relationships in establishing its medium to long term goals.

Strategies around land management are implemented in order to achieve purposeful targets. The Strategic Plan is then submitted to the Department of Rural Development and Land Reform for guidance and comments.

6. Strategic outcome orientation goal

Strategic outcome oriented goal	To administer the affairs of the Trust for the benefit, the material well-being of the communities living on land under Ingonyama Trust Board.
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Part B: Strategy Objectives

7. Programme

7.1 Strategic Objective

Strategic outcome oriented goal	To administer the affairs of the Trust for the benefit, the material well-being of the communities living on land under Ingonyama Trust Board.
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1	Strategic Objective	Unlocking an enabling environment conducive to development on Trust land
Objective statement	<p>Facilitate development on Ingonyama Trust land by:</p> <ul style="list-style-type: none"> ▪ Provision of tenure rights ▪ Interacting with the Municipalities on their planning schemes ▪ Planned land management projects identified and approved by the Board ▪ Conducting workshops with TC's and other stakeholders on land management issues ▪ Communicating initiatives undertaken by the Board 	
Baseline	Number of tenure rights granted by the Board and concluded by both parties	
Justification	This strategic objective will contribute towards the orderly planning and development on Ingonyama Trust land. Furthermore it will encourage rural communities to participate in their own development	

2	Strategic objective	Effective and efficient asset management services
	Objective statement	To ensure that resources are effectively and efficiently utilised
	Baseline	To make sure that the Board complies with good governance prescripts in its Corporate Services
	Justification	This objective seeks to make sure that there is effective and efficient utilization of resources

3	Strategic Objective	To provide Human Resources Management
	Objective statement	To provide Human Resources support through policy framework.
	Baseline	Number of HRM policies developed
	Justification	This objective will contribute to the effective HR management.

4	Strategic Objective	Support to Traditional Councils in capacity building programs
	Objective statement	To provide support in the form of policies and training to TC's

Baseline	Number of land management related policies developed Number of TC trainings conducted
Justification	This objective will contribute to the up skilling of TC's

7.2 *Resources consideration*

The Secretariat staff complement has grown considerably since the Board's inception in 1998. Currently, the Secretariat comprises of 25 full time employees and 30 employees on fixed-term contracts. This is not adequate to properly implement programmes to fulfil the Board's mandate. The staff establishment is therefore currently under review.

The Board is committed to sound Human Resource Management. This includes Employment Equity, Employee Wellness, a Service Commitment Charter, Workplace Skills Development. This follows the prescripts of several acts of parliament.

The Ingonyama Trust Board is in the process of reviewing its organogram. There is a need to decentralize the ITB footprint by establishing further satellite offices.

Consideration has been given to acquiring further tools of trade for land management such as GIS equipment.

7.3 *Risk management*

The trust has implemented and updated its Risk Management Strategy/profile. The trust identified the following categories of risk.

- a. Financial Risk
- b. Physical Security Risk
- c. Operational Risk
- d. Health and Safety Risk

The trust has developed mechanisms to mitigate these risks to operate in a safer and secure environment by introducing financial and non financial policies and compliance procedures.

7.4 Strategic Objectives and Annual targets for 2014 – 2019

Strategic Objectives	Measurable Performance Indicator	Audited/Actual performance			Estimated performance 2014/15	Medium-term targets			
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18	2018/19
1. Unlocking an enabling environment conducive to development on Trust land	Number of tenure rights granted by the Board and signed by both parties		856	1601	1200	1300	1350	1400	1450
	Number of land management projects identified and implemented	New indicator	New indicator	4	5	6	7	8	9

Strategic Objectives	Measurable Performance Indicator	Audited/Actual performance			Estimated performance 2014/15	Medium-term targets			
		2011/12	2012/13	2013/14		2015/16	2016/17	2017/18	2018/19
2 Effective and efficient asset management services	Land Holding Register maintained	New indicator	4	4	(4) Quarterly updates)	4	4	4	4
3 Provide Human Resources Management	Number of HRM / Legal policies developed / reviewed			New indicator	5	5	5	5	5

	Strategic Objectives	Measurable Performance Indicator	Audited/Actual performance			Estimated performance 2014/15	Medium-term targets			
			2011/12	2012/13	2013/14		2015/16	2016/17	2017/18	2018/19
4	Support to Traditional Councils in capacity building programs	Number of TC workshops held on land management issues		23	33	43	45	52	52	55

7.5 Quarterly Targets 2014 /2015

	Performance Indicator	Reporting period	Annual target	Quarterly targets			
				1st	2 nd	3rd	4 th
1							
	1.1 Number of tenure rights granted by the Board and signed by both parties	Quarterly	1200	300	300	300	300
	1.2 Number of land management projects identified and implemented	Quarterly	5	1	1	1	2
2							
	2.1 Land Holding Register maintained	Quarterly	4	1	1	1	1
3							
	3.1 Number of HRM / Legal policies developed / reviewed	Quarterly	5	1	1	1	2
4							

	4.1	Number of TC's workshops held on land management issues	Quarterly	43	10	10	11	12
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Part C: Links to other plans

8. Conditional grants

We have not received any conditional grants from other departments.

9. Budget Overview

Ingonyama Trust Board

Programme : Land Management

Land Management	2014 / 2015	2015 / 2016	2016 / 2017	2017 / 2018
	R 62,7 M	R 58,8 M	R 62,3 M	R 62,3 M
Economic Classification:				
- Current Payments	R 57,7 M	R 58,3 M	R 61,8 M	R 61,7 M
- Payments for capital assets	R 5,0 M	R 0,5 M	R 0,5 M	R 0,6 M

MTEF - 2014/15 to 2017/2018

<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
	<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
TOTAL INCOME	62 702 000	58 843 611	62 339 813	66 055 139

EXPENSES	<u>2014/15</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
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ITB Own Fund Expenditure	45 395 664	40 761 658	43 538 212	46 313 458
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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

	<u>2014/15</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
Departmental Funding Expenditure	17 306 336	18 081 953	18 801 601	19 741 681
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
TOTAL EXPENDITURE	62 702 000	58 843 611	62 339 813	66 055 139

