

Registration number	:	2000/017147/07
Registered address	:	3 rd Floor Forum II Braam Park 33 Hoofd Street Braamfontein
Postal address	:	PO Box 31565 Braamfontein 2017
Telephone number	:	+27 010 219 9000
Fax number	:	+27 010 219 9400
Website	:	www.jhbproperty.co.za
Bankers	:	Standard Bank South Africa
Auditors	:	Auditor-General of South Africa
Acting Company Secretary	:	Gontse Dlamini (Acting)

VISION

Our vision is to provide Property Management, Property Development, Facilities Management, Property Asset Management and Outdoor Advertising services to maximise the social, economic and financial benefit to the City of Johannesburg (CoJ) as well as to support the delivery objectives on a cost-competitive basis

MISSION

JPC is an agent of the City of Johannesburg, responsible for maximising the social, economic and financial value of the CoJ's total property portfolio and enhancing the efficiency of its use. JPC provides Property Asset Management, Property Management, Facilities Management, Property Development and Outdoor Advertising services, as well as interacts with the public in respect of the property portfolio. JPC supports the achievement of the CoJ's strategic priorities, including economic and social development and the service delivery of the CoJ.

VALUES



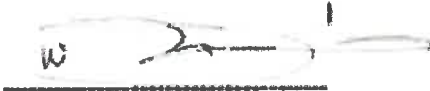

Company values are the ethical foundation of JPC and are therefore fundamental to JPC's success. Such values are not just important but crucial to the overall ascendancy of JPC. The values adopted by JPC are:

- Professionalism
- Accountability
- Responsibility
- Customer Service
- Trust

OFFICIAL SIGN OFF:

It is hereby certified that this Quarterly Report:

- was developed by the management of JPC SOC Ltd under the guidance of the Executive Management;
- Considers all the relevant policies, legislation and other mandates for which JPC SOC Ltd is responsible; and
- Accurately reflects the Performance that JPC SOC Ltd has achieved in the 4th Quarter 2020/2021 Financial Year.

<p>Mr Siphso Mzobe</p>  <p>Signature Acting Chief Financial Officer</p>	<p><u>29/07/21</u></p> <p>Date of approval</p>
<p>Mr Ruby Mathang</p>  <p>Signature Acting Chief Executive Officer</p>	<p><u>29/07/21</u></p> <p>Date of approval</p>
<p>Mr Mooketsi Rabodila</p>  <p>Signature Chairperson of Board</p>	<p><u>29/07/21</u></p> <p>Date of approval</p>
<p>Cllr. Thomas Mofokeng</p>  <p>Signature Member of the Mayoral Committee</p>	<p><u>06/09/2021</u></p> <p>Date of approval</p>


03/09/2021
 Lulama Ndlovu
 Executive Director ; Economic Development (Acting)

Acronyms

Acronyms And Abbreviations

Acronym/ abbreviation	Name/phrase	Acronym/ abbreviation	Name/phrase
AFS	Annual financial statements	IOC	Integrated Operations Centre
AG	Auditor-General	IPM	Institute of People Management
AGM	Annual General Meeting	ISPPIA	International Standards for the Professional Practice of Internal Auditing
AGSA	Auditor-General of South Africa	IT	Information Technology
IAC	Independent Audit Committee	ITIL	Information Technology Infrastructure Library
AIDS	Acquired Immune Deficiency Syndrome	JCCI	Johannesburg Chamber of Commerce and Industry
ARC	Audit and Risk Committee	JPC	City of Joburg Property Company SOC Ltd
B-BBEE	Broad-Based Black Economic Empowerment	KPI	Key Performance Indicator
BEE	Black Economic Empowerment	LIS	Land Information System
BSA	Business Software Alliance	LLF	Local Labour Forum
CAPEX	Capital Expenditure	MDG	Millennium Development Goal
CBO	Community-Based Organisation	ME	Municipal Entity
CCMA	Commission for Conciliation, Mediation and Arbitration	MFMA	Municipal Finance Management Act, 2003
COBIT	Control Objectives for Information and Related Technology	MMC	Member of the Mayoral Committee
CoJ	City of Johannesburg Metropolitan Municipality	MOE	Municipal Owned Entity
CSI	Corporate Social Investment	MOU	Memorandum Of Understanding
CSU	Client Servicing Unit	MSA	Municipal Systems Act, 2003
DED	Department of Economic Development	NED	Non-Executive Director
EAC	Executive Adjudication Committee	NGO	Non-Governmental Organisation
EAP	Employee Assistance Programme	OHASA	Occupational Health and Safety Act, 1993
EE	Employment Equity	OPEX	Operational Expenditure
EPWP	Expanded Public Works Programme	PIMS	Property Information Management system

Acronyms And Abbreviations

Acronym/ abbreviation	Name/phrase	Acronym/ abbreviation	Name/phrase
FMM	Facilities Management and Maintenance	POC	Proof of Concept
FRACC	Fraud and Corruption Committee	RDP	Reconstruction and Development Programme
GBCSA	Green Building Council of South Africa	REMCO	Remuneration and Human Resources Committee
GCSS	Group Corporate Shared Services	RFP	Request For Proposal
GDS 2040	Growth and Development Strategy 2040	SAPOA	South African Property Owners Association
GIS	Geographic Information System,	SCM	Supply Chain Management
GIAS	Group Internal Audit Services	SDA	Service Delivery Agreement
GRAP	Generally Recognised Accounting Practice	SDBIP	Service Delivery Budget Implementation Plan
GRI	Global Reporting Initiative	SDJOC	Service Delivery Joint Operations Committee
HIV	Human Immunodeficiency Virus	SDM	Service Delivery Model
IAS	International Accounting Standards	SHE	Safety, Health and Environment
ICT	Information and Communication Technology	SMMEs	Small, Medium and Micro-Enterprises
IDP	Integrated Development Plan	SOC	State-Owned Company
IFRS	International Financial Reporting Standards	UNGC	United Nations Global Compact
IIRC	International Integrated Reporting Council	WSP	Workplace Skills Plan
ILP	Individual Learning Plan	YTD	Year-To-Date
GLU	Government of Local Unity		

TABLE OF CONTENTS

CHAPTER ONE

<i>Section 1: Chairperson's Foreward</i>	9
<i>Section 2: Acting Chief Executive Officer's Overview</i>	12
<i>Section 3: Acting Chief Financial Officer's Foreward</i>	16
<i>Section 4: Overall Company Performance</i>	21
<i>Section 5: Corporate Profile and Overview of the Entity</i>	32

CHAPTER TWO

<i>Chapter 2: Governance</i>	36
<i>Section 1: Corporate Governance Statement</i>	37
<i>Section 2: Board Committees</i>	39
<i>Section 3: Entity Remuneration Policy</i>	41
<i>Section 4: High Level Structure</i>	43
<i>Section 5: Risk Management</i>	44
<i>Section 6: Company Secretarial Function</i>	47
<i>Section 7: Internal Audit Function</i>	47
<i>Section 8: Sustainability Report</i>	47
<i>Section 9: Anti – corruption and Fraud</i>	47
<i>Section 10: IT Governance</i>	48
<i>Section 11: Compliance with laws and regulations</i>	48

CHAPTER THREE

<i>Chapter 3: Service Delivery & Performance</i>	49
<i>Section 1.1: Asset Management</i>	50
<i>Section 1.2: Property Management Unit</i>	54
<i>Section 1.3: Informal Trading</i>	59
<i>Section 1.4: Property Program Management Unit</i>	62
<i>Section 1.5: Corporate Real Estate & Facilities Management</i>	78
<i>Section 1.6: Outdoor Advertising</i>	80
<i>Section 1.7: Inner City Property Development Projects</i>	82
<i>Section 1.8: Communications and Marketing</i>	84
<i>Section 1.9: Information Technology Unit (IT)</i>	87
<i>Section 1.10: Client Relations Management</i>	90

TABLE OF CONTENTS

CHAPTER FOUR

<i>Chapter 4: Human Resources & Organisational Management</i>	93
<i>Section 1: Human Resource and Organisational Management</i>	94
<i>Section 2: Employee Remuneration and Cost Including Executives</i>	97
<i>Section 3: Key Vacancies</i>	98
<i>Section 4: Employment Equity</i>	100
<i>Section 5: Skills Development</i>	102
<i>Section 6: UNION PREPRESENTATION</i>	104
<i>Section 7: DISCIPLINARY MATTERS & OUTCOMES</i>	104
<i>Section 8: Leave and Productivity Management</i>	105
<i>Section 9: Employee Wellness</i>	106
<i>Section 10: Employee Benefits</i>	107

CHAPTER FIVE

<i>Chapter 5: Financial Performance</i>	109
<i>Section 1: Statement of Financial Position</i>	110
<i>Section 2: Statement of Financial Performance</i>	112
<i>Section 3: Cash Flow Statement</i>	114
<i>Section 4: Capital Projects & Expenditure</i>	120
<i>Section 5: Ratios Analysis</i>	121
<i>Section 7: Fruitless and Wasteful Expenditure</i>	124
<i>Section 8: Pending Litigations and Possible Liabilities</i>	125
<i>Section 9: Insurance Claims against / to JPC</i>	125
<i>Section 10: Statement on Amount Owed By & To Government Departments and Public Entities</i>	125

CHAPTER SIX

<i>Chapter 6: Internal & External Audit Outcome</i>	126
<i>Section 1: Results of Internal Audit</i>	127
<i>Section 2: Progress on Resolution of Internal Audit Findings</i>	127
<i>Section 3: Progress on Resolution of External Findings</i>	127
<i>Section 4: State of the Internal Controls</i>	129

Section 1: Chairperson's Foreward



As we end the financial year 2020/21, it should be acknowledged that this financial year was an unprecedented turbulent year characterised by the drive to mitigate economic social challenges while navigating the new era (new normal) brought about by the impact of Covid-19 pandemic. There is no doubt that navigating the new era also presents a number of concomitant factors that not only affect JPC but also its shareholder COJ.

