

CITY OF JOHANNESBURG

City of Joburg Property Company 2014/15 Business Plan

a world class African city



TABLE OF THE CONTENTS

1. Introduction
2. Goals of the Economic Growth Cluster
3. City of Joburg Property Company Corporate profile
4. Description of Core Business
5. JPC Values
6. Strategic Objectives
7. High Impact Programmes and Risk Matrix
8. Client Charter and Service Standards
9. PESTL Analysis:
10. SWOT Analysis:
11. Implementation and Performance Overview of the 2014/15 City of Johannesburg Property Company/
12. 2014/15 Departmental SDBIP and Community Based Planning
13. Day-to-day Operations
14. Intergovernmental Relations
15. Purpose of the MEC/MMC IGR forum
16. Financial Impact
17. Management and Organisational structure
18. Monitoring and Evaluation

1. INTRODUCTION

The City of Johannesburg Property Company SOC Ltd (JPC) business plan has taken an inter-cluster approach and aligned its projects and programmes in line with the Department of Economic Development (DED) business plan, including identifying areas of cooperation between the DED and its other ME's, Joburg Market in order to deliver on its mandate. It has also taken into account the priority implementation plans of the other clusters into consideration. The following background, therefore, outlines the consensus reached during several inter-cluster strategic sessions to focus on SMME and entrepreneurial development as a driver of economic growth and development.

“The Department of Economic Development in the City Of Johannesburg defines its mandate as being responsible for directing and coordinating economic development as well as actively intervening to shape conditions for accelerated economic growth within the city. The Department of Economic Development is also responsible for the championship of economic support to all groups in the city to ensure their effective participation in the economic spectrum.

In repositioning itself the Department and indeed the cluster, has come up with a clear vision that sets out the intended contribution in facilitating growth of the economy in the City and ensuring all citizens especially those who find themselves in the margins of the economy and society are afforded equal opportunities to participate and benefit from the mainstream economy.

To unpack this vision and without losing focus on the City's priorities, going forward the City's Department of Economic Development will focus its energy and resources towards building an SMME centric economy, by facilitating an environment that supports SMME and entrepreneurship development to address the triple challenges of poverty, unemployment, and inequality. It has been agreed that SMME planning must be outcomes based with focus on economic opportunities, job creation, and youth employment, whose plans must be integrated across departments and Municipal Entities.

There are various ways in which the Department will fulfil its mandate: this encompasses the identification, development and usage of soft instruments to create an environment conducive for economic activities to thrive.

2. GOALS OF THE ECONOMIC GROWTH CLUSTER

Given the very succinct snapshot economic overview contained herein, it is pretty obvious that **economic development interventions must be geared towards addressing the following economic imperatives (objectives):**

- Addressing poverty, inequality and unemployment is the government and City's economic priority;
- The development of an inclusive economy and building global competitiveness are the key to the City's economic future;
- A predictable economic development policy is crucial for strengthening the City's capacity to give leadership to economic development and driving an economic development agenda cross the City;
- Addressing unequal and imbalanced economic development across regions (A, D, F & G) is indispensable for building an inclusive economy;
- Leveraging on fast growing sectors; supporting the declining ones and building the traction for the dormant ones must form a critical thrust of the work of the City;
- Joburg's 4.4 million people means that additional pressure on available economic resources will continue so facilitating the dynamism of the City's economy will be critical;
- Addressing micro-economic and structural fundamentals for SMMEs/ Cooperatives and BEE Enterprises - through finance/ funding access, market access and penetration, export support, business linkages, capacity building and procurement support - are crucial interventions that the City must prioritise, and
- Cross cutting constraints such as poor business confidence, investment support and economic infrastructure require the City priority.

3. CITY OF JOBURG PROPERTY COMPANY CORPORATE PROFILE

Background

JPC was established in 2000 as a private company and was wholly owned by the City of Johannesburg. JPC was converted into a “state owned company” following the implementation of the Companies Act of South Africa, 2008 (Act No. 71 Of 2008). JPC has recently been reconstituted into a completely new organisation by absorbing the former Facilities Management and Maintenance Unit (FMMU) and the former Metropolitan Trading Company (MTC).

JPC is mandated by its sole shareholder, the (CoJ), to carry out:

- Property Development;
- Property Management;
- Informal trading and Public Transport;
- Facilities Management;
- Asset Management; and

All ancillary services related to the above.

The company was established to support the Council’s economic and social objectives as outlined in the Growth and Development Strategy, as well as Mayoral strategic priorities aimed at making Johannesburg a “World-class African City”. The company ensures that economic growth and job creation occur to address socio-economic disparities and legacies of discrimination and inequality, as well as:

- Realising value (social and economic) for the CoJ through the management and development of Council-owned properties;
- Implement retail equity scheme utilizing council owned shops, agricultural land for food security with the focus on SMME and Co-Ops
- Maximising the social and economic development of the Council-owned properties and mobilising private and public capital to increase their value and long-term returns;
- Supporting economic development and aligning the CoJ property portfolio with CoJ priorities;

- Increasing the effectiveness of economically viable municipal and social use of properties;
- Managing risk and return with respect to the property portfolio and property transactions for the CoJ;
- Establishing and maintaining a property Asset Register relating to the Council-owned properties;
- Ensuring that the Company has developed the systems, infrastructure, and personal skills to achieve its objectives;
- Transformation and Social Programme- JPC transferring or leasing to SMME's, Co-Ops NGO and Community organization;
- Resuscitation of declining nodes by transfer or lease under the Land Regularization Programme;
- Commercialization of Facilities Management with the focus on SMME development;
- Space optimization programme which incorporates workplace accommodation to ensure better staff mobility.

4. DESCRIPTION OF CORE BUSINESS

JPC provides an all-encompassing range of property services required for the management and development of the property portfolios of the CoJ and the MOE's. Our core business, as a result of the implementation of the institutional review, has expanded to include facilities management to provide an overall property service. These services are commissioned on a sole-agency basis to administer the acquisition, disposal and conveyance of all land required for rendering municipal services. JPC manages approximately R7.1 billion of the City's immovable property portfolio. The CoJ Property portfolio is diverse with approximately 40 000 properties under management, covering 41 000 hectares that spans across 7 municipal regions.

In terms of the institutional review the company is divided into the following core business functions:

- **Property asset management**

This entails the strategic management of the City's property portfolio, to ensure maximisation of portfolio returns in line with JPC's social and economic mandate

Asset management plans (maintenance of the land asset register and the reconciliation of the asset register).

- **Facilities Management**

Facilities management is an interdisciplinary field coordinating best use of space, building services and infrastructure, people and provision of a range of supplies and services for the City of Johannesburg and its entities.

- **Property management**

There are two functions to property management namely commercial and social. The social returns are minimal and the commercial aspect subsidizes the social aspect. This function involves obtaining and maintaining value from the property portfolio by effectively administering and leasing, acquiring and selling and lastly ensuring maintenance of the property.

JPC is an organization focused on the management of Council owned properties to maximize social and economic opportunities and generate significant financial returns. The impact on the future operations and budget is under review and should result in optimal management of the COJ property portfolio. JPC has embraced the resolution of the COJ and will use this opportunity to review and improve all processes to ensure optimal staff growth and development as well as transformation.

5. JPC VALUES

Company values have become an ethical foundation for all organizations and are therefore fundamental to the JPC's success. Such values are not just important but crucial to the overall ascendancy of JPC. The following values were identified and adopted by JPC:

- Professionalism;
- Accountability;
- Responsibility;
- Customer Service; and
- Trust.

6. STRATEGIC OBJECTIVES

The strategic objectives were reviewed and aligned to the newly approved JPC 2040 Transformation through property strategy which fully supports the overall Joburg 2040 strategy.

In order to ensure streamlined and focused service delivery, JPC has identified the following seven (7) strategic objectives:

- Support economic development utilising the CoJ's property portfolio;
- Support community development utilising the CoJ's property portfolio;
- Support the Housing Master Plan and delivery utilising the CoJ's property portfolio;
- Support environmental programmes and initiatives in the management of the CoJ's property portfolio;
- Establish land strategy, land acquisition and land stewardship in line with the CoJ's priorities;
- Ensure financial sustainability; and
- Ensure good governance and a professionally managed company.

