

INGONYAMA TRUST BOARD

ESTABLISHED IN TERMS OF THE KWAZULU-NATAL INGONYAMA TRUST ACT
(ACT NO. 3 OF 1994)

VAT REGISTRATION No.: 4340182098



INGONYAMA TRUST BOARD

1st QUARTER 2012/13 FINANCIAL YEAR

[1st April 2012 - 31st June 2012]

REPORT

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1. BACKGROUND

- 1.1 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.**
- 1.2 The Trust is the largest landowner in the Province with a total extent of 2, 815, 235 hectares held under some 1600 individual titles. The Trust owns land in all of the District Municipalities and Metro Municipal areas in KwaZulu-Natal.**
- 1.3 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.**
- 1.4 The Board submits its Strategic Plan and Annual Performance Plan to the Minister of Rural Development and land Reform for approval during each financial year.**

2. THE ANNUAL PERFORMANCE TARGETS

Strategic Goal: To administer the Trust for the benefit, the material welfare and the social wellbeing of the communities living on

Ingonyama Trust land

| Strategic Objective | Performance Measure Indicator | Audited / Actual performance | | | Estimated performance 2012/13 | 2013/14 | Medium Term Target | |
|--|--|------------------------------|---------|---------|-------------------------------|---------|--------------------|---------|
| | | 2009/10 | 2010/11 | 2011/12 | | | 2014/15 | 2015/16 |
| 1.1 To administer, Ingonyama Trust land | Number of tenure rights concluded (signed by both parties) | | 226 | 700 | 1031 | 1601 | 2003 | 2731 |
| 1.2 To administer, Ingonyama Trust land | Land Holding Register maintained on quarterly basis (immovable assets register) ¹ | 1 | 1 | 1 | (4) Quarterly updates | 1 | 1 | 1 |

¹ This refers to recording of all incoming land parcels and all outgoing land rights as recorded from conveyancing documents

| | | | | | | | | | |
|-----|---|--|--|------------|------------|-----------|-----------|-----------|-----------|
| 1.3 | To administer, Ingonyama Trust land | Number of land management related projects identified and implemented ² | | | New | 4 | 5 | 6 | 7 |
| 1.4 | To improve stakeholders relations and liaison | Number of Traditional Councils empowered in land management matters | | New | 5 | 23 | 33 | 45 | 43 |

² The key land management projects that will be identified and implemented are;

- i. Land Audits
- ii. Agricultural projects
- iii. Special development projects

| QUARTELY TARGETS FOR 2012/13 | | | | | | | |
|--|------------------|---------------|-----------|-----------|-----------|-----------|--|
| Performance Measure Indicator | Reporting Period | | | | | | |
| | | Annual Target | QUARTER 1 | QUARTER 2 | QUARTER 3 | QUARTER 4 | |
| 1.1 Number of tenure rights concluded (signed by both parties) | Quarterly | 1031 | 258 | 258 | 258 | 257 | |
| 1.2 Land Holding Register updated (immovable assets register) | Quarterly | 4 | 1 | 1 | 1 | 1 | |
| 1.3 Number of land management related projects identified and implemented | Quarterly | 4 | 1 | 1 | 1 | 1 | |
| 1.4 Number of Traditional Councils empowered in land management matters | Quarterly | 23 | 5 | 5 | 6 | 7 | |

1.1 FIRST QUARTER REPORT

| Strategic Objective | Performance Indicator | Reporting Period | 2012/2013 Annual Target as per APP | 1 st Quarter Target as per APP | 1 st Quarter Results | COMMENTS |
|-------------------------------------|---|------------------|------------------------------------|---|---------------------------------|--|
| To administer, Ingonyama Trust land | Number of tenure rights concluded (signed by both parties) | Quarterly | 1031 | 258 | 242 | The target was 258 tenure rights to be concluded, and a total number of 242 was achieved. The variance is 16, which will be included in the second quarter. |
| | Land Holding Register updated (immovable assets register) | Quarterly | 4 | 1 | 1 | The Land Holding Register, which is a immovable property asset register is maintained on quarterly basis. During this period eleven additional properties were registered in the name of the Ingonyama Trust Board in the Pietermaritzburg Deeds Registry. |
| To administer, Ingonyama Trust land | Number of land management related projects identified and implemented | Quarterly | 4 | 1 | 2 | Projects identified: The Board in partnership with the Mbatha Traditional Council under Zululand Local Houses identified two community agricultural projects requiring fencing. The Board undertook to provide the required fencing material to enable the community to be able to plant their crops throughout the seasons. Projects implemented: |