These concomitant factors ranges from megatrends such as:

- Economic downturn: Low economic growth and impact of Covid_19
- The Technological revolution: 4IR disruption
- Persistent Inequality: economic, spatial and social
- Costs and inefficiencies arising from Spatial fragmentation
- Decline in revenue and resources scarcity
- South African property sector is in protracted recession phase and is likely to experience downsizing, consolidations and postponement/halting of developments largely driven by the prevailing economic conditions.

This kind of operating environment has pushed JPC to strive for innovation while implementing measures to improve its financial position. The strategic focus theme in the period under review was:

- **JPC 's Recovery, building resilience and preparedness post Covid-19;**
- **Reconstructing and Rebuilding JPC**

In the period under review and past quarters, JPC's organisational and financial performance has been at its lowest level. Contributing factors among others include the revenue shortfall, and intercompany-debt and organisational dynamics occurring within JPC i.e. dysfunctionality, infighting and leadership instability. Similarly the underperformance in revenue collection included declining collection of payments made by tenants in or on property owned by COJ, including: rent, payments for utilities, rates, rental of outdoor advertising space and rental of cell mast space.

As the Board, we believe that the focus on reconstructing and rebuilding JPC will entail a process over time that strengthens internal controls, good corporate

governance, and financial position and unifies employees to drive a common line of sight.

It is against this backdrop of existing organisational dynamics that the Board acknowledges that JPC has experienced a downward spiral with regard to its organisational and financial performance. The Board in collaboration with Management is working on turnaround strategy that will steer JPC through the turbulent times and bring much required stability and innovation. The reality is that the tangible outcomes of the turnaround strategy will only be seen, felt and heard in the coming financial years.

Financial Performance:

JPC has incurred a loss amounting to R57 790 957 attributed to low income generation from third parties. JPC has a current ratio of 0.85.1 as compared to the norm of 1.1. The ratio has declined from June 2020 financial year end as the financial performance of the company has lagged behind the business and budgeted objective for the current financial year. The entity is deemed factually insolvent as the assets are insufficient to cover all liabilities. Board in consultation with management has reflected on revenue streams that could be pursued in 2022 financial year to improve the revenue generation of the entity.

The organisational dynamics such as dysfunctionality, instability has led to situation where JPC's overall Capex Spend equates to 2% of the allocated Capex budget of R147.9million.

Given that we are in the final quarter, JPC will be expected to accelerate project delivery to meet the commitment that organisation made to the client departments and communities in the coming financial year.

Strategic Focus:

It is against this organisational and financial performance backdrop that the Board will continue to focus reconstructing and rebuilding JPC in an effort to turnaround the current landscape and improve the entity's financial position. The other Key strategic focus areas will include:

- Financial remodelling and a pointed revenue focus;
- Improving effectiveness and efficiencies of our core business processes – and improving customer service;
- Building a high performance culture;
- Deliberate Transformation in respect of Property and Outdoor Advertising industry;
- Participation in the review of Outdoor Advertising by laws and drive revenue collection initiatives;
- Inner City Rejuvenation Programme – Projects Methodology post COVID-19 Impact;
- Implementation of a clear programme to build and maintain staff morale.

I am pleased to present the 4th Quarter Report, and I take this opportunity to firstly thank MMC Lawrence Khoza for this sterling leadership and guidance in making this Board effective.

I express my gratitude to my fellow Board Members and the Executive Team under the guidance of the Acting CEO Mr. Ruby Mathang and staff for their professionalism and hard work and focus on the tasks on hand.

I am confident as we enter the first quarter of the financial year 2021/2022 that major strides will be made in all the major areas of strategic importance.



Mr. Moeketsi Rabodila
Chairperson of the Board

Section 2: Acting Chief Executive Officer's Overview



As we end the 2020/2021 Financial year, we close the year on a sombre note having not attained performed as well as would have hoped to. We are however hopeful for the future having made significant strides in addressing our shortcomings and responding to the ever changing economic conditions. To this end, we present JPC's fourth quarter report emphasizing the performance, achievements and challenges against the predetermined objectives, which include the flagship property programs, and an improved cash flow position while taking note of the various challenges that have impacted the JPC.

This fourth and final quarterly report demonstrates JPC's performance impact in respect of flagship programs and the many challenges faced by the Company. It however also demonstrates that JPC is turning the corner with regards to addressing the many challenges facing the organization in achieving financial sustainability and we are beginning to show signs of improvements which is evident in us achieving 40% of our Key performance indicators. These green chutes initiatives must be nurtured to return JPC to being a high performance organization.

FINANCIAL PERFORMANCE

We have achieved a drastic improvement with regards to the net cash flow position where JPC's overdraft facility has declined significantly by over R300 million, leading led to a reduction in JPC's interest costs.

JPC has managed to spend only 2% of its allocated CAPEX, due to a combination of reasons which include internal challenges as well as various operational disruptions as a result of the pandemic. JPC intends to streamline its processes to ensure that its capex expenditure is committed and implemented in the first two quarters of the 2021/2022 financial year. The reduction of intercompany debt from the R626 million reported at the end of the previous financial year to R520 million confirms that historic and current debt is being addressed and settled by the City's

Departments and Entities. JPC's commitment to resolving these matters are now having the desired results.

The reduction of intercompany debt from the R626 million reported at the end of the previous financial year to R520 million confirms that historic and current debt is being addressed and settled by the City's Departments and Entities. JPC's commitment to resolving these matters are now having the desired results. JPC has received R222 million for the YTD from related party debtors.

ACHIEVEMENTS AGAINST PREDETERMINED OBJECTIVES

The year under review proved challenging as business operations were disrupted due to the nature of the business of JPC which saw the construction and property industry negatively impacted due the economic decline brought about by the pandemic.

Internal challenges such as negative media coverage and low staff morale has also contributed to the decline in performance which has now been addressed by management and is resulting in increased productivity which is expected to improve going into the new financial year.

Our areas of strategic focus has however remained unchanged as 40% of the companies 21 key performance indicators have been achieved during the period under review. These KPI's will be subject to audit by the Auditor General.

THE ACHIEVEMENTS FOR THE PERIOD UNDER REVIEW INCLUDE:

- Year to date Investment Spend within COJ boundaries based on construction value on the ground amounts to R302 682 033.20.
- Reduction of intercompany debt from the R626 million to R520 million
- The entity received an unqualified audit report with findings.
- JPC has implemented Training & Development Initiatives to Address Competency Gaps and as result 777 employees trained.
- Seventy seven (77) properties to the value of R1 862 100.00 relate to a transfer of residential homes to beneficiaries as part of the City's service delivery objectives while one hundred and twenty six (126) properties, which vest in Ekurhuleni were transferred to City of Ekurhuleni.

- The BEE spend of 100% on all goods and services acquired by both JPC and Portfolio is an indication of JPC's commitment to transformation.
- The Commission earned on Outdoor advertising is 13.7% above the budget i.e. Actual equates R 8 975454 against a budget of R7 893 000.

COVID 19 RESPONSE:

South Africa's economy has been in a cyclical downturn since Covid-19 pandemic and this economic slowdown continues to affect the property sector. Downward economic cycles present simultaneous factors that indirectly affect property and construction sector ranging from continued prudence from investors who are uncertain about future demand trends, downsizing, postponement or halting of developments, which influences the demand for commercial space. Given the unfolding changes shaped by the 4IR disruptions i.e. technological innovations, overabundance of under-utilised commercial space etc., JPC is reviewing its business model and operations to identify areas of opportunity and be suitably positioned to respond to dynamic operating environment. The entity is considering ways of adding value through:

- Customised leases;
- Providing support to Environmental, Social and Corporate Governance (ESG); and
- Expedite adaptive reuse and re- purposing of buildings.

To this end, all the necessary precautions as indicated in the regulations have been complied with. JPC has remained functional during all levels of lockdown as steps were proactively taken to ensure all essential staff remain productive while safely working from their homes with essential staff reporting to the office on rotational basis. Furthermore, the Company has ensured that all staff members are provided with PPE equipment and that the entire office is deep cleaned whenever a positive case is reported in the office.

WAY FORWARD

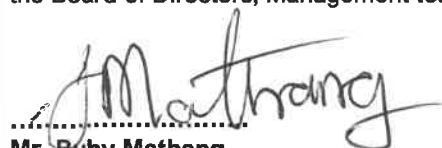
We will continue to improve on the JPC's profitability through a continued focus on outdoor advertising, where we have noticed a new trend pointing toward increased demand for Cell masts as the demand for connectivity increases due to

the new normal of working remotely. In addition we have also see an increase in digital marketing and will invest resources to identify ways to enter this market. We will continue with our focus on commercial leases, property development projects and our financial sustainability plan whilst we seek to navigate through the uncharted terrain of trying to achieve financial sustainability in the midst of a pandemic and ever changing economic conditions.

Having recently completed a two day workshop focusing on key deliverables for the 2021/2022 financial year with senior management, the company is committed to turning the corner with regards to performance. The aspirations and actions set in motion this year with regard to JPC Flagship programs and ensuring our workforce remains healthy and psychologically fit will influence how we confront the coming financial year and the challenges it will have.

In conclusion, I am confident with the progress we have made thus far. JPC will realize its strategic mandate and together we can usher in a new era that is more just, resilient, transformative and inclusive of all.

We can only achieve our ambition through the ongoing collaborative efforts with the Board of Directors, Management team and JPC employees.