The company's strategic objectives are closely linked to the Mayoral priorities and to the following clusters:

- Economic Growth
- Human and Social Development
- Sustainable Services
- Good Governance

7. HIGH IMPACT PROGRAMMES

City Programme	JPC Strategy	JPC Identified Programme	Transformation Outcomes	Desired Impact	Dependencies	Impact Region	Per
<p>Sustainable Human Settlement</p> <p>SMME and Entrepreneurial development and support</p> <p>Active Citizenry</p>	Land Regularisation	Transfer or lease cumulative 13,000 properties under the land regularization programme.	<p>Ownership of land to the previously disadvantaged for residential and business purposes</p> <p>Entrepreneurial development</p> <p>Allocation of properties to support the social amenities programme</p> <p>Economic empowerment of</p>	<p>Restoration of land rights</p> <p>Economic Emancipation of the previously disadvantaged</p> <p>Increase land ownership</p> <p>Empowerment of youth owned companies</p> <p>Improved and well managed City facilities</p>	<p>Internal City Departments</p> <ul style="list-style-type: none"> ➤ Planning ➤ Legal ➤ Revenue ➤ Power ➤ Water ➤ JRA ➤ Housing <p>Supply Chain</p> <p>Council approval</p> <p>External Deeds Office</p>	<p><u>Region A</u></p> <p>Ivory Park</p> <p>Diepsloot</p> <p><u>Region B</u></p> <p>Coronationville</p> <p>Newlands</p> <p>Newclare</p> <p><u>Region C</u></p> <p>Dobsonville</p> <p><u>Region D</u></p> <p>Soweto</p> <p>Eldorado</p> <p><u>Region E</u></p> <p>Greater Alexandra (Alex,</p>	

			the beneficiaries that received titles or leasehold Job creation		Surveyor General Office	Eastbank, Far East Bank, Malboro) <u>Region G</u> Greater Orange Farm (Ennerdale, Lenasia and Poortjie, Driziek, Lawley)
Agriculture and Food Security SMME and Entrepreneurial development and support Green Economy and Resource		Release of land to SMME's, Co-Ops and Entrepreneurs under the transformation *, social economic*** and social**	Moral upliftment of communities Increase social cohesion Community empowerment Economic	Investment that benefits the community Improved community based services Empowerment of youth owned	Internal Community Development City Procurement Human and Social Development	All regions

<p>resilience</p> <p>Sustainable Human Settlement</p>		<p>programme</p>	<p>Development</p>	<p>companies</p> <p>Improved and well managed City facilities</p>	<p>Revenue</p> <p>Planning Department Department of Economic Development</p> <p>City Parks</p> <p>Office the Speaker</p> <p>External Department of Trade and Industry</p> <p>Financial Institutions</p> <p>Public</p>	
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					<p>Consultation</p> <p>Deeds Office</p> <p>Gauteng Department of Agriculture</p>	
<p>Sustainable Human Settlement</p> <p>SMME and Entrepreneurial development and support</p> <p>Investment Attraction, Retention and Expansion</p>	<p>Strategy 5 - Industry Transformation and densification Programme</p>	<p>Densification and enterprise development programme</p> <p>Identify, rezone and release 3 hectares of land along the Corridors of Freedom and TOD's for land densification</p>	<p>Accommodate low income earning families closer to place of work</p> <p>City restructuring</p> <p>To accommodate 1000 residential units</p> <p>To accelerate the housing</p>	<p>Reduction in travel costs and time</p> <p>Increase rates base</p> <p>Creating a vibrant City</p> <p>Improved quality of life</p> <p>Creating jobs</p>	<p>Internal Planning JRA and Transport</p> <p>City Power Water CoJ Housing</p> <p>External</p>	<p>Region E</p> <p>Region F</p> <p>Region D</p>

<p>Green Economy and Resource resilience</p> <p>Safer Cities</p>		<p>and residential densification as a pilot project.</p>	<p>development along the City Corridors</p> <p>The promotion of small and medium sized black owned property companies.</p> <p>Transformation and development of the property industry particularly the low end income earning groups.</p>	<p>Skills development</p> <p>Establishment of partnerships with the private sector</p> <p>Empowerment of youth owned companies</p> <p>Improved and well managed City facilities</p>	<p>Private Sector</p> <p>GDACE</p> <p>Gauteng Housing</p>	
<p>Safer Cities</p> <p>SMME and Entrepreneurial</p>		<p>Create a structured City Market in the inner city as a</p>	<p>Informal traders empowerment</p> <p>Job creation</p>	<p>Inner City regeneration</p> <p>Destination</p>	<p>Internal DED</p> <p>Planning</p> <p>Transport</p>	<p>Region F</p> <p>Region A- Swazi Inn</p>

<p>development and support</p> <p>Investment Attraction, Retention and Expansion</p> <p>Green Economy and Resource resilience</p>		<p>pilot project which is vibrant and tourist attraction</p>	<p>SMME development and empowerment</p> <p>Well managed trading space</p>	<p>market Cleaner and better managed facilities</p> <p>Empowerment of youth owned companies</p> <p>Improved and well managed City facilities</p>	<p>CRUM</p> <p>External Informal Traders Associations</p> <p>Informal Traders Taxi Operators</p>	
<p>Safer Cities</p> <p>SMME and Entrepreneurial development and support</p> <p>Investment</p>	<p>Strategy 2 – FMMU</p>	<p>Office Space Optimisation (Phase 1- JHB CBD)</p>	<p>Efficient use of municipal space</p> <p>Job creation</p> <p>Catalyst for economic development</p>	<p>Economic growth</p> <p>Effective use of space along the Corridors of Freedom and TOD's</p>	<p>Internal Planning Legislature</p> <p>City Finance</p> <p>Office of the City Manager</p>	<p>Region F</p>

Attraction, Retention and Expansion			SMME development	Improved densification	CRUM Corporate Services	
Green Economy and Resource resilience			Green economy and resource resilient	Environmental sustainability	All City Departments	
Sustainable Human Settlement			Skills development	Accessibility to the community	Labour	
			Smart technology	Transformation of the property sector	External Private Sector	
			The promotion of small and medium sized black owned property companies.	Empowerment of youth owned companies	Community Consultations	
			Transformation and development of the property	Establishment of partnerships with the private sector	Funding Institutions SAPOA	

			industry particularly the low end income earning groups.	Improved and well managed City facilities		
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*Transformation programmes: Youth, Women, People with disability and other targeted beneficiaries

** Social: Regularise or transfer 200 places of worship, 100 ECDs, NGOs, Community facilities, 350 Co-Ops and SMME's through food security and lease 100 other social facilities.

***Social Economic Programmes: Development of Parks in collaboration with City Parks (Golden Harvest, Zoo Farm in Parys and Rietvl.

Socio-Economic Impact Summary

Programme	Financial/ Economic, Procurement Spend and Other	Job Creation	Women and Youth	Skills Development
Transfer or lease cumulative 13,000 properties under the land regularization programme.	Number of properties transferred =13, 000 Number of title holders eligible to access to	N/A	Number of women and youth headed household eligible for title deeds	N/A

	<p>funding = 13,000</p> <p>Value of properties released to citizens = R0.25 billion</p> <p>Number of residents impacted = 78,000</p>			
<p>Release of land to SMME's, Co-Ops and Entrepreneurs under the transformation*, social economic*** and social** programme.</p>	<p>Targeted Beneficiaries/ (Number of residents impacted)</p> <ul style="list-style-type: none"> • Places of worships = 200 (30,000) • ECD's= 100 (3,000) • Co-ops and SMME's through food security = 350 (350) • Other social facilities = 100 (500) <p>Value of land made</p>	<p>ECD's = 500</p> <p>Co-ops and SMME's through food security= 350</p> <p>Other social facilities= 600</p>	<p>In allocation, at least 30% will be allocated to women and youth</p>	<p>The following training will be provided:</p> <ul style="list-style-type: none"> • In all aspects of farming, packaging and selling. • 350 people to be trained in all aspects of farming

	<p>accessible to citizens for food security = R27m</p> <p>Partnership with Johannesburg market to create a distribution for product</p>			
<p>Densification and enterprise development programme</p> <p>Identify, rezone and release 3 hectares of land along the Corridors of Freedom and TOD's for land densification and residential densification as</p>	<p>1000 units will be built along the TOD's to house 3,000 residents.</p> <p>R100 million to be spent on construction on both infrastructure and top structure.</p>	<p>At least 1500 jobs to be created.</p>	<p>70% of labour to be used for construction will be local labour from where the project is undertaken</p> <p>50 % of labour will be from women, youth and people with disabilities</p> <p>At least 30% of</p>	<p>300 Youth to be trained on the following:</p> <ul style="list-style-type: none"> • Plumbing • Electrical • Brick laying • Paving • Glazing • Carpentry • Welding

a pilot project.			procurement to be allocated to women, youth and people with disabilities.	<ul style="list-style-type: none"> • Steel works • Wet works
Create a structured City Market in the inner city as a pilot project which is vibrant and tourist attraction.	<p>Define the precinct</p> <p>Prepare a detailed business plan</p> <p>Acquire properties</p>	<p>7 SMME's to be appointed with 21 jobs created</p> <p>17 contractors to be appointed with 70 jobs created</p>	At least 30% of procurement to be allocated to women, youth and people with disabilities.	<p>91 people will be trained on the following:</p> <ul style="list-style-type: none"> • Plumbing • Electrical • Brick laying • Paving • Glazing • Carpentry • Welding • Steel works <p>Wet works</p>
Office Space Optimisation (Phase 1- JHB CBD).	R120 million to be spent on construction on both infrastructure and top structure.	At least 2000 jobs to be created.	70% of labour to be used for construction will be local labour from where the project is undertaken	<p>People will be trained on the following:</p> <ul style="list-style-type: none"> • Plumbing • Electrical • Brick laying

