

Ingonyama Trust Board

Strategic Plan 2020/25

**Presentation to the Portfolio Committee on
Agriculture, Land Reform and Rural
Development**

5 May 2020



PRESENTATION OUTLINE

- ❑ Mandate
- ❑ Land Tenure Right process
- ❑ 5 Year Strategic Outcomes
- ❑ Budget 2020/2021
- ❑ Additional information requested on 29 April 2020

PART A

THE MANDATE OF INGONYAMA TRUST BOARD

MANDATE

- ❑ The mandate of the Ingonyama Trust Board is to administer the affairs of the Trust and the Trust land.
- ❑ It is therefore important to explain what is Ingonyama Trust
- ❑ Ingonyama Trust was established by the former KwaZulu Homeland as a Trust with wide ranging mandate which is expressed in Section 2(1) of the Ingonyama Trust Amendment act which reads as follows:
 - ❑ *“A corporate body, to be called Ingonyama Trust, hereafter referred to as the Trust, is hereby established with perpetual succession and power to sue and be sued and, subject to the provisions of this Act, to do all such acts and things as bodies corporate may lawfully do”.*

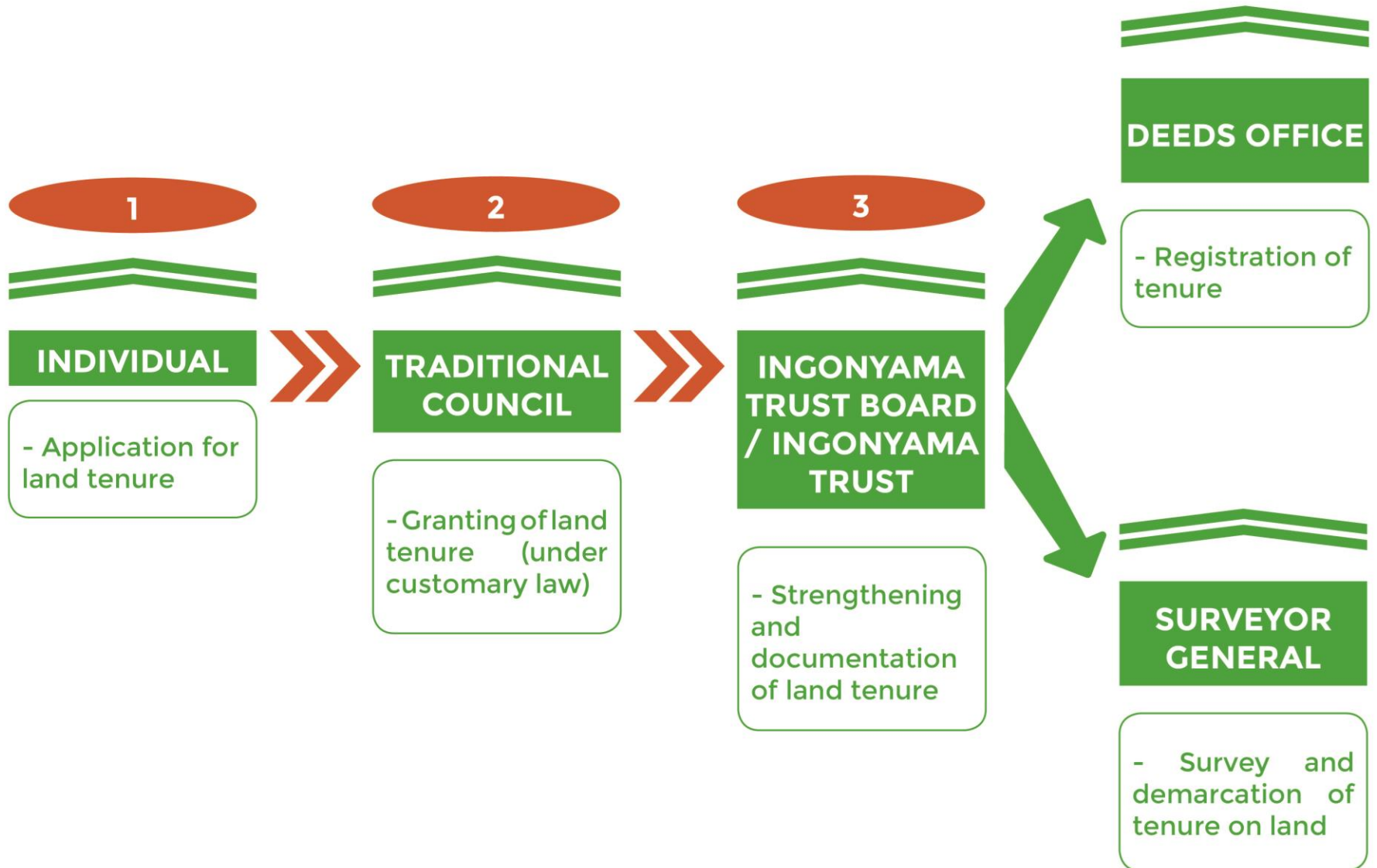
MANDATE (contd)