.....
Mr. Ruby Mathang
Acting Chief Executive Officer

Section 3: Acting Chief Financial Officer's Foreward



The 2021 financial year has been a challenging year for JPC and the organisational performance is reflected in the financial performance of the entity. Interim executive management was appointed from Q3 to stabilise the organisation and salvage the financial year, however, there was insufficient time left in the financial year to achieve anything significant and emphasis has been placed on turning the corner in the 2022 financial year.

For the YTD JPC has incurred a loss of R57 790 957. The loss is attributable to low revenue generation from third parties. The increase in the subsidy, during the midterm review, has stemmed the losses in the last quarter and reduced the over-expenditure on employee costs. JPC is expected to come closer to breakeven as revenue for the recoveries of cleaning services is agreed upon and accounted for with the COJ. Currently only cleaning services recovery for quarter one has been accounted for.

The cash position of the entity currently reflects as positive R128 000 000, this is due to the recovery of outstanding intercompany and related party debtors throughout the financial year. Comparatively, the improvement in the cash position is in excess of R300 000 000 however, the improvement is undermined by the outflow of cash to settle accruals and operational expenditure during the financial year. Further to this related party loans exceeding R500 000 000 for salary costs are still to be paid to the COJ's Group Finance and Corporate Shared Services from 2020. Payment of these related party loans will drastically change the cash position of JPC.

JPC has a current ratio of 0.85:1 as compared to the norm of 1:1, the ratio has declined from the June 2020 financial year end as the financial performance of the company has lagged behind business and budgeted objectives for the current financial year.

The solvency ratio of JPC is 0.91:1 against the norm of 2:1 and is factually insolvent, whereby the financial statements indicate that there are insufficient assets to cover all liabilities. The decline in solvency is attributable to the losses

JPC has incurred for the 2021 financial year. Management has reflected on how revenue streams can be achieved in the 2022 financial year to improve the revenue generation of the entity. JPC remains commercially solvent due to its banking facilities that are available to the entity through the COJ's Group Treasury.

Currently 2% of the overall Capex budget of R147 943 724 has been spent for the YTD. The instability in senior management resulted in significant delays in tender processes for projects that had budget. At the beginning of quarter 4, JPC confirmed with Group Finance that there would be no rolling over of funds, which resulted in projects, which resulted in halting of projects that had not started.

AGSA and National Treasury classified the Afrirent fleet contract as irregular in the previous financial years. The COJ has extended this contract for a further 12 months in order to finalise the new contract. JPC incurred R6 316 798 for fleet services for the YTD. However, the billing from Afrirent, the fleet service provider, is often delayed and the fleet expenditure is expected to increase once accruals are concluded for the AFS. Fleet services are an essential requirement for the operations of JPC and could not be discontinued under the existing contract that was entered into by the COJ.

There is a pending irregular expenditure emanating from the appointment of forensic investigators from the COJ legal panel. In August 2020, the then City Manager issued a memo indicating that the appointment of the investigator should be suspended, pending the review of the procedural correctness of the appointment. Yet the board insisted on this investigator, as their investigator to continue. JPC paid R252 100 in November 2020, without any information relating to the procurement process, and more invoices are still expected.

JPC continued to incur fruitless and wasteful expenditure relating to the empty office accommodation in Forum 2 and currently vacant spaces in Forum 1, which will be occupied by Metrobus and Metro Trading Company in new financial year. JPC has incurred R12 447 171 for the financial year in relation to office accommodation expenditure for floor space that has not been occupied.

A number of individuals were suspended for a period in excess of the prescribed maximum of three months, on full pay, as per JPC Disciplinary policy and Local Government Regulations for Senior Management. This resulted in an additional fruitless and wasteful expenditure of R2 063 170, which is accumulating.

In the quarter under review, the Special Investigation Unit (SIU) finalised an investigation report on the procurement of deep cleaning and sanitisation services. The SIU findings against the accounting officer includes the following:

- Allowed Senior Manager to negotiate rates with service providers,
- Allowed demand management to process the award to service providers knowing very well that there is no SCM compliance,
- Allowed demand management to process the award to the service providers without presenting the recommendation of the deviation to the Board of JPC for consideration,
- Allowed the creation of Purchase Orders to the service providers to the service providers without following SCM Compliance,
- Ignored the Disaster Management Act 57 of 2002 and Section 27(2) of the amended Regulation to the Act,
- Ignored the JPC SCM Policy and National Treasury instructions on competitive bidding and accepted inflated prices quoted by the service providers which caused the department to incur fruitless and wasteful expenditure of R18 321 620.

The SIU did not refer these findings for any further investigation or action by National Prosecution Authority or HAWKS. The Acting Chief Executive Officer is busy dealing the SIU report.

JPC has been negatively affected by media coverage since the leaking of the Group Internal Audit Services (GIAS) report on Covid-19, which had a number of errors, notably the rates per square meter, which was indicated as varying from R26 to R401. JPC clarified the issue of overpricing with GIAS by pointing at the error the team made in their recalculation. JPC only negotiated two rates namely R26 per square meter for sanitising and R50 per square meter for deep

cleaning. Instead of clearing the finding, GIAS obtained quotation from service providers for sanitisation of offices in September 2020 and ignored JPC's submission. JPC consulted National Treasury relating to the issue of comparing March 2020 prices and September 2020 prices. National Treasury response was clear and indicated *that if the municipal entity paid in excess of market price at the time (March 2020), then the amount that exceeds the market price may be seen as fruitless and wasteful expenditure.* The exercise of determining the market price at the time has not been undertaken and might prove to be a challenge. Thus, it is unclear whether or not the entity paid in excess of the market price at the time. As a result, it cannot be concluded that the R18 million spent on deep cleaning and sanitisation constituted wasteful and fruitless expenditure.

The Auditor General of South Africa issued a Third Special Report on the Financial Management of Government's Covid-19 Initiatives on 30 June 2021. The procurement done by JPC were included among the items tested by AGSA during their audit of the City of Johannesburg Metro. The report indicated the audit covered the R3.7 billion expensed by municipalities from March 2020 to December 2020. It is important to note that JPC did not have any finding that was included in this report. JPC was only featured in best practices observed section.

The BEE spend is an indication of JPC's commitment to transformation and currently resides at 100% of all goods and services acquired by both JPC and Portfolio.

Going forward into the new financial year, emphasis will be placed on significantly improving the financial position of the entity. The following initiatives will be undertaken;

- Finalisation of Service Level Agreement (SLA) with Departments for Cleaning Services that JPC provides. Around R70 000 000 for the last nine months yet to be invoiced for recovery of cleaning services.
- Execution of repairs and maintenance for other City departments and entities, unlocking the 10% commission.

- Finalising the SLA with Transport Department relating to management of JITA
- Expiry of the Forum 2 lease and end of fruitless and wasteful expenditure
- Renewal of leases and collection of billed revenue. JPC only earns commission on collections and not billing.
- Increasing facilitation fees by conclusion of previously lapsed tenders and new ones.
- Hundred percent spending on capex as have been the norm in the previous cycles.
- Finalise the depending disciplinary processes

The annual financial statements are currently being prepared and upon completion and submission, on 31 August 2021. The net deficit position will change as we finalise the outstanding issues and capturing all accruals.



.....
Siphon Mzobe CA (SA)
Acting Chief Financial Officer

Section 4: Overall Company Performance

This section of the report will then focus on the organisational performance in respect of corporate scorecard.

OVERVIEW OF THE ENTITY

In the period under review the entity, the entity has recorded the following:

- ✓ The entity achieved 8 (40%) of its 20 due KPIs in the period under review.
- ✓ The entity recorded a liquidity ratio of **0.85:1** and a solvency ratio of **00.91:1** against the City's benchmarks of **1:1** and **2:1** respectively. The liquidity ratio has declined from the June 2020 financial year-end as the financial performance of the company has lagged behind business and budgeted objectives for the current financial year. The decline in solvency ratio is attributable to the losses JPC has incurred for the 2021 financial year. Management has identified possible revenue streams that can be achieved in the coming financial year to improve the revenue generation of the entity.

Highlights	Lowlights
<ul style="list-style-type: none"> ✓ Year to date Investment Spend within COJ boundaries based on construction value on the ground amounts to R302 682 033.20 ✓ JPC has implemented Training & Development Initiatives To Address Competency Gaps and as result 777 employees trained ✓ Seventy seven (77) properties to the value of R1 862 100.00 relate to a transfer of residential homes to beneficiaries as part of the City's service delivery objectives while one hundred and twenty six (126) properties, which vest in Ekurhuleni were transferred to City of Ekurhuleni. ✓ Approval was granted by the EAC for the management of sanitary lanes in all 	<ul style="list-style-type: none"> ✓ The entity has not spend any CAPEX allocated to them for three consecutive quarters, Q1, Q2 and Q3. YTD expenditure at end of Q4 is only R3 036 931 (2%) against an overall Capex budget of R147.9m. there was insufficient time left in the financial year to achieve anything significant and emphasis has been placed on turning the corner in the 2022 financial year. At the beginning of quarter 4, JPC confirmed with Group Finance that there would be no rolling over of funds, which resulted in projects, which resulted in halting of projects that had not started ✓ For the YTD JPC has incurred a loss of R57 790 957. The loss is attributable to low revenue generation from third parties ✓ The 12 KPIs not met for the quarter are as follows: <ul style="list-style-type: none"> • Investment Attraction within COJ boundaries • SMME's supported through property transactions • Leasing of shops and stalls located at various public transport facilities and traders markets owned by the City

the affected regions and during the quarter under review, 25 agreements were finalised with the adjacent property owners.