			<p>50 % of labour will be from women, youth and people with disabilities</p> <p>At least 30% of procurement to be allocated to women, youth and people with disabilities.</p>	<ul style="list-style-type: none"> • Paving • Glazing • Carpentry • Welding • Steel works <p>Wet works</p>
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RISK MATRIX ON THE HIGH IMPACT PROGRAMMES

Programme Number	JPC Identified Programme	Risks Identified	Risk Mitigating Actions
Programme 1	Transfer or lease cumulative 13,000 properties under the land regularization programme.	<p>Time delays in township establishment</p> <p>Lack of infrastructure</p>	<p>Releasing land on leasehold whilst the township is being established</p> <p>Releasing land on leasehold whilst the infrastructure is addressed</p> <p>Engage with City Departments to fast track delivery of infrastructure</p> <p>Application of section 118(4) of the Systems Act</p>

		<p>Inability by beneficiaries to pay the purchase price, transfer costs and rates</p> <p>Lack of capacity (human resources) to deliver the programme</p> <p>Encroachments, Dolomite Land</p> <p>Insufficient budget to roll out the land regularisation programme</p> <p>Community interference</p>	<p>as amended for rates.</p> <p>Engage with City to approve the transfer of the properties at no cost.</p> <p>Approach Province to access their funding for conveyancing</p> <p>Approach Legal Aid Board to assist with the transfer of the properties to beneficiaries.</p> <p>Set up a PMO composing of internal personnel and external resources. Use interns for skills transfer and development(legal and town planning interns from institutions of higher learning and private sector)</p> <p>Land swop and land subdivision</p> <p>Apply for revised budget and budget re-allocation</p> <p>Intensify public participation with the community through ward councillors.</p> <p>Create a multi-disciplinary task team with other City departments</p>
Programme 2	Release of land to SMME's, Co-Ops and Entrepreneurs under the transformation*,	Insufficient start-up costs for Co-Ops	<p>Approach DTI for grant funding</p> <p>Sign an SLA with the DTI for prioritisation of the</p>

	<p>social economic*** and social** programme.</p>	<p>Delays in terms of registering Co-Ops (e.g. opening of bank accounts)</p> <p>Insufficient funds to lease available properties</p> <p>Legal delays in terms of City approvals</p>	<p>Company's project</p> <p>Approach Financial Institutions to prioritise opening co-operative bank accounts and marketing of the same</p> <p>Less than market related rentals offered on lease because of public interest</p> <p>Special dispensation to obtain Council approval (fast tracking committees)</p> <p>Recommend Delegation of powers to City Official for purposes of obtaining timeous approvals</p> <p>Submit suggestions to the City Manager on how to fast track the approval process inclusive of a high level process flow which demonstrates the actual time savings. E.g. perception index on ease of doing business in SA as contained in</p>
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		Community interference	<p>WEF</p> <p>Intensify public participation with the community through ward councillors.</p>
Programme 3	<p>Densification and enterprise development programme</p> <p>Identify, rezone and release 3 hectares of land along the Corridors of Freedom and TOD's for land densification and residential densification as a pilot project.</p>	<p>Public objection to densification</p> <p>Time delays in land use applications and approvals</p> <p>Insufficient infrastructure for new developments</p> <p>Access to funding by the emerging developers</p>	<p>Properties along TODs and therefore in line with RSDF</p> <p>Set up task team with City Departments</p> <p>Properties along TODs, engage the City to prioritise this project as part of their CAPEX planning/budget</p> <p>Partnering with GPF,PIC,IDC, BRICS Development Bank, IHFC,HDA and DBSA</p>
Programme 4	<p>Create a structured City Market in the inner city as a pilot project which is vibrant and tourist attraction.</p>	<p>Delays in acquisition of properties</p>	<p>Accelerate the acquisition of the property through the Informal traders' task team led by the City COO.</p>

		<p>Lack of funding</p> <p>Public objections</p>	<p>Partnering with GPF,PIC,IDC, BRICS Development Bank, IHFC,HDA and DBSA</p> <p>Intensive education on best practice.</p>
Programme 5	Office Space Optimisation (Phase 1- JHB CBD).	<p>Insufficient funding from the City</p> <p>Service delivery disruptions due to loss of productivity</p> <p>Inadequate relocation plan or poor execution of the plan</p> <p>Resistance from staff to move offices</p> <p>Delays in town planning</p> <p>Political reputational risk</p>	<p>Partnership with private sector</p> <p>Detailed funding options</p> <p>Extensive public consultation</p> <p>Proper relocation plans and staff engagements</p> <p>Extensive public consultation</p> <p>Proper relocation plans and staff engagements</p> <p>Extensive staff and labour consultation</p> <p>Set up task team with City Departments</p> <p>Extensive public consultation and marketing.</p> <p>Extensive public consultation and marketing.</p>

		Negative public perception Delays of the project due to SCM challenges	Planned supply chain management processes Demand management plans
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8. CLIENT CHARTER AND SERVICE STANDARDS

See Annexure A for client service charter.

System that have been implemented to measure and improve service standards and turnaround times

Queue management system that measures the waiting time and the volume of transactions

PIMS system which provides the following:

Query resolution time

Age analysis of outstanding applications

Volume of transactions

Categorisations of transaction per regions and types

Automated notification to clients

Escalation process on open queries

Management exception reports

Independent auditors to verify the selected transactions

9. PEST ANALYSIS:

The property environment within which JPC operates is affected by the macro-environment factors such as political (and legal) forces, economic forces, socio-cultural forces and technological forces as follows:

Political (incl. Legal) factors	Economic factors
<p><u>Regulations</u></p> <ul style="list-style-type: none">• The Municipal Asset Transfer Regulations, 2008 which regulates the transfer and permanent disposal of non-exempted capital assets by municipalities and municipal entities in order to facilitate the enforcement and administration of section 14(2) of the Municipal Finance Management Act 56 of 2003, which is to attain a council resolution before the alienation (lease	<ul style="list-style-type: none">• Long approval processes increase holding costs of property such as security, cleaning and maintenance, which also increase the risk of illegal occupation and vandalism;• Economic growth and investor confidence affects the property market;• Delays in economic development and job creation; and• At the moment the bank rates have been firm and stable for the last three (3) years

<p>or sale) of any council owned properties. These regulations hinder the process of the City in the alienation of land due to lengthy compliance requirements;</p> <ul style="list-style-type: none"> • Environmental regulations and protection - National Environmental Management Act, 1998; • The introduction of the National Credit Act and the global economic meltdown significantly impacting on the growth and demand for residential, commercial and industrial properties; • Formalities in respect of Leases Act, 1969. 	<p>with a downward trend which may impact future years.</p>
Socio-cultural factors	Technological factors
<p>The skewed disposal income in different regions will adversely impact the property transactions in areas where the levels are low.</p>	<p>Innovative construction methods should be investigated to ensure cost reduction.</p>

10. SWOT ANALYSIS:

Below are the SWOT elements that would have an impact on the effective implementation of the corporate strategy.

Internal	Strengths	Weakness
	<ul style="list-style-type: none"> • Good and reliable top management; • A shareholder that supports social transformation(being part of the JPC mandate); • Extensive experience in property management, development, asset management and facilities; • Solid understanding of legislation and ability/commitment to work within it; • Island of excellence in property 	<ul style="list-style-type: none"> • Mismatch of skills (middle management and lower levels) within the organization; • Inadequate funding; • Cumbersome land processes; • Lack of proper contracting with clients (SLAs); • Slow acquisition of property through lack of budget; • Legislative mismatch- MFMA vs

	<p>management;</p> <ul style="list-style-type: none"> • JPC is the sole agent of the CoJ with a mandate to manage Council owned properties on behalf of the City in terms of the SDA with the City; • Captive CoJ market- All CoJ entities can be encouraged to make use of FMM services. • Committed leadership • Increased mandate allowing for some level of risk • Capacity to up-skill employees and organisation • Solid institutional relationships including ability to work in close conjunction with Planning Department and DED • Large repository of expert property knowledge • A shareholder that supports social transformation (being part of the JPC mandate). • Access to capex and operating budgets • Alignment and access to CoJ which is a regulator and policymaker • Captive CoJ market - all CoJ entities can be encouraged to make use of FMM services • Strong CoJ balance sheet which can be leveraged • Financial sustainability for as long as FMM revenue collection accrues to JPC • The ability of the finance department to 	<p>Transformation charter ;</p> <ul style="list-style-type: none"> • Overlaps with City Departments/MOEs; and • Dependency on City departments /MOEs resulting in delays in implementation of property strategies. • Uncertainty caused by the merging of the three entities • Confused vision, lack of integration of culture, work ethic, processes and systems • Skills mismatch – lack of specific skills • Lack of capacity, skills and financial and operational resources • Lack of proper contracting with clients (SLAs) • Incomplete asset register • Decreased financial assistance from COJ - requirement to be financially independent and sustainable and contribute to the total city revenue • Lack of a sustainable revenue model until JPC is managing sufficient FM contracts and developing sufficient properties • Gap between earnings and salary bill • No clear role definition between JPC & other CoJ departments • SDA and SLAs needs to be developed for centralised facilities management
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	<p>integrate the finances of all three entities in a short timeframe with minimal disruption</p>	<ul style="list-style-type: none"> • Legislative mismatch – MFMA vs. transformation charter • Slow acquisition of property through lack of budget
External	<p>Opportunities</p> <ul style="list-style-type: none"> • Maximization of revenue through the outdoor advertising portfolio and creation of a property fund; • International investment: investigating alternative sources of revenue which can be generated from the property asset; • CoJ office space optimisation; • Comprehensive database of properties which can be used for strategy formulation; • Assist emerging black facility management companies and property development. • New way of doing business • CoJ office space optimisation • Sole provider of property in the city – to become a national player eventually • To create a JPC which is an employer of choice • Transformation of the property market • Assist emerging black facility management companies and property development • Creation of jobs for the unskilled labour market • Integrated and centralised approach to 	<p>Threats</p> <ul style="list-style-type: none"> • Vandalism to property portfolio; • Land invasions & illegal occupation of land parcels; • Fraudulent land sales; • Lack of property ownership in high value areas; • Cumbersome CoJ's land approval processes for land transactions. • Risky transition/integration • JPC long term strategy vs. political term of office • Resistance towards turnaround strategies • Budget constraints • Loss of specialised skills • Mature property market which is risk-prone • Lack of property ownership in high value areas • Lack of diversification in property investment • Impact of the economy on property development • Existing council process not beneficial to decision making – negative impact • No formalization of relationship