| | | | | | | |
|---|---|-----------|----|---|---|---|
| | | | | | | Land audits continued at Jozini and Manguzi. The primary objective being to; identify the types of tenure rights that residents have within the project area, to formalize the tenure rights through leases and to create a conducive environment for developments and to support the Traditional Councils and the Local Municipalities in the establishment of orderly planning. |
| To improve stakeholders relations and liaison | Number of Traditional Councils empowered in land management matters | Quarterly | 23 | 5 | 3 | <p>The target for the quarter was five trainings and three were achieved. The following were the Traditional Councils that received the trainings were; Nzimakwe; Mlamuli; Nkumbanyuswa</p> <p>The trainings covered the following aspects;</p> <ul style="list-style-type: none"> ▪ Lease application processes ▪ Land use / land management ▪ Establishment of Community Development Trusts ▪ Sources of revenue from land tenure rights and the overall service that the ITB provides. |

3. NARRATIVE SUMMARY [FIRST QUARTER REPORT]

The matters are per items drawn down from the Strategic Objectives from the approved Operational Plan 2012/2013

Number of tenure rights concluded (signed by both parties)

The target was 258 tenure rights to be concluded and a total number of 242 was achieved. Resulting in a shortfall of 16, this shortfall will be carried over into the second quarter. There were 231 leases comprising of; commercial, residential and institutional, 5 Telecom and 6 DRA's agreements concluded.

Land Holding Register updated (immovable assets register)

The Land Holding Register, which is an immovable property asset register is maintained on quarterly basis. During this period eleven additional properties were registered in the name of the Ingonyama Trust Board in the Pietermaritzburg Deeds Registry. These properties are as follows;

1. Remainder of Lot 5, Qudeni No 10859 in extent 20.9551 ha
2. The Farm Ebenezer No. 3784 in extent 40.4686 ha
3. Remainder of Lot 10 Thlogosi No. 5117 in extent 189.4890 ha
4. Ptn 195 KlipPoort no. 1162 in extent 684.3240
5. Ptn 6 of Uitval No.1244 in extent 364.3059
6. Rem of Lot 7 Qudeni No. 11061 in extent 382.7455
7. Rem of Ptn 16 & 17 Klip River Location No. 4665 proposed consolidation farm Qamu No. 17486 in extent 575.4183 ha
8. Ptn 1 of Asyn Kraal No. 1158 in extent 1728.3423
9. Ptn 1 of Baviaan Trap No.6000 in extent 380.7663
10. Tom Fynn's Location No. 4865 in extent 2891.2121
11. Ehlanzeni Mission Reserve No. 7444 in extent 4450.8377 ha

Number of land management related projects identified and implemented (started or initiated)

Projects identified:

The Board in partnership with the Mbatha Traditional Council under Zululand Local Houses identified two community agricultural projects requiring fencing. The Board undertook to provide the required fencing material to enable the community to be able to plant their crops throughout the seasons.

Projects implemented:

Land audits continued at Jozini and Manguzi. The primary objective being to; identify the types of tenure rights that residents have within the project area, to formalize the tenure rights through leases and to

create a conducive environment for developments and to support the Traditional Councils and the Local Municipalities in the establishment of orderly planning.

Number of Traditional Councils empowered in land management matters

The target for the quarter was five trainings and three were achieved. The following were the Traditional Councils that received the trainings; Nzimakwe; Mlamuli; Nkumbanyuswa

The training sessions covered the following aspects;

- Lease application processes
- Land use / land management
- Establishment of Community Development Trusts
- Sources of revenue from land tenure rights and the overall service that the ITB provides.

4. ADDITIONAL REPORTS

4.1 Human Resources

Two staff appointments were concluded during the first quarter. The appointments were for the Land Administration Officer and Town and Regional Planner. Both positions are within the organogram. Three positions were advertised. These were the position of a Driver/Messenger, Registry Clerk and Media Relations Specialist (Fixed Term contract). In addition two fixed term appointment were made for the position of; a Receptionist and Personal Assistant to the Real Estate Manager.

To address the gap in the middle management rank the following acting appointments were approved by the Board; acting appointments for two Real Estate Officers and an acting appointment for a Senior Administrative Officer. Three contract appointments were extended; the contract for the Training Officer, Senior Accounting Clerk, and Community Liaison Officer. There was one resignation during the first quarter.

The following training sessions were arranged for staff; Minutes Taking and GIS. Also a wellness day was arranged for all staff during the first quarter.

4.2 INGONYAMA RURAL DEVELOPMENT FORUM

During the Opening of the Fourth Session of the KwaZulu-Natal Legislature in 2012, His Majesty ISILO announced the launch of the Ingonyama Rural Development. A consultative meeting with all Amakhosi

was held in April 2012 at Nyokeni - Nongoma and the launch of the Forum was in May 2012 in Pietermaritzburg.