- Development / refurbishment public convenience
- Release of properties for social and economic leases including servitudes and sales
- Number of Inner City Properties approved in Council for release to the private sector.
- Rapid and efficiency in filling of funded vacancy positions identified as strategic
- Income generated through property transactions
- Implementation of Outdoor Advertising masterplan
- Streamlining of disciplinary processes
- Spend of allocated capex
- Resolution of auditor general & internal audit findings

The JPC scorecard for the Period 1st April 2021 to 30th June 2021 reflects that the entity achieved 40% (8 of 20 targets due), and 60 % (12 of 20) of its targets not achieved.


KPI	JPC Overall Performance			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Achieved	7	6	10	8
Not Achieved	11	12	10	12
KPI at Risk	2	2	4	-
KPI not yet due	2	2	-	-

	Target Exceeded		Target not achieved
	Target Achieved		Not yet due

PRIORITY: ECONOMIC DEVELOPMENT

1.1. UNLOCKING INVESTMENTS THROUGH PROPERTY TRANSACTIONS & DEVELOPMENTS

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		YTD	
Target	R625	million	R625	million	R625	million	R625	million	R2.5	billion
	attraction		attraction		attraction		attraction		attraction	
Actual	R1 860 000 000		Nil		R3 500 000.00		Nil		R1 863 500 000	
	attraction				attraction				attraction	

-  **Target not achieved:** The target for this KPI was not achieved because only two property transactions were concluded and agreements signed. Furthermore, this KPI has been impacted by the downward economic cycles, which present a number of concomitant factors that indirectly affect real estate activity; ranging from continued reticence from investors uncertain about future demand trends thus affects the construction/ property industry i.e. the demand for commercial space.

1.2. INVESTMENT ATTRACTION / BUSINESS FACILITATED WITHIN COJ BOUNDARIES BASED ON CONSTRUCTION VALUE ON THE GROUND

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		YTD	
Target	R62.5	million investment spend on projects	R62.5	million investment spend on projects	R62.5	million investment spend on projects	R62.5	million investment spend on projects	R250	million investment spend on projects
Actual	R100 726 671.25	investment spend on projects	R148 506 576.00	investment spend on projects	R53 448 785.95	investment spend on projects	R0.00	investment spend on projects	R302 682 033.20	investment spend on projects



Target Exceeded: The year to date actual surpassed the annual target

2. JOB OPPORTUNITY AND CREATION

2.1. Job opportunities created

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		YTD	
Target	250	Job Opportunities Created	250	Job Opportunities Created	250	Job Opportunities Created	250	Job Opportunities Created	1 000	Job Opportunities Created
Actual	392	Job opportunities created	147	Job opportunities created	438	Job opportunities created	593	Job opportunities created	1570	Job opportunities created



Target Exceeded: The year to date actual surpassed the annual target

2.2. SMME'S SUPPORTED THROUGH PROPERTY TRANSACTIONS

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		YTD	
Target	250	SMME's Supported	250	SMME's Supported	250	SMME's Supported	250	SMME's Supported	1000	SMME's Supported
Actual	45	SMME's Supported	78	SMME's Supported	236	SMME's Supported	266	SMME'S Supported	625	SMME's Supported



Target Not Achieved: due to the entity, not spending on the allocated Capex budget for the three consecutive quarters caused organisational issues related in unprecedented turbulence and instability within organisation. There was insufficient time left in the financial year to achieve anything significant and emphasis has been placed on turning the corner in the 2022 financial year. At the beginning of quarter 4, JPC confirmed with Group Finance that there would be no rolling over of funds, which resulted in projects, which resulted in halting of projects that had not started.

2.3. Payment of valid invoices within 30 days of invoice receipt date

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	100% of valid invoices paid within 30 days of invoice receipt date	100% of valid invoices paid within 30 days of invoice receipt date	100% of valid invoices paid within 30 days of invoice receipt date	100% of valid invoices paid within 30 days of invoice receipt date	100% of valid invoices paid within 30 days of invoice receipt date
Actual	100% of valid invoices paid within 30 days of invoice receipt date	100% of valid invoices paid within 30 days of invoice receipt date	100% of valid invoices paid within 30 days of invoice receipt date	100% of valid invoices paid within 30 days of invoice receipt date	100% of valid invoices paid within 30 days of invoice receipt date



Target Achieved: Invoices paid within 30 days of invoice receipt date.

3. PRIORITY: ECONOMIC DEVELOPMENT

3.1 ASSET MANAGEMENT PLANS FORMULATED

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	50 asset management plans concluded	50 asset management plans concluded	50 asset management plans concluded	50 asset management plans concluded	200 asset management plans concluded
Actual	50 asset management plans concluded	50 asset management plans concluded	75 asset management plans concluded	75 asset management plans concluded	250 asset management plans concluded



Target Achieved

3.2. NUMBER OF PROPERTIES ACQUIRED ON BEHALF OF THE CITY DEPARTMENTS AND ENTITIES


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	Acquisition of 5 properties	Acquisition of 5 properties	Acquisition of 5 properties	Acquisition of 5 properties	20 Properties acquired
Actual	Acquisition of 31 properties	Acquisition of 4 properties	Acquisition of 3 properties	Nil	Acquisition of 38 properties



Target Exceeded: The year to date actual surpassed the annual target as result of the properties acquired for service delivery requirements for COJ departments such as community development and housing.


3.3. Leasing of shops and stalls located at various public transport facilities and traders markets owned by the City

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	482 leases of shops and stalls concluded	482 leases of shops and stalls concluded	483 leases of shops and stalls concluded	483 leases of shops and stalls concluded	1930 leases of shops and stalls concluded
Actual	0 leases of shops and stalls concluded	36 leases of shops and stalls concluded	0 leases of shops and stalls concluded	0 leases of shops and stalls concluded	36 leases of shops and stalls concluded

 **Target Not Achieved:** In 2020/2021 financial year, JPC experienced unprecedented turbulence, governance issues, acts of violence, staff intimidation, negative media reporting emanating from Informal Trading facilities which saw Resistance and refusal from Traders to be verified and enter into leases. All the current challenges are being addressed and this target is on course to be achieved in the 2021/2022 financial year.


3.4. DEVELOPMENT / REFURBISHMENT PUBLIC CONVENIENCES

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	63 public conveniences completed	63 public conveniences completed	63 public conveniences completed	61 public conveniences completed	250 public conveniences
Actual	0 public conveniences completed	0 public conveniences completed	0 public conveniences completed	0 public conveniences completed	0 public conveniences completed

 **Target not achieved:** Due to budget, reallocation caused by no expenditure on Capex Budget and unprecedented turbulence, governance issues that affected organisational performance. In addition due to the pandemic most of the PCs were closed during lockdown periods and as a result could not be renovated. For the 2021/2022 financial year, budget has been correctly allocated and the set target is set to be met.


3.5 RELEASE OF 120 PROPERTIES FOR SOCIAL AND ECONOMIC LEASES INCLUDING SERVITUDES AND SALES

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	30 properties Leased	30 properties leased	30 properties leased	30 properties Leased	120 properties leased
Actual	3 properties released	0 properties released	13 properties released	25 properties released	41 properties released

 **Target Not Achieved:** SCM challenges as well as work disruptions that arose as a result of COVID-19 pandemic plus turbulence experienced within the entity thus hindered our ability to achieve this target. Remedial plans have been developed to address these challenges and achieve the set target in the new financial year.

3.6. NUMBER OF INNER CITY PROPERTIES APPROVED IN COUNCIL FOR RELEASE TO THE PRIVATE SECTOR

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	Nil	Nil	10 Inner City properties awarded	10 Inner City properties awarded	20 Inner City properties awarded
Actual	Nil	Nil	0 Inner City properties awarded	0 Inner City properties awarded	0 Inner City properties awarded

 **Target not achieved:** Hijacking of privately owned buildings in the Inner City (Johannesburg CBD and surrounding areas) is a continuous major challenge that we face as the City of Johannesburg, on our engagements with CoJ GFIS department investigation unit and CoJ City Power department on illegal connection for privately owned building, it resulted in having more additional bad building on the existing list. The number has increased from 187 to approximately 408 privately owned bad building which required the Inner City department to conduct more site inspections and request Rates and Taxes from Revenue department. Covid-19 pandemic has caused considerable delays and challenges in meeting our initial schedule dates

4. PRIORITY: SUSTAINABLE SERVICE DELIVERY

4.1. IMPLEMENT TRAINING & DEVELOPMENT INITIATIVES TO ADDRESS COMPETENCY GAPS

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	135	135	135	135	540 employees trained
Actual	32 employees trained	26 employees trained	686 employees trained	23 employees trained	777 employees trained



Target Exceeded: The year to date actual surpassed the annual target

4.2. RAPID & EFFICIENCY IN FILLING OF FUNDED VACANCY POSITIONS IDENTIFIED AS STRATEGIC

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	90% of all strategic vacancies filled within 90 days	90% of all strategic vacancies filled within 90 days	90% of all strategic vacancies filled within 90 days	90% of all strategic vacancies filled within 90 days	90% of all strategic vacancies filled within 90 days
Actual	0% of all strategic vacancies filled within 90 days	0% of all strategic vacancies filled within 90 days	0% of all strategic vacancies filled within 90 days	0% of all strategic vacancies filled within 90 days	0% of all strategic vacancies filled within 90 days



Target Not Achieved: due to budgetary constraints

4.3. STREAMLINING OF DISCIPLINARY PROCESSES

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	100% Disciplinary cases to be concluded within 90 working days	100% Disciplinary cases to be concluded within 90 working days	100% Disciplinary cases to be concluded within 90 working days	100% Disciplinary cases to be concluded within 90 working days	100% Disciplinary cases to be concluded within 90 working days
Actual	0% Disciplinary cases to be concluded within 90 working days	0% Disciplinary cases to be concluded within 90 working days	0% Disciplinary cases to be concluded within 90 working days	0% Disciplinary cases to be concluded within 90 working days	0% Disciplinary cases to be concluded within 90 working days



Target not achieved: due to the postponements of one disciplinary hearing following a request for formal investigation report.