	<p>facilities management at market prices and standards (to include non-specialised services/assets) to MEs and other City buildings</p> <ul style="list-style-type: none"> • Leverage off the Centre of knowledge • Optimise on economic opportunities – taxi facilities • Build on market trends and densification • Comprehensive database of properties which can be used for strategy formulation • Improve intergovernmental relationships • Integrated and centralised approach to facilities management at market prices and standards (to include non-specialised services/assets) to MEs and other City buildings • Engage clients through contracts, and decline requests from clients not contracted to JPC 	<p>with taxi associations and informal traders with transportation departments and economic development</p> <ul style="list-style-type: none"> • Vandalism of structures/facilities • Competing with external service providers providing service at market related prices • Private property developers abuse/constrain JPC's expansion into property development value chain • Certain governance procedures such as the early adoption of GRAP 105 will have to be implemented in a short period of time. Non-compliance within the timeframe will result in audit queries • The culture of the organisation has not been determined, integration is not complete and the benefit and disadvantages cannot be measured yet
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Table: Desired Outcomes: City priorities/ flagships and IDP programmes

Key Flagship Programmes	IDP Sub Programmes / Strategic Intervention	Desired outcome: Short-term 1 year	Desired outcome: Medium-term 2-4 years	Desired outcome: Long-term 4+ years
Sustainable Human Settlements focusing on	IDP Sub Programmes Targeting deprived spaces and communities Facilitation of the area based economic initiatives	Transfer or lease cumulative 13000 properties under the land regularization programme.	Programme ends at year one	
	Land Management and acquisition programme Transit Oriented development (TOD) Programmes From informal settlement to sustainable human settlement programme	Acquisition of properties along the Transit Oriented Development and support the housing master plan(Priority Areas(corridors and nodes))	Acquisition of properties along the Transit Oriented Development and support the housing master plan (Priority Areas(corridors and nodes))	Acquisition of properties along the Transit Oriented Development and support the housing master plan(Priority Areas (corridors and nodes))

Key Flagship Programmes	IDP Sub Programmes / Strategic Intervention	Desired outcome: Short-term 1 year	Desired outcome: Medium-term 2-4 years	Desired outcome: Long-term 4+ years
Financial sustainability Economic Growth	IDP Sub programmes Financial sustainability Leveraging of City Owned Assets	R100m of rental income from leases and servitudes sales, servitudes and acquisition	R100m of rental income from leases and servitudes sales, servitudes and acquisition	R100m of rental income from leases and servitudes sales, servitudes and acquisition
	Revenue maximization	Revenue from Outdoor Advertising	Implementation of the outdoor advertising strategy	Improved revenue from Outdoor Advertising

Key Flagship Programmes	IDP Sub Programmes / Strategic Intervention	Desired outcome: Short-term 1 year	Desired outcome: Medium-term 2-4 years	Desired outcome: Long-term 4+ years
SMME and entrepreneurship development Agriculture and food security	Develop a dynamic entrepreneurial spirit, competitiveness, innovation and increased investment through support to SMME	Implementation of the Incubator Programme for emerging property entrepreneurs	Implementation of the Incubator Programme for emerging property entrepreneurs	Implementation of the Incubator Programme for emerging property entrepreneurs
		Implementation of Property Skills Programme	Implementation of Property Skills Programme	
		Allocation of properties for agricultural and food security with the focus on SMME , Co-ops and Informal Traders	Allocation of properties for agricultural and food security with the focus on SMME, Co-ops and Informal Traders	Allocation of properties for agriculture, food security with the focus on SMME –Co-ops and Informal Traders
		Allocation of property to Youth development	Allocation of properties to Youth Development	Allocation of properties to Youth Development

Key Flagship Programmes	IDP Sub Programmes / Strategic Intervention	Desired outcome: Short-term 1 year	Desired outcome: Medium-term 2-4 years	Desired outcome: Long-term 4+ years
		<p>programs to address youth unemployment and to encourage youth to enter into the property space</p>	<p>programs to address youth unemployment and to encourage youth to enter into the property space</p>	<p>programs to address youth unemployment and to encourage youth to enter into the property space</p>
		<p>Transformation and Social Programme- JPC transfers or lease 4000 SMME and Co-Ops NGO, Community organisation</p>	<p>Transformation and Social Programme- JPC transfers or lease cumulative 8000 to SMME and Co-Ops NGO, Community organisation.</p>	<p>Transformation and Social Programme- JPC transfers or lease cumulative 13000 to SMME and Co-ops NGO, Community organisation.</p>
		<p>Commercialization of Facilities Management with the focus on SMME</p>	<p>Commercialization of facilities management with the focus on SMME</p>	<p>Commercialization of facilities management with the focus on SMME</p>

Key Flagship Programmes	IDP Sub Programmes / Strategic Intervention	Desired outcome: Short-term 1 year	Desired outcome: Medium-term 2-4 years	Desired outcome: Long-term 4+ years
		development	Development	Development
Investment Attraction, Retention and Expansion	Leveraging of City owned facilities	Office Space Optimisation (Phase 1- JHB CBD Construction of the Council Chamber Wing)	Office Space Optimisation (Phase 2- JHB CBD and other critical areas as identified in the project plan)	Office Space Optimisation roll out of the other phases as outlined in the project plan)
Sustainable Human Settlement	Revenue maximization			
SMME and Entrepreneurial development and support	Develop a dynamic entrepreneurial spirit, competitiveness, innovation and increased investment through support to SMME	Space optimization programme which incorporates workplace accommodation to ensure better staff mobility	Space optimization programme which incorporates workplace accommodation to ensure better staff mobility	Space optimization programme which incorporates workplace accommodation to ensure better staff mobility
Green Economy and Resource resilience				
Safer Cities				

Key Flagship Programmes	IDP Sub Programmes / Strategic Intervention	Desired outcome: Short-term 1 year	Desired outcome: Medium-term 2-4 years	Desired outcome: Long-term 4+ years
Sustainable Human Settlement SMME and Entrepreneurial development and support Investment Attraction, Retention and Expansion Green Economy and Resource resilience Safer Cities		Densification and enterprise development programme Identify, rezone and release 3 hectares of land along the Corridors of Freedom and TOD's for land densification and residential densification as a pilot project.	Development and construction of the densification and enterprise programme along the Corridors of freedom and TOD's for land densification.	Continue with the densification and enterprise development programme
		To accommodate 220 residential units The promotion of small	To accommodate 500 residential units	To accommodate 1000 residential units

Key Flagship Programmes	IDP Sub Programmes / Strategic Intervention	Desired outcome: Short-term 1 year	Desired outcome: Medium-term 2-4 years	Desired outcome: Long-term 4+ years
		and medium sized black owned property companies.	The promotion of small and medium sized black owned property companies.	The promotion of small and medium sized black owned property companies.
		Transformation and development of the property industry particularly the low end income earning groups.	Transformation and development of the property industry particularly the low end income earning groups.	Transformation and development of the property industry particularly the low end income earning groups.
Safer Cities SMME and Entrepreneurial development and support Investment Attraction, Retention and Expansion		Create a structured City Market in the inner city as a pilot project which is vibrant and tourist attraction	Create a structured City Market throughout the other regions (Region A: Swazi Inn, Diepsloot)	Create a structured City Market throughout the other regions
		Identification and	Destination marketing	Destination marketing

Key Flagship Programmes	IDP Sub Programmes / Strategic Intervention	Desired outcome: Short-term 1 year	Desired outcome: Medium-term 2-4 years	Desired outcome: Long-term 4+ years
Green Economy and Resource resilience		<p>establishment of the market</p> <p>Allocation of spaces to the informal traders</p> <p>Destination marketing</p>		
		SMME development and empowerment	SMME development and empowerment	SMME development and empowerment
		Well managed trading space	Well managed trading space	Well managed trading space

11. IMPLEMENTATION AND PERFORMANCE OVERVIEW OF THE 2014/15 CITY OF JOHANNESBURG PROPERTY COMPANY

The Department has to play a leadership role in economic development, which in broad terms:

- Builds a clear economic agenda in a transversal manner with other departments/MoEs which influences economic outcomes;
- Builds vertical alignment with National and Provincial government around the economic agenda of the City of Johannesburg;
- Builds horizontal alignment with business, institutions, and other stakeholders around a common agenda for economic development;
- Develops and implements measures that complement other interventions to improve the business climate, by implementing both hard and soft infrastructure.