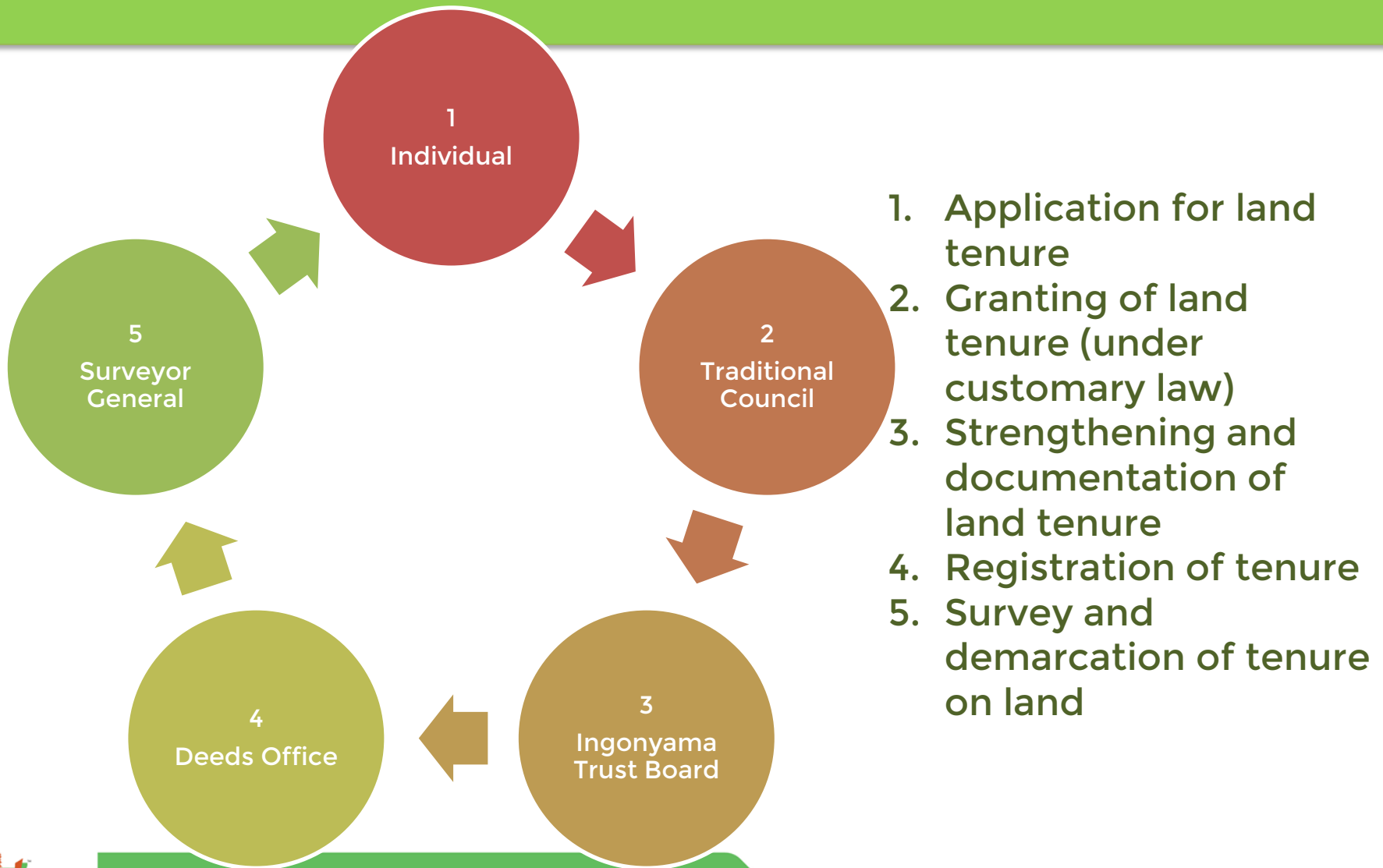
- ❑ While the land in question is owned by the trust, its beneficiaries are members of the various tribal communities and who are under the jurisdiction of those specified (tribal authorities (traditional councils) which are listed in the legislation and in total they are 250.
- ❑ Although the mandate is widely couched, in the main the Board has concentrated on land administration.
- ❑ It is also worthwhile to make reference to the principal Act, Section 4 which reads as follows:
 - ❑ *“The government of KwaZulu and its successors in law shall out of funds in an annual budget voted for by its legislature provide for financial assistance to the Ingonyama as Trustee of the Ingonyama Trust to administer the Trust”.*
- ❑ The amendment Act Section 5 which substitutes section 4 of the principal act reads as follows : *“The Department of Land Affairs shall bear the cost of the administration of the Board”.*
- ❑ These amendments have far reaching consequences in the manner in which the Board operates to date.