4.4. OCCUPATIONAL SAFETY OF JPC EMPLOYEES

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	0	0	0	0	0
Actual	0 fatalities	0 fatalities	0 fatalities	0 fatalities	0 fatalities



Target Achieved

5. PRIORITY: ECONOMIC DEVELOPMENT

5.1. INCOME GENERATED THROUGH PROPERTY TRANSACTIONS

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	R50m income raised from leases and servitudes sales	R25m income raised from leases and servitudes sale	R25m income raised from leases and servitudes sales	R50 m income raised from leases and servitudes sales	R150m income raised from leases and servitudes sales
Actual	R22 326 942.00 income raised from leases and servitudes sales	R27 624 782.18 income raised from leases and servitudes sales	R19 225 633.34 income raised from leases and servitudes sales	R25 758 093.07 income raised from leases and servitudes sales	R94 935 460.69 income raised from leases and servitudes sales



Target not achieved: Due to revenue, shortfall caused prevailing economic conditions and delays in the renewal of leases and continued reticence from investors/tenants uncertain about future demand trends.

5.2. IMPLEMENTATION OF THE OUTDOOR ADVERTISING MASTERPLAN

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	5% implementation of the outdoor advertising masterplan	5% implementation of the outdoor advertising masterplan	10% implementation of the outdoor advertising masterplan	15% implementation of the outdoor advertising masterplan	35% implementation of the outdoor advertising masterplan
Actual	0% implementation of the outdoor advertising masterplan	0% implementation of the outdoor advertising masterplan	15% implementation of the outdoor advertising masterplan	10% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan




Target not achieved: JPC achieved 10% implementation of the masterplan in this quarter under review. The annual accumulative achieved to date is therefore 25% against a target of 35% that was set for the 2020/21 Financial Year. One of the biggest setbacks regarding this

programme is that it has its biggest dependency on the City as the regulator of outdoor advertising. Despite various engagements with the City, very little progress has been made to finalise the much-awaited report regarding the transitional period. In this regard therefore JPC is unable to finalise contracting with any parties to be able to collect revenue from existing signs that hence revenue continue to decline to the detriment of the City. As part of its turnaround plan for the financial year under review and beyond, JPC planned to prepare certain compliant sites that have lapsed in order to obtain Council's approval to lease the sites including undertaking by laws processes to ensure that each site is properly authorized before any competitive process is undertaken.

5.3. SPEND OF ALLOCATED CAPEX

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	20% spend on allocated Capex	30% spend on allocated Capex	35% spend on allocated Capex	15% spend on allocated Capex	100% spend on allocated Capex
Actual	1% spend on Capex projects	0% spend on Capex projects	0% spend on Capex projects	1% spend on Capex projects	2% spend on Capex projects

 **Target Not Achieved:** The JPC has not spend any CAPEX allocated to them for three consecutive quarters, Q1, Q2 and Q3. YTD expenditure at end of Q4 is only R3 036 931 (2%) against an overall Capex budget of R147.9m. there was insufficient time left in the financial year to achieve anything significant and emphasis has been placed on turning the corner in the 2022 financial year. At the beginning of quarter 4, JPC confirmed with Group Finance that there would be no rolling over of funds, which resulted in projects, which resulted in halting of projects that had not started

5.4. AUDIT OPINION


	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	Unqualified Audit outcome	Unqualified Audit outcome	Unqualified Audit outcome	Unqualified Audit outcome	Unqualified Audit Report
Actual	Not Applicable	Deferred to Third quarter due to covid-19 implications	Unqualified Audit Report	Not Applicable	Unqualified Audit Report



Target Achieved:

5.5. RESOLUTION OF AUDITOR GENERAL & INTERNAL AUDIT FINDINGS

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	100% resolution of findings within four months after a report issued	100% resolution of findings within four months after a report issued	100% resolution of findings within four months after a report issued	100% resolution of findings within four months after a report issued	100% resolution of findings within four months after a report issued
Actual	92 % resolution of External audit findings.	92 % resolution of External audit findings.	Nil	59% resolution of External audit finding	59% resolution of External audit finding.

 **Target not achieved:** due to internal audits that are still to be finalised as result of being rolled over from the previous year. Quarter 1 & 2 relate to the 18/19 AGSA audit finding which were resolved. Quarter 4 relate to 19/20 AGSA finding. AGSA issued a management report with seventeen audit findings, seven are matters affecting the audit report and ten are other important matters. Only seven matters still not yet resolved.

In this reporting cycle, the report reflects amendments effected through the financial year as result of the internal audit reconciliation of the reported results against the evidence provided.

Section 5: Corporate Profile and Overview of the Entity

The City of Joburg Property Company SC Ltd (JPC) was, in the year 2000, established as a private company and is wholly owned by the City of Johannesburg (COJ). The company converted into a State-owned Company after the implementation of the Companies Act of South Africa, 2008 (Act No. 71 of 2008). Consequently, JPC must comply with the legislative framework and reporting requirements applicable to any company in South Africa. This includes, but is not limited to, the Companies Act. As an independent municipal entity, the company is also subject to the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

The entity has 1688 employees based at the head office and depots who execute the strategy of the organisation. JPC derives its mandate from a signed service delivery agreement with its sole shareholder, the COJ. The core functions of JPC are as follows:

1. Asset Management

It aims to implement sound asset management practices, including access to new assets, sustainably and affordably. Articulated as

follows are the objectives:

- Land strategy development – To ensure that the City delivers specific research for the portfolio-; it conducts strategic planning, policy and strategic development, reviews, valuations, property life cycle modelling and monitoring.
- Operational and financial performance – To assure that performance measurement and client reporting is aligned to the City’s targets, this unit focuses on monitoring and evaluating the optimisation of portfolio composition, the maintenance of the property asset register, income and expenditure growth.
- Business development – This consists of the analysis and land preparation by town planners and urban designers to develop business cases.

2. Property Development

It aims at maximising the return on City-owned land. In this regard, the objectives for public land development are as a trifecta of returns understood as follows:



- Delivering on City objectives – These are priorities identified in the Service Delivery Budget Implementation Plan (SDBIP).
- Transforming the property industry – This is done by empowering emerging developers and contractors and providing training and guidance on development for enterprises.
- Creating high-yielding property assets with a sustainable income stream – A large portion of City's assets are vacant land with inherent low asset value and associated low returns.

A base of long-term recurring income is thus, created by facilitating the development of well-located properties with high potential.

3. Facilities Management

This is a quintessential business function, affecting not only revenue and costs but also production, the work environment, health and safety. The focus of the approach is on assessing business trends, focusing on cost reduction and increasing shareholder value, the integration of facility resource information into corporate business data, an emphasis on speed of delivery, new ways of working enabled by mobile technology, new sustainability initiatives and targets and concerns about security.

4. Property Management

This function involves maximising the efficiency of the COJ's portfolio of properties, including leasing the premises, collecting rental fees, overseeing building maintenance, paying service providers, managing tenant relationships, running the accounts and providing reports.

5. Outdoor Advertising

This function includes managing and concluding outdoor advertising and cell mast leases. The department is responsible for managing various forms of "out-of-home" advertising, comprising approximately 720 billboards, 3 800 on-premises signs, 30 000 different types of street furniture, street pole advertising and 130 cellular mast sites and antennae erected on COJ land and/or assets.

Section 6: Strategic Objectives

JPC's corporate strategy is aligned to the Growth and Development Strategy (GDS) 2040, the Integrated Development Plan (IDP), and the Mayoral Priorities. JPC recognises and emphasises its role as an economic and social property company to achieve positive developmental outcomes.

The strategic priorities of the City are:

STRATEGIC PRIORITIES

1. Good governance
2. Financial sustainability
3. Integrated human settlements
4. Sustainable service delivery
5. Job opportunity and creation
6. Safer city
7. Active and engage citizenry
8. Economic development
9. Sustainable development
10. Smart City
11. Minimizing the impact of COVID (and future pandemics)
12. Eradicating Gender Based Violence against children

STRATEGIC PROGRAMMES

1. Accelerated and visible service delivery and reintroduce co-production in the delivery of basic services
2. Improve and strengthen financial position.
3. Impact the housing market including the integration, development and maintenance hostels and flats.
4. A safer City by reintroducing ward-based policing (Joburg 10+) and effective by-law enforcement.
5. Job opportunities and creation.
6. Development of support of SMME.
7. Community Based Planning and enhanced community engagement, including Mayoral izimbizo.
8. Manage displaced communities and homelessness.
9. Combat drug and substance abuse.
10. Combat corruption, fraud and maladministration.
11. Combat illegal land invasion and promote regulated land use.
12. Formalisation of informal settlements and accelerated rapid land release.