Departmental Contribution to the nine Priorities and Aligned Projects

City Priority	SMME and Entrepreneurial Development
JPC Contribution	<ul style="list-style-type: none"> • Creating an environment that supports SMMEs and entrepreneurship development; • Addressing the mismatch of skills in the City's economy; • Using the City's procurement spend as a lever for SMME and BBBEE development; • Focusing on providing land to cooperatives as one of the key vehicles for entrepreneurial development and job creation; • Implementing the Economic and Property Transformation Strategy in line with DED directives; • Implementing a Youth Development Strategy; • Accelerating the Informal Economy Development; • Facilitating economic growth and development, and the spatial (geographic) spread of economic SMME/ BBBEE economic opportunities across the City.

JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Emerging Property Developers Incubator; • Property Academy; • Upgrading of informal traders facilities; • Roll-out of informal trader facilities; • Allocation of land for SMME; • Implementation of SMME empowerment Zone.
City Priority	Food Security
JPC Contribution	<ul style="list-style-type: none"> • Expanding commercial urban agriculture • Disposal or release of Land for Agricultural purposes • Allocation of land for to Co-ops and the informal sector.
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • SMME and Co-ops and Informal Economy Support; • Disposal of land for urban agriculture and Agro Processing through JPC; • Implementing the township economic development plans focusing on agro processing hubs, food empowerment zones.
City Priority	Investment attraction, Retention and Expansion
JPC Contribution	<ul style="list-style-type: none"> • By proactively promoting inward investment into the City of Johannesburg; • Through facilitating inward investments through various marketing strategies; • Inner City Rejuvenation-promote the inner city as a viable location with future value returns; • Facilitating strategic partnerships that bridge the divide between the first and second economy.
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Business to Business Match Making Conferences (Buy sell and invest and Visit Joburg) • Remodelling of the Inner City Property Scheme to attract investors into the Inner City; • Property Summit.
City Priority	Green Economy
JPC Contribution	<ul style="list-style-type: none"> • Comprehensive Facilities Management Plan.
JPC Projects Aligned to	<ul style="list-style-type: none"> • Retrofitting of council Buildings in line with the

Priority	Facilities Management Plan.
City Priority	Human Settlements Development and TOD
JPC Contribution	<ul style="list-style-type: none"> • Marginalised Areas Programme; • Acquisition of land in line with the TOD initiatives; • Mixed Use developments on Council owned Property along the TOD nodes and in line with the economic development township and regional plans; • By highlighting key characteristics of the space economy thereby building competitiveness and reducing persistent gaps in growth rates between regions.
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Land Regularisation Programme; • Land Acquisition; • Leases for Council Facilities; • Land Sales in Marginalised areas to empower SMME and ownership of land.
City Priority	Financial Sustainability and resilience
JPC Contribution	<ul style="list-style-type: none"> • Expenditure Management- prudent expenditure management through cost saving; • Reduction in the use of consultants; • Build and strengthen internal capacity; • Adopting a culture of internal controls thereby contribution to clean audit; • Strategic Procurement- based on well-defined demand management plans; • Financial Management and internal controls.
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Verification of Asset Register – desk top and physical verification of the asset register.
City Priorities	Active Citizenry
JPC Contribution	<ul style="list-style-type: none"> • SMME outreach Programmes; • Internal stakeholder engagements; • External stakeholder management;

	<ul style="list-style-type: none"> • B&B match making conferenced; • Township economic development plans stakeholder engagements.
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Informal Economy Development Summit; • Property Summit.
City Priority	Safer City
JPC Contribution	<ul style="list-style-type: none"> • Street ambassadors in the Inner City to manage informal traders and adherence to by-laws; • Safety strategy for all council facilities.
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Informal Economy Strategy and implementation; • Informal Trading Forum.

12. 2014/15 DEPARTMENTAL SDBIP AND COMMUNITY BASED PLANNING

The table below illustrates how the Key Priority programmes and other IDP programmes the Department will be undertaking in the 2014-2015 financial year. The Departmental indicators and CBP are provided for each of the project identified as well as the baselines and quarterly performance targets in order to measure performance post the approval of the plan.

Table: Key / Priority Programmes/

Key priority programmes	Projects	Key Project Performance Indicators	CBP Project Yes/No	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
								Quarter 1	Quarter 2	Quarter3	Quarter4
Sustainable human settlements	Marginalized areas programmes	Transfer or lease cumulative 13,000 properties under the land regularization programme.	Yes	Number of properties transferred or leased under the Land Reg model	Asset Register	New Indicator	13,000 properties leased or transferred	Identification of properties to be leases or transferred	2,000 properties leased or transferred	4,000 properties leased or transferred	7,000 properties leased or transferred

Key priority programmes	Projects	Key Project Performance Indicators	CBP Project Yes/No	Measurement unit	Measurement Source	Baseline	2014/145P performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
								Quarter1	Quarter2	Quarter3	Quarter4
SMME and entrepreneurial support	Creating a sustainable SMME sector in the COJ Enterprise Development: 4000 SMME's supported	Creation of the SMME's, NGO's, Co-Ops and Community Organisation programme	Yes	Number of SMME's, NGO's, Co-Ops and Community Organisations supported.	Register of SMME's, NGO's, Co-Ops and Community Organisations supported.	4000 SMME's	4000 SMME's, NGO, Co-Orps and Community Organisation supported	1000 SMME's, NGO's,Co-Orps and Community Organisation	1000 SMME's, NGO's,Co-Orps and Community Organisation	1000 SMME's, NGO's,Co-Orps and Community Organisation	1000 SMME's, NGO's,Co-Orps and Community Organisation
	Job creation	Number of jobs created	Yes	Number of jobs created	Record of jobs created	2800 jobs created	8000 jobs created	2000 jobs created	2000 jobs created	2000 jobs created	2000 jobs created
	Reduced poverty	Release of land	Yes	Number of	Register of		Issue a	Identificati	Establish	Obtain	Issue a

Key priority programmes	Projects	Key Project Performance Indicators	CBP Project Yes/No	Measurement unit	Measurement Source	Baseline	2014/145P performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
								Quarter1	Quarter2	Quarter3	Quarter4
	and dependency	to SMME's, Co-Ops and Entrepreneurs under the transformation* , social economic*** and social** programme		properties identified and allocated for agricultural purposes	properties or land identified and allocated for agricultural purposes.		request for proposal to Co-Ops	on of land for agricultural purposes	a database for Co-Ops	Section 14(2) approval	request for proposal to Co-Ops

*Transformation programmes: Youth, Women, People with disability and other targeted beneficiaries

** Social: Regularise or transfer 200 places of worship, 100 ECDs, NGOs, Community facilities, 350 Co-Ops and SMME's through food security and lease 250 other social facilities.

***Social Economic Programmes: Development of Parks in collaboration with City Parks (Golden Harvest, Zoo Farm in Parys and Rietvlei).

Key priority programmes	Projects	Key Project Performance Indicators	CBP Project Yes/No	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
								Quarter1	Quarter2	Quarter3	Quarter4
Financial sustainability and resilience	Financially and administratively sustainable and resilient city	R100m of rental income from leases and servitudes sales, servitudes and acquisition	Yes	Rental income raised	Statement of Comprehensive Income	R90 million raised	R100 million raised	R15m income raised	R15m income raised	R30 m income raised	R40m income raised
Key priority programmes	Projects	Key Project Performance Indicators	CBP Project Yes/No	Measurement unit	Measurement Source	Baseline	2013/14 Performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
								Quarter1	Quarter2	Quarter3	Quarter4

Key priority programmes	Projects	Key Project Performance Indicators	CBP Project Yes/No	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
								Quarter1	Quarter2	Quarter3	Quarter4
		Construction of the Council chamber as per the Office Space Optimisation programme	Yes	% completion of construction	Progress report on construction	New Indicator	Site handover for Council Chamber construction	Finalisation of the detailed architectural designs of the Council chamber with detailed costing. Submit the town planning application	Issue a construction tender	Obtain town planning approval for the consolidation and site development plan	Site handover to the constructor