MANDATE (contd)

- ❑ In brief this is how the trust and the Board operate, of importance is the acknowledgement that neither the trust nor the Board are institutions of first instance in this regard we make reference to Section 2(5) of the amendment Act which reads as follows:
 - ❑ *“The Ingonyama shall not encumber, pledge, lease, alienate or otherwise dispose of any of the said land or any interest or real right in the land, unless he has obtained the prior written consent of the traditional authority or community authority concerned, and otherwise than in accordance with the provisions of any applicable law”.*
- ❑ Therefore in practice and as a matter of law, Ingonyama Trust Board does not allocate rights to land but give formal confirmation thereto.
- ❑ The rights are allocated by the traditional council or community authority. These institutions are responsible for the day to day land administration as well as conflict resolution.

LAND TENURE RIGHTS PROCESS FLOW





PART B

MEASURING OUR PERFORMANCE

5 YEAR STRATEGIC OUTCOMES

Outcome		Outcome Indicator	Baseline	Five year target
1.1	Improved corporate governance and service excellence	Number of Traditional Councils capacitated / supported - Capacitation of TCs through training programmes on land administration	New indicator	50
1.2	Improved stakeholder relations	Number of relationship agreements signed by relevant stakeholders - Government Departments & Other state institutions	New indicator	50
1.3	Improved security of land tenure	Number of land rights approved by the Board - We will conform to the national legislation governing land tenure. In this regard we make reference to S (2) (7) of the amendment Act, notwithstanding the provisions of this act, any national land reform programme established and implemented in terms of any law shall apply to the land referred to in section 3 (1) ; provided that the implementation of any programme referred to section 3 (1) shall be undertaken in consultation with the Ingonyama	1000	5200
1.4	Improved coordination of human settlement on communal land	Number of TC's with human settlement plan - Rural housing programmes are done jointly with Department of Human Settlement, Municipalities and other state entities hence Outcome 1.2.	New indicator	30

PROGRAMME 1 : ADMINISTRATION

ANNUAL & MTEF TARGETS

Outcome	Output	Output indicators	Annual Targets							
			Audited / Actual Performance			Estimated Performance	MTEF Period			
			2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Improved stakeholder relations	Relationship agreements signed	Number of relationship agreements signed by relevant stakeholders	New indicator	New indicator	New indicator	10	10	10	10	10
Improved corporate governance and service excellence	Capacity building to traditional councils	Number of traditional councils capacitated / supported	-	-	-	10	10	10	10	10
	Sound corporate governance	Improved audit outcome	New indicator	New indicator	New indicator	Unqualified audit opinion	Unqualified audit opinion	Clean audit opinion	Clean audit opinion	Clean audit opinion
		Number of policies approved by the Board	New indicator	5	5	5	5	5	5	5