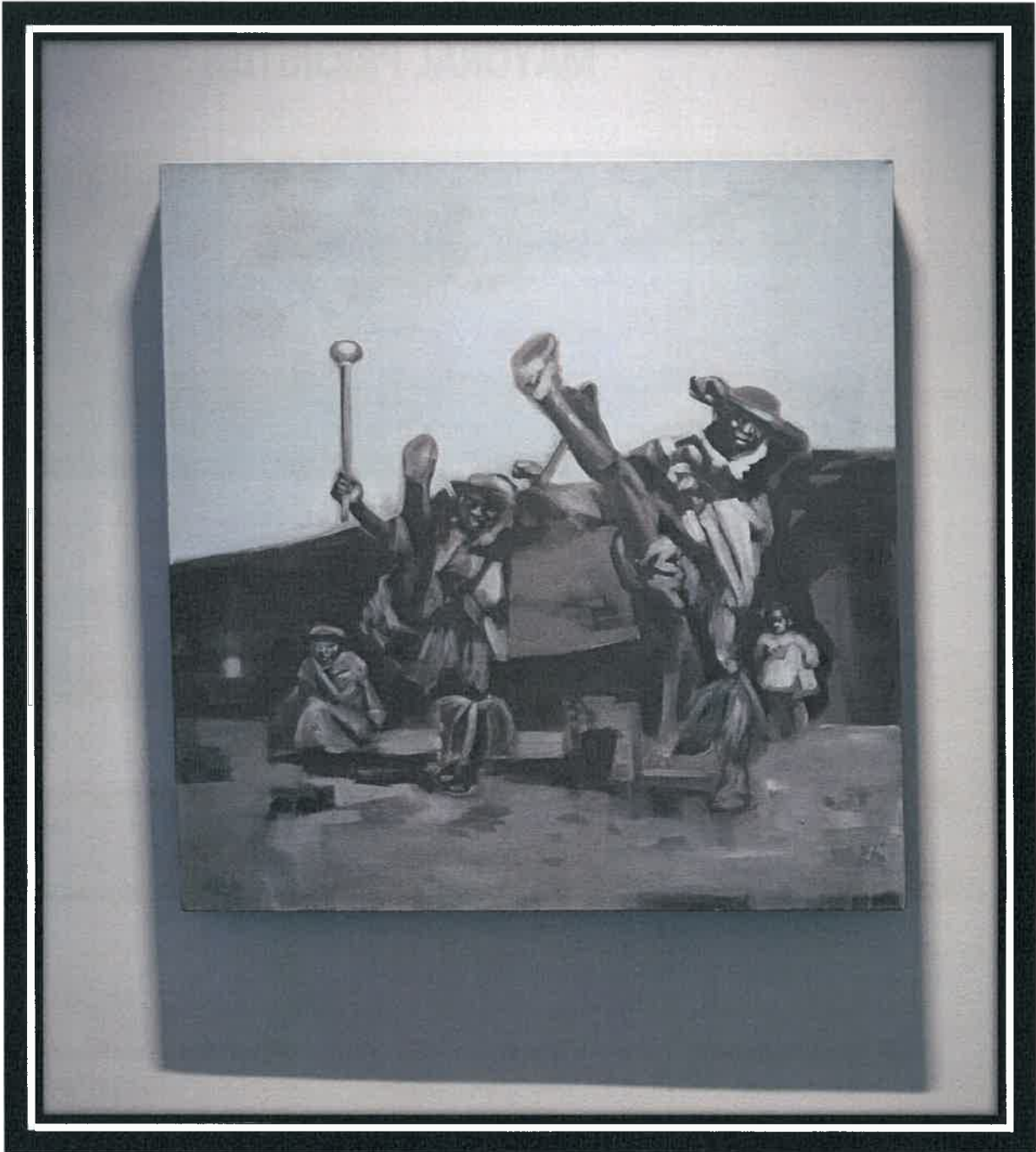
To better coordinate priority programme implementation and manage interdependencies, the City implements a cluster system with four clusters, namely Human and Social Development, Economic Growth, Sustainable Services, and Governance. JPC is part of the Economic Growth Cluster and focusses on the following priorities:

MAYORAL PRIORITIES



JPC's is in alignment with the mayoral priorities and has the following long-term strategic objectives:

- Maximise social, economic and financial benefits to COJ
- Maximise the efficiency of the COJ property portfolio through transactions such as sale, leasing and acquisition;
- Enable socio-economic and spatial transformation;
- Create high-yielding property assets with sustainable income stream; and
- Enhance an aesthetic pleasing environment of the City's highways, embankments, street furniture through Outdoor Advertising while enhancing revenue.



Chapter 2: Governance

Section 1: Corporate Governance Statement

Governing Principles

JPC's decision-making and administration complies with the MFMA, MSA, and the Companies Act. JPC has also voluntarily elected to follow King IV Report on Corporate Governance for South Africa, 2016 as it relates to best practices that pertain to corporate governance.

Board Composition & Diversity

The Board composition complies with the Memorandum of Incorporation MOI. The Board of Directors comprises Mr. Moeketsi Rabodila (Chairperson), Ms. Seipati Moichela, Ms. Tryphina Mopai, Mr. Xola Lingani, Mr. Jake Letsapa, Mr. Slingsby Mda, Ms. Dina Maja, Mr. Solomon Mngomezulu, Ms. Pinkie Numa, Ms. Kululwa Muthwa, Ms. Mapule Mngomezulu, Ms. H Botes (Chief Executive Officer and Executive Director), and Mr. I Bhamjee (Chief Financial Officer and Executive Director). Due to pending suspensions of CEO and CFO, Mr R. Mathang and Mr S.Mzobe are interim Board members in their acting capacity.

It is with sadness that we announce the loss of a Board member, Mr Thabo Thulare, who passed on 29 May 2021 due to Covid 19 complications. The Board, management and staff of JPC will sadly miss Mr Thulare

JPC regards diversity on the Board of Directors as a significant part of sustainable operations, and a success factor that allows the company to reach its strategic goals. Diversity is part of a functional Board of Directors, which is able to work together and respond to the requirements set by the

company's businesses and strategic goals, and to challenge the company's management in a proactive and constructive manner.

Appointment of Board Members is in terms of the Governance Policy. When selecting board members the shareholder has ensured that the Board of Directors wholly supports the development of JPC's current and future business operations.

Diversity on the Board of Directors is assessed from different points of view. For the composition JPC's Board of Directors, key factors are competence, with each board member supplementing one another, skills and experience in different business fields, management and operations in different development phases, as well as the personal characteristics of each member and lastly gender.

All the directors bring to the Board a wide range of expertise, as well as significant financial, commercial and technical experience and, in the case of the non-executive directors, independent perspectives and judgement. The tenure of the Board members is a year and appointments happen during the AGM. The independence of non-executive directors is periodically assessed by the COJ Group Governance Department prior to appointment or reappointment during the AGM.

The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence. No external advisers attended the meetings during the period under review.

Role of the Board

The Board retained full control over the Company and remains accountable to the COJ, the sole shareholder, and its stakeholders, the citizens of Johannesburg. A service delivery agreement (SDA) concluded in accordance with the provisions of the MSA governs the entity's relationship with the COJ. The Board provides quarterly, biannual and annual reports on its performance and service delivery to the COJ, as stipulated by the SDA, the MFMA and the MSA.

The Board sets the direction of the JPC through the establishment of strategic objectives and key policies. It monitored the implementation of strategies and policies through a structured approach to reporting, based on agreed performance criteria and defined written delegations to Management for the detailed planning and implementation of such objectives and policies.

Members of the Board have unlimited access to the Company Secretary, who acts as an advisor to the Board and its Committees on matters including compliance with Company rules and procedures, statutory regulations and best corporate practices. Directors are also entitled to seek independent professional advice concerning the affairs of JPC at the Company's expense, should they believe that such a course of action would be in the best interest of JPC. For the year under review, the Board did not make use of professional corporate governance services. The Board of directors have adopted the Board charter, which encapsulates the COJ Group Policy on Shareholder Governance Protocol.

The Board is responsible for monitoring the activities of executive Management in JPC and for ensuring that decisions on material matters are considered. The Board approves all the terms of reference for its different subcommittees, including special Committees tasked to deal with specific issues.

While the executive directors are involved with the day-to-day Management of JPC, the non-executive directors are not, and nor are they employees of the JPC. The executive directors have a responsibility to become acquainted with all of their duties, as well as with the issues about the operations and business of the JPC. The Board operates in a field that is technically complex, and the directors are continually exposed to information which enables them to fulfil their duties.

The Board of directors has incorporated COJ's corporate governance protocol into its charter, which regulates its relationship with the COJ as its sole member and parent municipality in the interest of good corporate governance and good ethics. The protocol is premised on the principles of the King Code. The charter sets out the composition and powers of the Board.

The Board has delegated certain functions to the following well-structured Committees:

- Audit and Risk Committee (ARC),
- Transaction and Service Delivery, and
- Remuneration and Human Resource Committee (REMCO), Transformation, Social and Ethics Committee (SEC).

Section 2: Board Committees

Reference	JPC BOARD	AUDIT AND RISK COMMITTEE	SEC, TRANSFORMATION & REMCO	TRANSACTIONS & SERVICE DELIVERY
Chairman	Moeketsi Rabodila	Slingsby Mda	Seipathi Moichela	Xola Lingani
Member	Seipati Moichela	Dina Maja	Tryphina Mopai	Jake Letsapa
Member	Mapule Mngomezulu	Bigboy Kekana	Pinkie Numa	Kuliwa Muthwa
Member	Tryphina Mopai	Patrick Makepe	Mapule Mngomezulu	Solomon Mngomezulu
Member	Xola Lingani	Nosipho Makhanya	Kuliwa Muthwa	Dina Maja
Member	Jake Letsapa			
Member	Slingsby Mda			
Member	Dina Maja			
Member	Solomon Mngomezulu			
Member	Pinkie Numa			
Member	Kuliwa Muthwa			
Member	Ruby Mathang			
Member	Sipho Mzobe			
Member	Gavin Mthupi			
Acting Cosoc	Gontse Dlamini	Gontse Dlamini	Gontse Dlamini	Gontse Dlamini
Invitee	Brenda Jacobs	Sipho Mzobe	Sipho Mzobe	Brenda Jacobs
Invitee	Ruby Mathang	Ruby Mathang	Ruby Mathang	Ruby Mathang
Invitee	Sipho Mzobe	Fanis Sardianos	Pat Telela	Sipho Mzobe
Invitee	Tshepo Mokataka	Tshepo Mokataka	Fanis Sardianos	Fanis Sardianos
Invitee	Sipho Mbethe	Pat Telela	Mukundi Maphangwa	Mukundi Maphangwa
Invitee	Fanis Sardianos	Mukundi Maphangwa		Pat Telela

Invitee	Mukundi Maphangwa
2021 BOARD AND COMMITTEE MEETINGS FOR PERIOD ENDING 30 June 2021	
Meeting	21-Apr-2021 (Special) 15-Apr-2021 29-Apr-2021 28-Apr-2021
Meeting	26-Apr-2021 (Special) 27-May-2021 (Special)
Meeting	04-May-2021
	13-May 2021 (Special)

Section 3: Entity Remuneration Policy

Entity Remuneration Policy

The Directors of the Board are appropriately rewarded for their valuable contribution to the Company. In line with King IV, the Remuneration Committee (the role played by Shareholder Unit within the City of Johannesburg Group Governance Department) governs the remuneration and recommends an amount to be paid to the Board.