Key priority programmes	Projects	Key Project Performance Indicators	CBP Project Yes/No	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
								Quarter1	Quarter2	Quarter3	Quarter4
Transit Oriented Development - Priority areas (corridors / nodes)	Acquisition of properties along the Transit Oriented Development and support the housing master plan(Priority Areas(corridors and nodes)	Acquisition of 20 properties along the Transit Oriented Development and support the housing master plan by acquiring 6 properties (Priority Areas(corridors and nodes)	Yes	Number of properties acquired	Asset Register	3 properties acquired	Acquisition of 20 properties in the TOD and 6 properties in line with the housing master plan	Identify properties and submit a report to Council	Make an offer to purchase	Finalise negotiation or commence expropriation	Lodge transfer documents with Deeds Office.
Key priority programmes	Projects	Key Project Performance Indicators	CBP Project Yes/No	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
								Quarter1	Quarter2	Quarter3	Quarter4
Investment attraction, retention and		Create a structured City Market in the	Yes	Value of investment to upgrade	Asset Register	New Indicator	Appoint a successful bidder	Site identification and	Stakeholder engagement	Council Approval	Advertise RFP for development

Key priority programmes	Projects	Key Project Performance Indicators	CBP Project Yes/No	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
								Quarter1	Quarter2	Quarter3	Quarter4
expansion		inner city as a pilot project which is vibrant and tourist attraction		Informal Trading Facilities and Taxi Ranks				concept plan	ent		ent
		Third party investment on COJ property transaction	Yes	R350 investment in construction	Asset Register	R300 m	R350 m investment by private sector	R 100 m investment by private sector	R 100 m investment by private sector	R 75 m investment by private sector	R 75 m investment by private sector
		Third party investment on COJ property transaction	Yes	R1bn investment leverage on property transaction	Asset Register	Nil	R1bn investment leverage on property transaction	Nil	Nil	R500 m	R500 m

13. DAY-TO-DAY OPERATION

The department's day-to-day operations include engagements with internal and external stakeholders, monitoring and analysis of the property sector review and analysis of relevant policies. The department engages with stakeholders individually and through structures such as the Informal Traders Forum. The stakeholder engagements take place periodically, hence they form part of programme and projects operations at the micro level. Through the engagements, the organisation and its stakeholders are in a better position to address challenges effectively and efficiently.

In addition, the department assesses the economic impact of various programmes and projects in order to inform future programme design and interventions. The impact assessment studies are done when and as required by various programmes: most of the work is done using internal capacity.

In pursuit of economic transformation and entrenching the vision of an SMME centric City, the organisation has prioritised the continuous engagement with SCM as a key focus to ensure that SMMEs and in particular youth have unhindered access to the organisations City's procurement spend.

Table 3 below outlines the Department's day-to-day operations and the key deliverables for the 2014/15 financial year.

Table: Operational Plan- day-to-day activities

Day to Day operations	Projects	Key Project Performance Indicators	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
							Quarter1	Quarter2	Quarter3	Quarter4
Regional Road shows to Councilors at various regions to engage on property issues Customer and stakeholder interactions	Stakeholders engagements	Presentation	Number of Presentations	Presentations	7	21	7	7	7	7
		Target companies for engagements on property issues	Number of Targeted companies	Proof of engagements with companies	12	48	12	24	36	48
		Site visits to various projects and facilities	Number of site visits	Program	12	16	4	8	12	16
Property Economic Research	Annual <i>Property research</i>	Property Review document	Printed Annual Property Report	Printed Annual Property Review Report	New indicator	Annual Property Review document	Sourcing and collating relevant Property data	Analysis and Interpretation of the data	Drafting of the Annual Property Review	Publication of the Annual Property Review

Day to Day operations	Projects	Key Project Performance Indicators	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>				
									document	document	
Annual Property summit and round table engagements with property industry	Business to Business Match Making	Annual Property Summit African	Number of stakeholder engagements	Presentations	New indicator	Annual property summit	Planning and Preparation for the Property summit focusing on transformation and SMME			Launch of the property summit	
Property Valuations	Land sales, leases. Acquisition	No of valuations done per annum			New indicator	100% valuations of all properties presented for approval	20% valuations of all transactions	50% valuations of all transactions	75% valuations of all transactions	100% valuations of all transactions	

Day to Day operations	Projects	Key Project Performance Indicators	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
	servitudes									
Enhancement of the property portfolio-	Property Sanitation Project	Completion of the Property Sanitation Project			New Indicator	100% Completion of the property sanitation project	Appointment of service provider to assist with the sanitation	15% categorisation of all properties in the asset register	50% categorisation of all properties in the asset register	100% categorisation of all properties in the asset register
Media and Communications	Branding of JPC, Marketing of JPC and projects outlined above Proactive media communications and engagement	Marketing and Media and Communication Strategy for JPC	Number of marketing and communication events to profile the organisation Number of media releases		New Indicator	3 10	Planning and alignment of marketing strategy to align to corporate strategy and projects 5	1 5	1 5	1 5

Day to Day operations	Projects	Key Project Performance Indicators	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
Stakeholder engagements	Client satisfaction survey among external users	Facilitate a client satisfaction survey among external users to conduct a survey & and an empirical study on JPC's Client services	Results and report on analysis of survey	Questionnaire , statistical analysis & results of survey	New	Implementation of corrective measures to improve service delivery	Appointment of a service provider	Empirical study on JPC stakeholders & their satisfaction on service delivery - Questionnaire to stakeholders	Statistical analysis	Final report on results & recommendations Implementation of corrective measures
Asset Management		Develop Asset Management plans- to	Asset management plans	Asset management plans document.	New	Implement phase one of the project.	Finalisation of the appointment contract and	Present project plan for Board approval.	Obtain Council approval	Implement phase one of the project.

Day to Day operations	Projects	Key Project Performance Indicators	Measurement unit	Measurement Source	Baseline	2014/15 Performance Target	Cumulative performance targets <i>(Tangible, measurable targets that fulfil requirements of being SMART)</i>			
		be in line with the COJ 10 year capital expenditure plan					submission of best practice report to Board.			

13. INTERGOVERNMENTAL RELATIONS

Chapter 3 of the Constitution of the Republic of South Africa, 1996 provides for co-operative governance to be pursued by the national, provincial and local spheres of government. The relevant Members of the Executive Council (MEC) of provincial departments must coordinate with local government including organised local government to ensure service delivery on matters pertaining to departmental functional areas.

Challenges pertaining to departmental functional areas can only be addressed by all spheres working together to integrate as far as possible their actions in the provisions of services, the alleviation of poverty and the development of our people and country. The MECs and the Member of Mayoral Committee (MMCs) are conscious of the fact that coordinated delivery of services requirements can best be facilitated through the MEC-MMC Forum.

NOW THEREFORE the MEC for Economic Development and City of Johannesburg's MMC for Economic Development has in terms of section 21(1) established the MEC/MMC Forums to provide for a structure to promote and facilitate intergovernmental relations between the Gauteng Provincial Government and City of Johannesburg DED.

14. PURPOSE OF THE MEC/MMC IGR FORUM

The MEC/MMC IGR Forum is established for the purpose of:

- Ensuring coherent and seamless government between the provincial and municipal spheres in the Gauteng Province in the functional areas of Economic Development;
- Facilitating integrated development between provincial government and municipalities.
- Strengthening working relationships and partnerships with relevant stakeholders;
- Appreciating the work of municipalities at the grassroots;
- To discuss matters of national, provincial or municipal interest within the Agriculture, Conservation, Veterinary Services, Environment, Waste Management, Rural Development and cross-cutting matters pertaining to Economic Development, Social Development and Health.
- To ensure -:

- ❖ The development of National and Provincial policies, regulations and legislation relating to matters affecting Economic Development, in the Province:
- ❖ The implementation of National and Provincial regulations, policies and legislation with respect to functional areas mentioned under the above paragraph.
- To consider reports from the MEC/Technical Executive Committee (MEC/TEC) and Technical Working Groups (TWGs) and, if necessary, make decisions thereon;
- Monitor the implementation of projects, assess and evaluate service delivery outcomes and impact;
- Share metro and district/local municipalities' information, priorities, experiences, challenges and interventions thereto;
- For the coordination of matters relating to agriculture, natural resources and rural development that are not a competency of the Province but which would have a serious impact on service delivery in the Province.