The Recommendations

The Forum adopted the following recommendations;

Preamble

Acknowledging that the theme for the first session of the Forum, 'Rethinking Rural Development in KwaZulu-Natal' is timely as we all support an integrated approach to rural development in the province and the conceptualization of the Forum.

Considering the important and strategic roles to be played by the Monarch and traditional leaders in rural development in the Province of KwaZulu Natal;

Considering that Government cannot carry the burden of rural development alone and noting national and provincial government efforts in addressing the challenges of rural development including, human centredness in development, infrastructure development, and creation of industrial and financial sectors;

Further considering the strategic roles, plans and programmes by the Ingonyama Trust Board and Provincial Planning Commission for rural KwaZulu-Natal;

Having examined national government's Comprehensive Rural Development Programme (CRDP) which sought to create an integrated programme for rural development, land reform and agrarian change;

Noting the importance of capacitating traditional institutions in order for them to participate meaningfully in policy formulation and implementation processes;

Acknowledging that rural areas in KwaZulu- Natal continues to experience major developmental challenges and therefore, blanket solutions to the problems of input and output marketing do not exist;

Recognizing the continuing importance of research;

Welcoming positive response by all stakeholders including the provincial house of traditional leaders, office of the premier and the provincial planning commission.

General recommendation

The Ingonyama Rural Development Forum

Support the kings call for a comprehensive approach to rural development through the forum, endorses work programs and action plans contained therein and requests the secretariat to ensure that all stakeholder work in harmony in realizing forums objectives;

Call upon all stakeholders to come up with an integrated program to rural development that would form the basis for a blue print for rural development in KwaZulu-Natal;

Recommends the establishment of district forums that would at the end feed into the provincial for the construction of a clear unified program of action for rural development;

Commits to the capacitation of traditional institutions and leaders so that they would be able to efficiently and meaningfully champion the process of rural development;

Commits to engage the KwaZulu-Natal government, provincial planning commission, KwaZulu-Natal Local government association, academic institutions and business with the view to consolidate the approach to rural development;

Commits to the development of research that will inform the construction of policy on rural development and adapt it from time to time cognizant to changing realities of rural areas.

Recommendation made on the operations of the Secretariat were outlined as follows;

The Secretariat should ensure prudent governance for the implementation of the project and further ensure the co-ordination between stakeholders and also assist in raising the necessary funds for the execution. These include cost of administration, research, conferencing, fieldwork, institutional capacity building;

The Secretariat, as part of providing strategic direction and capacity, should establish a multi-stakeholder committee. This body should be supported by a technical implementation team drawn from Ingonyama Trust Board, Provincial Planning Commission and participating resource institutions;

The Secretariat should channel the recommendations of the Forum's first session to all stakeholders and ensure wide communication;

The Secretariat, working with the provincial house of traditional leaders launch the district forums, and implement all capacitation processes;

The Secretariat in collaboration with all stakeholders, should organize international tours to learn on best-practice in rural development;

The Secretariat should conduct research on five themes, namely the establishment of a rural bank in KwaZulu Natal, the Ingonyama Trust and its role in rural development, analysis of the rural economy in KwaZulu Natal and people's livelihood strategies, women and development in KwaZulu-Natal and traditional leaders and development in KwaZulu-Natal;

The Secretariat should have as its first phase of operation the period from May 2012 to March 2013;

The Secretariat must prepare for the second session of the forum to be held in March 2013.

4.3 LEGAL SECTION

The following contract agreements were drafted by the legal Section:

- a) Fidelity Security Services
- b) Supercare Cleaning Services;
- c) Sindiswa Mzamo: Consultant for Ingonyama Rural Development Forum
- d) Services Level Agreement: Ingabadi Group(Pty) Ltd

Legal action was instituted against people who were illegally occupying land in the following areas;

- a) Mpumaza Traditional Council
- b) Mpophomeni
- c) Inanda – Dr Zondo

4.4 Phase 2 – Contract for the Construction of New Administration Building. Commencement date of the contract 06th July 2011, contract period 44 weeks, Tender value R22,334,689.00

1st Quarter –Works Program of 44 weeks (Contract completion date 30th May 2012).Actual Works Progress of contract in quarter from 61% to 79%, net work in progress 18%.

Time frame within original contract Works Program was 44 weeks. Quarter under review, Week 39 to week 52, 8 weeks over the original contract period of 44 weeks.

Value of works certified in the 13 week period under review, R 6,316,403.81. In terms of progress, the contract is currently running 12 weeks late. The original contract should have been concluded within the quarter under review and this delay is reflected in the cash flow. Penalties have been invoked with an amount of R 280,000.00 deducted during the first quarter.