As required by the Companies Act and other applicable municipal laws, directors' emoluments are approved by the Shareholder. Non-Executive Directors' emoluments is comprised mainly of the attendance fee and NEDs are not entitled to any retainers in terms of the Governance Policy.

DIRECTORS AND PRESCRIBED OFFICERS REMUNERATION

YTD DIRECTORS PAYMENTS: 30 TH JUNE 2021			
NAME OF DIRECTOR	MEETINGS ATTENDED YTD	OTHER MEETINGS YTD	EMOLUMENTS
MR M RABODILA	7	-	R36 521.73
MR C RAMPHERI	5	4	R79 046.51
MS K SITHEBE	9	1	R64 347.81
MR S MASEMOLA	9	1	R66 086.95
MS Y ERASMUS	9	1	R52 173.90
MR V WARD	9	-	R57 391.29
MISS A RAMAKOABA	6	-	R15 652.17
MR T HARPER	7	1	R66 086.94
Totals			R437 307.30

INDEPENDENT AUDIT & RISK COMMITTEE MEMBERS

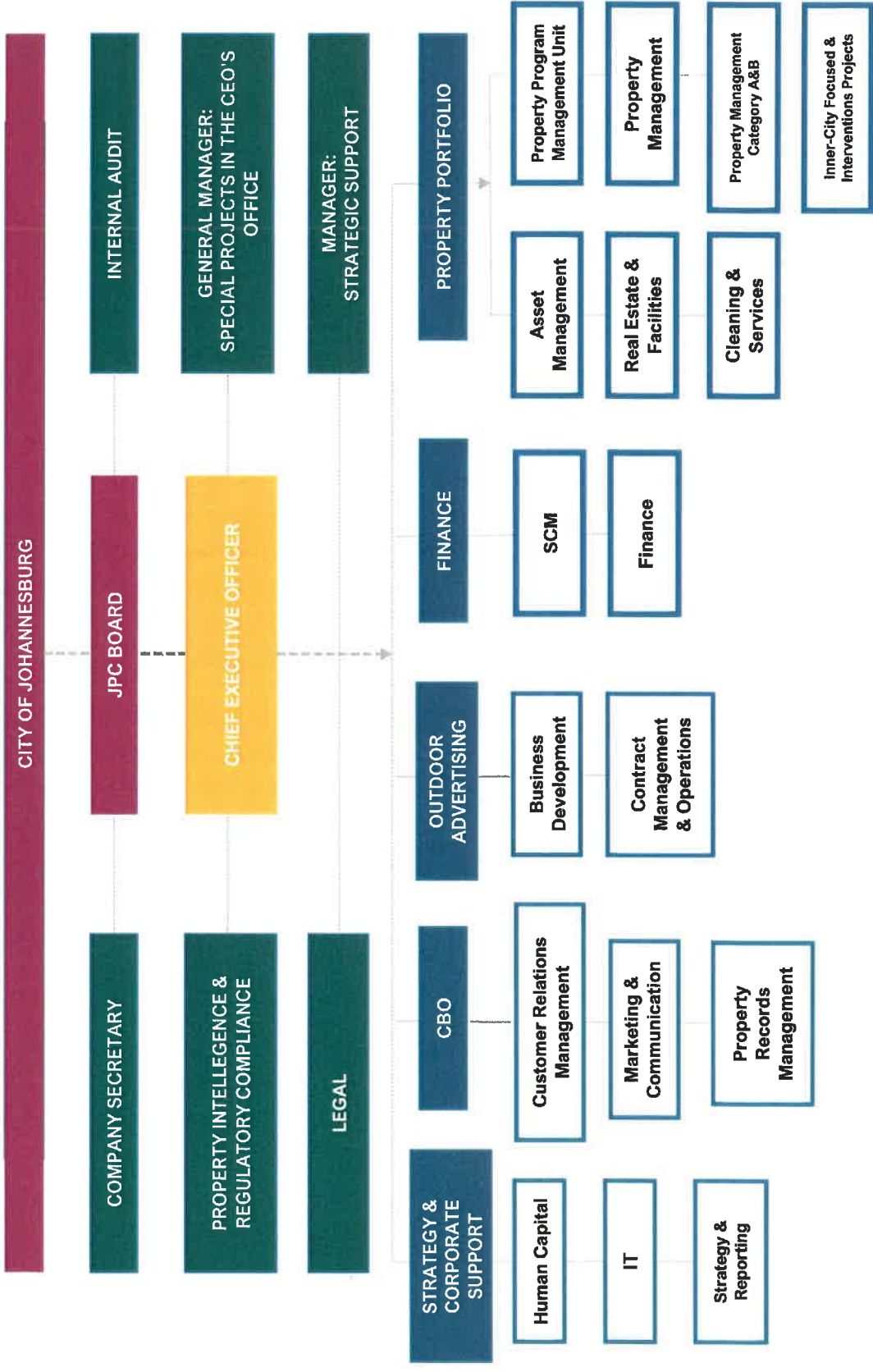
YTD DIRECTORS PAYMENTS AS AT 30 TH JUNE 2021		
NAME OF INDEPENDENT AUDIT COMMITTEE MEMBER	MEETINGS ATTENDED YTD	EMOLUMENTS
MR B KEKANA	2	R5 217.39
MS R KALIDAS	1	-
MR L MAKAPE (INDEPENDENT)	1	-
Totals		R5 217.39

The table below summarises the Executive Management remuneration for the fourth quarter of 2020/2021.

YTD EXECUTIVE SALARIES AS AT 30th June 2021

Name	BASIC SALARY	TRAVEL ALLOWANCE	LEAVE PAY	PERFORMANCE BONUS / 13TH CHEQUE	GRATUITIES	COMPANY CONTRI.	TOTAL
Botes HM	R2 025 000.00	R187 499.97				R23 088.51	R2 235 588.48
Mzobe SG	R1 100 559.15	90 000.00				R252 318.60	R1 442 877.75
Mokataka T	R1 187 601.75	R-				R255 509.37	R1 443 111.12
Mbethe ES	R1 307 068.65	R67 666.50	R 56 489.76			R245 982.33	R1 677 207.24
Sardianos F	R1 487 748.78	R				R327 659.58	R1 815 408.36
Bhamjee I	R1 435 550.22	R72 000.00				R307 713.15	R1 815 263.37
Tshabalala S	R1 099 312.47	R90 000.00				R253 618.83	R1 442 931.30
Totals	R9 642 841.02	R507 166.47	R 56 489.76	R	R	R1 665 890.37	R11 872 387.62

Section 4: High Level Structure



Section 5: Risk Management

Section 95 (c) (i) of the Local Government: Municipal Finance Management Act, No.56 of 2003 requires that a municipal entity has and maintains an effective, efficient and transparent risk management system. The extension of general responsibilities in terms of Section 78 of the Local Government: Municipal Finance Management Act, No.56 of 2003 to all senior managers and other officials of municipal entity implies that responsibility for risk management vests at all levels of management and that it is not limited to only the accounting officer and internal audit.

Oversight over the governance and management of risk at JPC is carried out by the Audit and Risk Committee (ARC), which is a sub-committee of the Board.

The risk assessment of JPC for the financial year 2019/20 was concluded in September 2020. A Management risk assessment workshop for the 2020/21 financial year was conducted on 25 November 2020. The results of the assessment will be presented to the Audit and Risk Committee and the Board for approval.

During the second quarter of the 2020/21 year, a number of risk management activities were executed. The risk management framework and policy has been updated to ensure that is aligned to the most recent City of Joburg Risk

Management Framework and is in the process to be presented to the Audit and Risk Committee for approval.

Operational risks were also identified by the functional departments in order to ensure that mitigating actions are implemented by the various departments, with the goal of improving the profile of the Strategic Risks.

OUR APPROACH TO RISK MANAGEMENT

JPC has adopted the City of Johannesburg Risk Management Framework, which states that strategic risks will be formally monitored and reviewed by risk owners on a quarterly basis. The purpose of the risk review is to:

- Consider whether the risks set out in the Register are still appropriate and linked to the strategic objectives of the entity:
 - Assess whether the controls in place are still adequate and effective;
 - Consider whether any further action(s) is/are necessary to help mitigate the risk;
 - Consider whether any emerging risk(s) should be added to the register; and
 - Monitor the implementation of the action plans.

The Audit and Risk Committee and the Board have reviewed this against our current appetite. The assessment reveals the increased level of risk the business will be taking and the balance between those risks. This process takes into account the below known risks but there may be additional risks unknown to the organisation and other risks, currently believed to be immaterial, which could develop into material risks. These are shown in the summarised version of the Strategic Risk Register in table below.