15. FINANCIAL IMPACT

Summary of the 2014/15

KEY PRIORITY PROGRAMMES

Strategic Intervention	JPC Project/Action	GDS Outcome	2014/15	2015/16	2016/17
			Total R0	R0	R0
Marginalized areas programmes, backyard shack enablement programme; review housing developments that are inconsistent with a new approach	Transfer or lease cumulative 13,000 properties under the land regularization programme.	Sustainable human settlements	32 736	41 396	43 822
SMME and Entrepreneurial Development	Creation of the SMME's, NGO's, Co-Ops and Community Organisation programme	Increased competitiveness of the economy	32 736	41 396	43 822

	Number of jobs created	Promotion and support to small businesses	32 736	41 396	43 822
	Release of land to SMME's, Co-Ops and Entrepreneurs under the transformation*, social economic*** and social** programme		32 736	41 396	43 822
Financial sustainability and resilience	R100m of rental income from leases and servitudes sales, servitudes and acquisition	Financially and administratively sustainable and resilient city	32 736	41 396	43 822
	Construction of the Council chamber as per the Office Space Optimisation programme	Financially and administratively sustainable and resilient city	65 472	82 792	87 644

Investment attraction, retention and expansion	Create a structured City Market in the inner city as a pilot project which is vibrant and tourist attraction	Financially and administratively sustainable and resilient city	32 736	41 396	43 822
Investment attraction, retention and expansion	Third party investment on COJ property transaction	Financially and administratively sustainable and resilient city	32 736	41 396	43 822
Acquisition of properties along the Transit Oriented Development and support the housing master plan - Priority Areas(corridors and nodes)	Acquisition of 20 properties along the Transit Oriented Development and support the housing master plan by acquiring 6 properties (Priority Areas(corridors and nodes)	Transit Oriented Development - Priority areas (corridors/nodes)	32 736	41 396	43 822

	Densification and enterprise development programme Identify, rezone and release 3 hectares of land along the Corridors of Freedom and TOD's for land densification and residential densification as a pilot project.		32 736	41 396	43 822
		TOTAL	360 094	455 355	482 047

Note: The above budget is only the opex budget. For this reason the resources have been spread evenly over all the projects. The Capex budget for each project is shown below.

JOHANNESBURG PROPERTY COMPANY
DRAFT MEDIUM TERM REVENUE AND EXPENDITURE BUDGET FOR 2014/15 - 2016/17
ADJUSTMENT BUDGET 2013/14

	2010/11	2011/12	2012/13	Current year 2013/14			Medium Term Revenue and Expenditure Budget: 2014/15 - 2016/17		
	Audited Outcome	Audited Outcome	Audited Outcome	Approved Budget	Adjustments	Adjusted Budget	Draft Budget	Draft Budget	Draft Budget
	R 000	R 000	R 000	2013/14 R 000	R 000	2013/14 R 000	2014/15 R 000	2015/16 R 000	2016/17 R 000
REVENUE									
Property rates									
Property rates - penalties & collection charges									
Service charges - electricity revenue									
Service charges - water revenue									
Service charges - sanitation revenue									
Service charges - refuse									
Service charges - other									
Rental of facilities and equipment									
Interest earned - external investments	143	10							
Interest earned - outstanding debtors	6 259	4 255	4 117				2 535	2 677	2 824
Fines									
Licences and permits									
Agency services	29 445	38 589							
Operating grants									
Other Revenue	23 672	35 167	251 127	122 908	4 000	126 908	164 144	173 336	182 870
Gains on disposal of PPE									
DIRECT REVENUE	59 519	78 021	255 244	122 908	4 000	126 908	166 679	176 013	185 694
Internal Transfers									
Interest Income (Sweeping Account)									
Interest on Loans (Core)									
Internal recoveries (ME's)				253 528	17 434	270 962	380 186	401 931	424 546
Internal Recoveries (Core)									
Internal Capital Grants (MIG)									
Operating Grants & Subsidies from (COJ)				25 282		25 282			
Total Internal Transfers				278 810	17 434	296 244	380 186	401 931	424 546
TOTAL REVENUE	59 519	78 021	255 244	401 718	21 434	423 152	546 865	577 944	610 240
EXPENDITURE BY TYPE									
Employee related costs	42 342	51 498	132 121	212 639		212 639	209 018	215 289	221 748
Remuneration of Councillors									
Debt impairment			54	1 940		1 940	2 053	2 167	2 286
Depreciation & asset impairment	1 082	3 222	7 353	4 288		4 288	5 030	5 311	5 603
Repairs and maintenance				26 085		26 085	27 128	28 647	27 071
Finance charges	265	650	716	613		613	815	860	907
Bulk purchases									
Contracted services			12 282	7 292		7 292	29 723	28 315	27 079
Grants and subsidies									
Other expenditure	23 023	17 230	56 164	147 386	17 434	164 820	149 274	157 842	166 524
Contributions to/(from) provisions									
Loss on disposal of PPE	103								
DIRECT EXPENDITURE	66 815	72 600	208 690	400 243	17 434	417 677	423 041	438 431	451 218
Internal Transfers									
Interest (Sweeping Account)									
Interest on Shareholders Loans									
Interest on Mirror Conduit loans									
Internal charges (ME's)		1 095		1 475		1 475	1 534	1 621	1 710
Internal Charges (Core)									
Operating Grants & Subsidies to ME's									
Total Internal Transfers		1 095		1 475		1 475	1 534	1 621	1 710
TOTAL EXPENDITURE	66 815	73 695	208 690	401 718	17 434	419 152	424 575	440 052	452 928
OPERATING SURPLUS / (DEFICIT)	(7 296)	4 326	46 554		4 000	4 000	122 290	137 892	157 312
Transfers Recognised									
Capital Grants									
Capital Contributions									
OPERATING SURPLUS / (DEFICIT)	(7 296)	4 326	46 554		4 000	4 000	122 290	137 892	157 312
Taxation	(1 839)	18	10 646						
OPERATING SURPLUS / (DEFICIT) - after tax	(5 457)	4 308	35 908		4 000	4 000	122 290	137 892	157 312
Changes in Net Assets									
Transfers to/from Other Reserves									
Prior year Adjustments									
TOTAL	(5 457)	4 308	35 908		4 000	4 000	122 290	137 892	157 312

JOHANNESBURG PROPERTY COMPANY										
DRAFT MEDIUM TERM CAPITAL BUDGET FOR 2014/15 - 2016/17 AND ADJUSTMENT BUDGET 2013/14										
Project Description	Insert CIMS No.	GDS Output / Other	Total Cost of the Project R 000	Expenditure in Previous Years R 000	Approved Budget 2013/14 R 000	Adjustments	Adjusted Budget 2013/14 R 000	Approved Budget 2014/15 R 000	Approved Budget 2015/16 R 000	Draft Budget 2016/17 R 000
Council Approved Capital Projects										
Additional trading stalls for informal trading in the new taxi and market facility New Informal trading Stalls DIEPKLOOF D Regional	28745							1 120	1 120	
Bara Upgrade Renewal Informal trading Stalls BARAGWANATH	32950				940	(940)		940	940	
Big Ben Upgrade Renewal Informal trading Stalls JOHANNESBURG	32949				1 120	(1 120)		1 120	1 120	
Computer Equipment New Computer Upgrades BRAAMFONTEIN WERF EXT.1 F City Wide	30364	Financially and administratively sustainable and resilient city	7 500		3 500		3 500		1 000	4 000
construction of additional trading stalls in the market at Lenasia Renewal Informal trading Stalls LENASIA	28749				400	(400)		400	400	
Diepsloot South New Operational Capex DIEPSLOOT A.H. A	29389				1 200	(1 200)		1 200	1 300	
Doomfontein Upgrade Renewal Informal trading Stalls DOORNFONTEIN	32951				940	(940)		940	940	
FARADAY: MARKET- Building of Additional Trading Stalls New Linear Markets JOHANNESBURG F City Wide	22384				1 080	(1 080)		1 080	1 080	
Fleet Africa Upgrade New Building Alterations JOHANNESBURG	32948				840	(840)		840	840	
FMMU - Public Conveniences New Public toilets JOHANNESBURG	26423		22 500		7 500	(7 500)		7 500	7 500	7 500
Hoek Street - Linear Market Phase 1 and 2 - New Trading Facilities for Informal Traders New Linear Markets FORDSBURG	28756							1 080	1 080	
Jabulani CBD New Operational Capex JABULANI	29392		50 000		500	(500)		1 700	1 200	5 000
Jeppe Market - Alignment with Precinct Plan New Operational Capex TROYEVILLE	28746				1 120	(1 120)		1 120	1 120	
Kliptown Market & Taxi Rank (Improving Trading Facilities) Renewal Informal trading Stalls PIMVILLE ZONE 9	30184				1 000	(1 000)		1 000	1 000	
Land Regularisation Renewal Operational Capex JOHANNESBURG F City Wide	33550	Sustainable human settlements	98 286		10 000	(4 000)	6 000	10 000	10 000	32 286
Meadow Point Precinct New Operational Capex MEADOWLANDS EXT.12 D	29336							600		
Meadowlands 23362-6 New Operational Capex MEADOWLANDS D	26923				600	(600)			700	
METRO MALL: MARKET- REPAIRS Renewal Building Alterations JOHANNESBURG-NORTH	22388				1 400	(1 400)		1 400	1 400	
Midrand Market and Taxi Rank facility upgrading and Repair of Fire System and Close Circuit Cameras Renewal Taxi Rank ALLANDALE EXT.9	28741				1 120	(1 120)		1 120	1 120	
Orange Farm Erf 6446 Renewal Operational Capex ORANGE FARM EXT.1 G Regional	32778				3 000	(3 000)		500	500	
Orlando Ekhaya Waterfront Development Renewal Park ORLANDO EKHYA D Regional	29391	Financially and administratively sustainable and resilient city	40 293		10 000	(3 500)	6 500	10 000	10 000	10 000
Park Central Facility Upgrade Renewal Taxi Rank JOHANNESBURG	26190				1 800	(1 800)		1 800	1 800	