PROGRAMME 2 : LAND AND TENURE MANAGEMENT

ANNUAL & MTEF TARGETS

Outcome	Output	Output indicators	Annual Targets								
			Audited / Actual Performance			Estimated Performance	MTEF Period				
			2017/18	2018/19	2019/20		2020/21	2021/22	2022/23	2023/24	2024/25
Improved security of land tenure	Secured tenure rights on Ingonyama Trust land	Number of land tenure rights approved by the Board	715	1713	Not yet audited	1200	1000	1000	1000	1000	
Improved coordination of human settlement on communal land	Human settlement plans	Number of TC's with human settlement plan	-	-	Not yet audited	5	5	3	15	2	

BUDGET 2020 / 21

Ingonyama Trust Board

Item	Proposed budget
Board Members' fees	4,651,677.82
Board related expenses	1,088,471.99
Increased activities of the Board	1,000,000.00
Salaries	38,520,000.00
External Audit fees	2,600,000.00
Internal Audit fees	418,929.99
Internal Audit Committee members' fees	110,651.57
Stationery and other	586,340.52
Electricity and water	678,018.00
Security expenses	949,883.62
Telephone	404,759.44
Staff training	645,832.76
Cleaning	537,474.92
General expenses	82,196.90
TOTAL	52,274,237.50

OPERATING & CAPITAL BUDGET 2020 / 21

Ingonyama Trust

INCOME	Proposed budget
Residential leases	3,062,551.00
Telecommunication leases	17,900,750.00
Commercial leases	19,088,236.00
Mining royalties	1,234,811.00
- a. State Royalties collected by the State even on IT Land (Subject for further discussion)	-
- b. Contractual Royalties	1,234,811.00
Public Servitudes	1,770,515.00
TOTAL TRUST INCOME	43,056,863.00

EXPENSES PER PROGRAMME

Ingonyama Trust

Programme 1 :	Proposed budget
Community Support	7,947,712.00

Programme 2 :	Proposed budget
Corporate Services and Financial Administration	27,841,585.39
Advertisements	427,123.70
Insurance	747,952.80
Legal fees	4,000,000.00
Bank fees	74,577.91
Motor vehicle expenses (repairs / licences)	10,861.94
Provision for doubtful debts	5,275,000.00
Capital expenditure - vehicles	2,637,500.00
Computer expenditure - computer hardware	550,000.00
Capital expenditure - computer software	500,000.00
Capital expenditure - furniture	1,055,000.00



EXPENSES PER PROGRAMME 2020/04/30

(contd)

Ingonyama Trust

Programme 2 :	Proposed budget
Corporate Services and Financial Administration	
Depreciation - assets	4,000,000.00
Asset tagging expenses	2,000.00
General, repairs, grass cutting and maintenance	826,924.83
Computer software / licensing	515,000.00
Rates provision (new rates on IT land)	7,174,644.21

Programme 3 :	Proposed budget
Land and Tenure Management Services	12,235,471.26
TOTAL EXPENDITURE	48,024,768.65



NOTES ON BUDGET AND EXPENDITURE

- This budget is ideal if one goes back to the principal Act, but because the Board started when there was the amendment Act, it has not been realised.
- The Board budget has a deficit which gets pushed and must be met by the Trust. This impacts on the ability of the trust to function

ADDITIONAL INFORMATION REQUESTED

ON 29 APRIL 2020

Before concluding, we wish to respond to the request for additional information which we received via the Department, which is the following:

1. **5 year account of lease fees collected by the ITB**

- Due to time constraint, as well as the pending court case, this information is being prepared in consultation with the lawyers and is as yet to be finalised since it is part of the dispute in the pending matter. As soon as it is available, we will provide same via the office of the Executive Authority

2. **Account of funds allocated to deserving traditional communities and the material benefits thereof, including a list of communities and / or individuals that benefitted, types of projects and the amounts given.**

- The response to this question is linked to the first response

3. **Highlight the capacity of the ITB to implement the plans presented by presenting its macro-structure and the organogram**

- The ITB has finalised its macro-structure and is being costed in the meantime, so it could be submitted to the Executive Authority for further consideration.
- Suffice to say that the current micro arrangement consist of the Board and 60 staff members.
- Hopefully in the interaction with the Executive Authority, all the historical adverse opinions will be taken into account in determining the final macro structure.

Thank You