Paterson Park Precinct Development Renewal Park ORANGE GROVE E	28186	Financially and administratively sustainable and resilient city	2 000		2 000		2 000	1 000	1 200	
Purchasing of land in the development corridors New Operational Capex JOHANNESBURG F City Wide	33595							100 000	200 000	
Quarts Street - Linear Market (Upgrading of Hilbrow Market into a Linear Market) Renewal Linear Markets JOHANNESBURG	29395				700	(700)				
Randburg Civic Precinct Renewal Building Alterations FERNDAL E Regional	25002		4 000					2 000	1 000	1 000
Revamping of the Informal Trading Stalls within the Inner City Renewal Informal trading Stalls JOHANNESBURG	26220		27 600		1 300	(1 300)		1 300	1 300	15 000
Roodepoort Informal Trading facility and Taxi Rank upgrading New Linear Markets ROODEPOORT	28753				1 300	(1 300)		1 300	1 300	
Salisbury House Erf 1052 and 1053 Renewal Heritage JEPPESTOWN	33494	Financially and administratively sustainable and resilient city	2 500		2 000		2 000	500	500	
Sandown Extension 49 Erf 575RE Renewal Building Alterations SANDOWN EXT.49 E	29337	Financially and administratively sustainable and resilient city	103 930		3 000	10 930	13 930	500	500	20 000
Strategic land purchases, Site Development and Preparation New Operational Capex JOHANNESBURG F City Wide	23652				30 000	(30 000)				61 000
Upgrading and construction of Informal Trading Facility and Long distance bus depot at Westgate New Linear Markets JOHANNESBURG	30227				940	(940)		940	940	
Upgrading of the Hillbrow Public Transport Facility linear market and taxi rank upgrade New Operational Capex JOHANNESBURG	30221				1 080	(1 080)		1 080	1 080	
Waterproofing of Metro Centre Renewal Building Alterations JOHANNESBURG	32532				3 000	(3 000)				
Yeoville Market Upgrading Upgrade Informal trading Stalls JOHANNESBURG F Yeoville Market Upgrading of existing facility and block of flats	30225				1 300	(1 300)		1 300	1 300	
Total: Council Approved Capital Projects	Click Here to		358 609		94 680	(60 750)	33 930	155 380	316 280	94 786
Prior year's Capital Project not completed as planned in 2013/14 and Capital Projects for 2016/17										
Office Space Optimisation Program - Feasibility, Investigations and packaging and preparation and precinct infrastructure development.	33691		10 000							10 000
Completion commission SA Holocaust Museum Forest Town		Financially and administratively sustainable and resilient city	5 000			5 000	5 000			
Completion commissions Randburg Fire Satation		Financially and administratively sustainable and resilient city	1 250			1 250	1 250			
Completion commissions Majestic Newtown		Financially and administratively sustainable and resilient city	24 500			24 500	24 500			
Completion comission Potato Sheds Newtown										
Completion comission Orlando eKhaya										
Site Development Projects New Land Preparation JOHANNESBURG F City Wide	33692	Financially and administratively sustainable and resilient city	116 100			30 000	30 000			28 700
Purchase of land in Perth/Empire, Louis Botha and Turffontein Corridors New Corridors of Freedom Intervention CORONATIONVILLE F City Wide	33797		86 187							7 780
Total: Prior year's projects not completed and projects for 2016/17	Click Here to		243 037			60 750	60 750			46 480
GRAND TOTAL			601 646		94 680		94 680	155 380	316 280	141 266

Table: Operational Plan-day-to-day activities

Detailed below is the deliverables and associated budgets for the day to day activities of JPC

Summary of the 2014/15 Budget

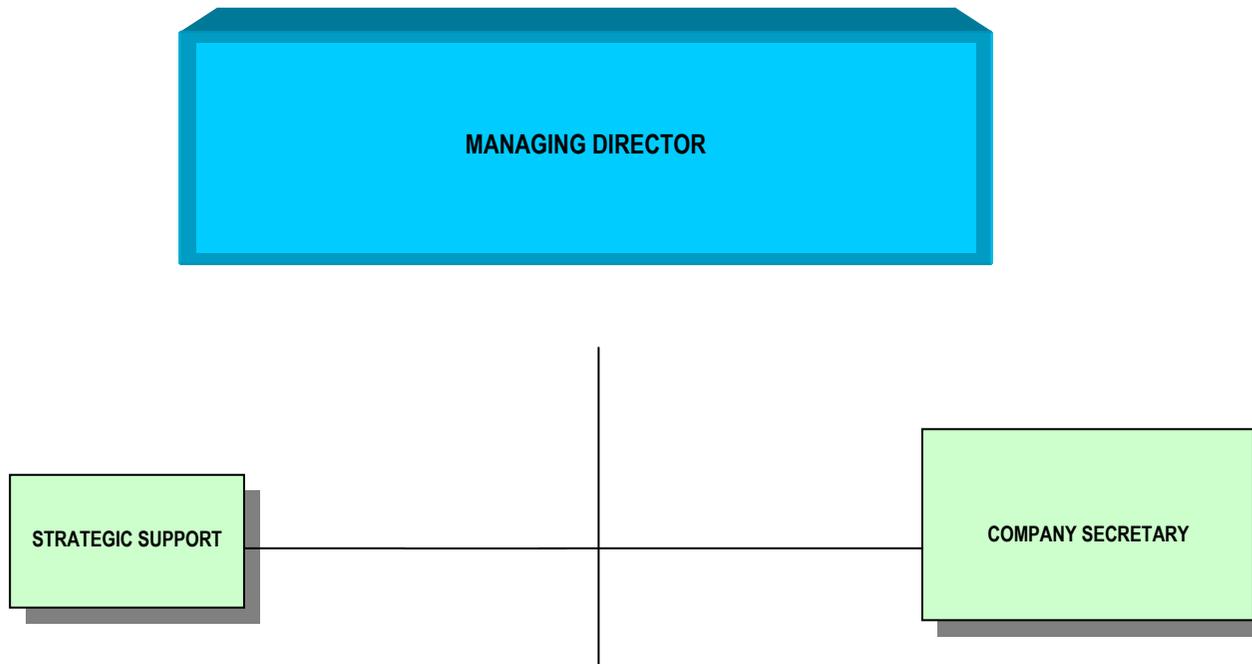
Table: Budget summary

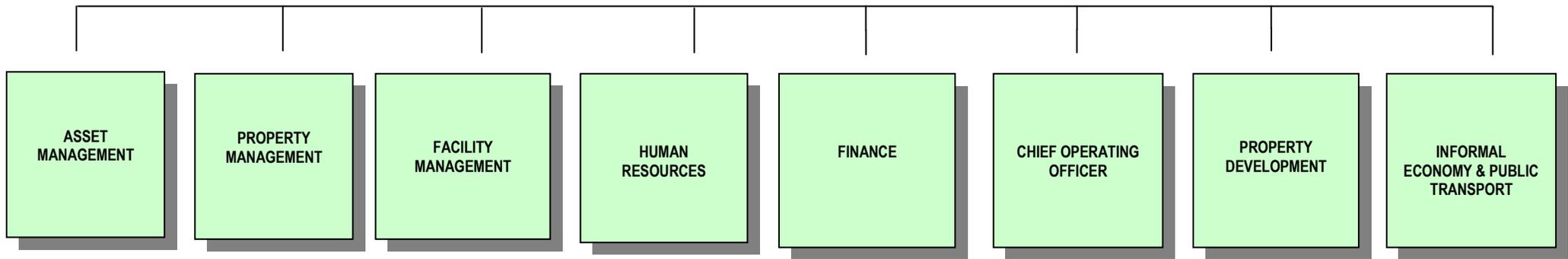
	2012/13 Budget R'000	2013/14 Budget R'000	Proposed 2014/15 Budget R'000	% increase	% Budget spend per Quarter			
					Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
Revenue	404 426	401 718	432 588	7.6	108 147	108 147	108 147	108 147
Expenditure	400 519	401 718	432 588	7.6	108 147	108 147	108 147	108 147
Surplus/deficit before taxation and capital transfers	0	126	0	0	0	0	0	0
Capital Expenditure#	24 000	94 680	155 380	64.1	38 845	38 845	38 845	38 845

16. MANAGEMENT AND ORGANISATIONAL STRUCTURES

With the review of the corporate strategy completed in the beginning of the 2013/ 2014 financial year, the process to review the organizational structure that will ensure the delivery of the new JPC 2040 Corporate Strategy is underway. JPC currently comprises (in the 20113/14 financial year) of three organizational structures that will be collapsed into one consolidated structure to drive the strategy. Detailed below is a rough indication of the JPC structure including FMMU and MTC. The final structure will be available on finalisation of the corporate strategy which is due in July 2014.

Organisational Structure





17. MONITORING AND EVALUATION

The monitoring of the implementation of the business scorecard with the emphasis on the delivery on the business scorecard will be done on a monthly basis and be reported to the shareholder on the quarterly basis.