STRATEGIC RISK REGISTER

No	Strategic goal	Risk name	Inherent rating	Residual rating
1	Enhance our financial sustainability	Perceived to be trading insolvency and inability to generate revenue	Very high	Medium
2	Create a culture of enhanced service delivery with pride	Occupation of buildings that are not OHASA compliant	Very high	High
3	Ensure pro-poor development that addresses inequality and poverty and provide meaningful redress.	Erosion of the City-owned land and property asset base	Very high	Medium
4	Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021	Inadequate maintenance of property	Very high	High
5	Create a culture of enhanced service delivery with pride	Financial viability of cleaner insourcing and prevalent unhygienic conditions prevailing at buildings - non-compliance to OHASA Regulations - In ability to provide efficient management of the Function	Very high	High
6	Create an honest and transparent City that fights corruption	Fraud and corruption	Very high	Medium
7	Enhance our financial sustainability	Inadequate Contract Management	Very high	High
8	Create an honest and transparent City that fights corruption	inadequate of security control	Very high	High
9	Create a City that responds to the needs of the Citizens, customers, stakeholders and business	Covid 19 related negative impact	Very high	High
10	Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021	Inadequate ICT delivery	Very high	Medium

No	Strategic goal	Risk name	Inherent rating	Residual rating
11	Create an honest and transparent City that fights corruption	Non-compliance with legislation, policies and procedures	High	Low
12	Create a culture of enhanced service delivery with pride	Organisational infrastructure not aligned to the strategic objectives	High	Medium
13	Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021	Inability to attract investment	High	Medium
14	Create an honest and transparent City that fights corruption	High vacancy rates	High	Medium
15	Create a City that responds to the needs of the Citizens, customers, stakeholders and business	Inadequate internal and external stakeholder management and brand reputation	Medium	Low
16	Create an honest and transparent City that fights corruption	Document Storage and Security	Very High	Very High

Section 6: Company Secretarial Function

The Company Secretary is responsible for developing systems and processes to enable the Board and sub-committees to perform its functions efficiently and effectively. The Company Secretary is also responsible for all statutory returns with the Companies and Intellectual Property Commission (CIPC), The Company Secretary advises the Board on corporate governance issues, the requirements of the Companies Act and other relevant regulation and legislation.

In addition, providing guidance to the Executive on all governance matters and provides guidance with respect to the efficacy of Board resolutions. This function acts as a link between Board and Management as well as the Board and Shareholders. Detailed activities of the Company Secretarial unit during the period under review are provided in the beginning sections of this Chapter.

Section 7: Internal Audit Function

JPC's Internal Audit department has a specific mandate from the ARC to independently appraise the adequacy and effectiveness of the company's systems, financial internal controls and accounting records. The findings are reported to management, the ARC and the Auditor General. The General Manager appointed performs the audit function has direct access to the chair of the ARC and reports functionally to the ARC and administratively to Chief Executive Officer.

The internal audit coverage plan is based on the high-risk areas of the organisation as identified in the strategic risk register and operational risk registers. The coverage plan is updated annually, based on the risk assessment and results of the audit work performed. Detailed activities of the Internal Audit unit during the period under review are provided in Chapter 6.

Section 8: Sustainability Report

The company is currently exploring various eco and environmentally friendly initiatives including energy savings, space optimization, etc. Some of these initiatives are at the conceptual stage or under investigation.

Section 9: Anti – corruption and Fraud

The Anti-Fraud and Corruption Policy was approved and communicated to the entire staff in the organisation. The Policy includes procedures on reporting fraud and how to access the tip-off hotline. JPC subscribes to and is compliant with the Prevention and Combating of Corrupt Activities Act and related legislation. The JPC Management takes a zero tolerance approach to fraud and corruption. This is set out in the JPC Anti-Fraud and Corruption Policy.

JPC has a Fraud and Corruption Committee (FRACC) in line with the policy comprising of six members. The committee is responsible for facilitating investigations into allegations of fraud and corruption reported to JPC through JPC's fraud hotline email

(fraudhotline@jhbproperty.co.za) or the COJ Group Fraud Hotline. The following facilities are utilised for the reporting of allegations: telephone - 0800 002 587, message - 32840 (charged at R1.50).

JPC is still engaged in number of legacy matters reported in the previous fiscal year and awaiting conclusion by GFIS department. A prudent approach is pursued in all matters at hand.

Section 10: IT Governance

In terms of governance, the department is audited internally at least annually by Internal Audit. The department's governance is included in the AGSA audit of the entity annually.

Internally governance oversight is provided by EXCO with the operational accountability of governance matters residing with the Senior Manager of the department. The IT department governance framework is the ITIL (Information Systems Infrastructure Library) framework, which is a subset of the Control Objectives for Information and Related Technologies (COBIT) framework and is widely used in governments internationally.

Section 11: Compliance with laws and regulations

The board is responsible for ensuring that the Johannesburg Property Company complies with applicable laws, regulations, guidelines and standards in accordance with its identified compliance universe. The company has a Compliance Risk Framework, which guides the

process of managing compliance risks. This compliance risk process is as prescribed by the Compliance Institute of South Africa (CISA) and includes identification, measurement, management and monitoring.

JPC had completed the City s' Corporate governance compliance checklist which informs the City s' Compliance Register. JPC has 100% compliance in respect of corporate governance checklist.

The city requested City of Johannesburg's core departments and Owned entities to identify all the regulatory requirements that are applicable to their business units/entities. The process was finalised and completed during the fourth quarter. The compliance risk management plans will be developed and placed in the compliance manual for monitoring of implementation by management in order to achieve compliance.

The Protection of Personal Information Act (POPIA) has taken effect on the 01 July 2021, the purpose of the Act is to protect personal information, to strike a balance between the right to privacy and the need for the free flow of and access to information and to regulate how information is organised, stored, secured and discarded. This ensures that the organisation can maintain the integrity and confidentiality of its clients and employees personal information by preventing loss, damage and unauthorised access to the personal data.



Chapter 3: Service Delivery & Performance

Section 1: Overall Company Performance

Section 1.1: Asset Management

PORTFOLIO PROFILE

The portfolio of the City has a total value of R9, 208 billion and it comprises of 28 336 properties for the 4th quarter period ending 30 June 2021. The table below illustrates the high-level summary, which outlines the number of properties and value for each region.

Region	No. of Properties	Value %	Historical Book Value
Region A	1 712	8%	R757 935 548.28
Region B	3 927	17%	R1 600 705 675.10
Region C	2 349	12%	R1 117 590 161.38
Region D	6 126	10%	R875 034 875.40
Region E	4 528	19%	R1 727 039 068.18
Region F	4 862	16%	R1 519 264 910.97
Region G	4 468	13%	R1 165 281 144.12
Outside COJ	364	5%	R445 335 356.01
Grand Total	28 336	100%	R9 208 186 739.44

Table 1: High Level Portfolio Summary

Region D has the highest number of Council properties at 6 126, followed by Region F, which reflects 4 862 properties, Region E showing 4 528 properties, then by Region G at 4 468 properties, while Region B reflects 3 927 properties. Region C is the second lowest with 2 349 properties followed by Region A, which has the least number of properties at 1 712. A graphical outline of the summary portfolio of properties is outlined below.

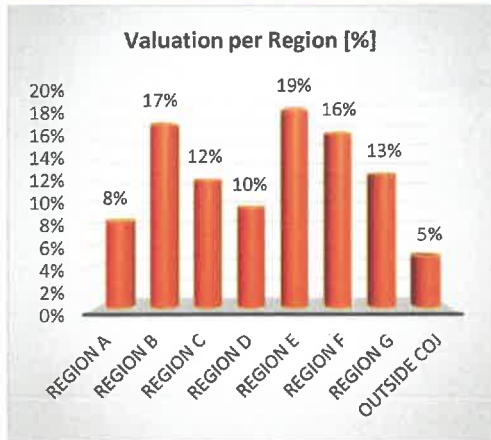


Figure 1: Summary per Region - % Value

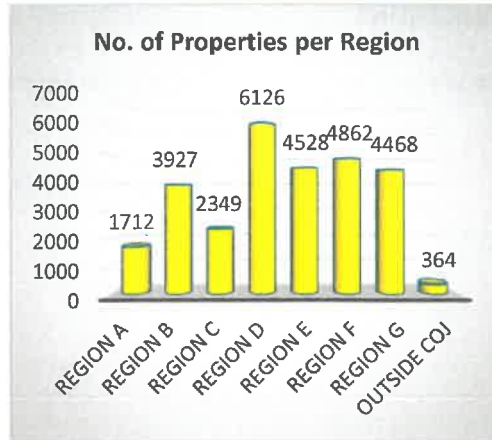


Figure 2: Summary per Region - Quantity

Region B and Region E represent the highest value expressed as a percentage of the total value of City owned properties at 17% and 19% respectively, totalling 36% of the value of the entire portfolio. Region F is the third highest in value at 16%, followed by Region G at 13%, Region C at 12%, Region D at 10%, while Region A is the least at 8%, which is due to a large number of residential holdings as well as farm portions held which are inherently lower in valuation.

ASSET REGISTER MOVEMENTS

The following tables illustrate the movements and updates of the Asset Register in relation to the property transfers that occurred in during the 4th quarter period of the 2020/2021 financial year.

MONTHLY MOVEMENTS BY QUANTITY

Movement Category	Apr-21	May-21	Jun-21	Total
Acquisitions	0	0	0	0
Disposals	-43	-126	-34	-203
Net Movement	-43	-126	-34	-203

Table 2: Movement Summary in Quantity

MONTHLY MOVEMENTS BY VALUE

Movement Category	Apr-21	May-21	Jun-21	Total
Acquisitions	R0.00	R0.00	R0.00	R0.00
Disposals	R-564 400.00	R-1 297 700.00	R-102 546 090.00	R-104 408 190.00
Total	R-564 400.00	R-1 297 700.00	R-102 546 090.00	R-104 408 190.00

Table 3: Movement Summary in Value

ACQUISITIONS

There were no acquisition recorded in the current reporting period.

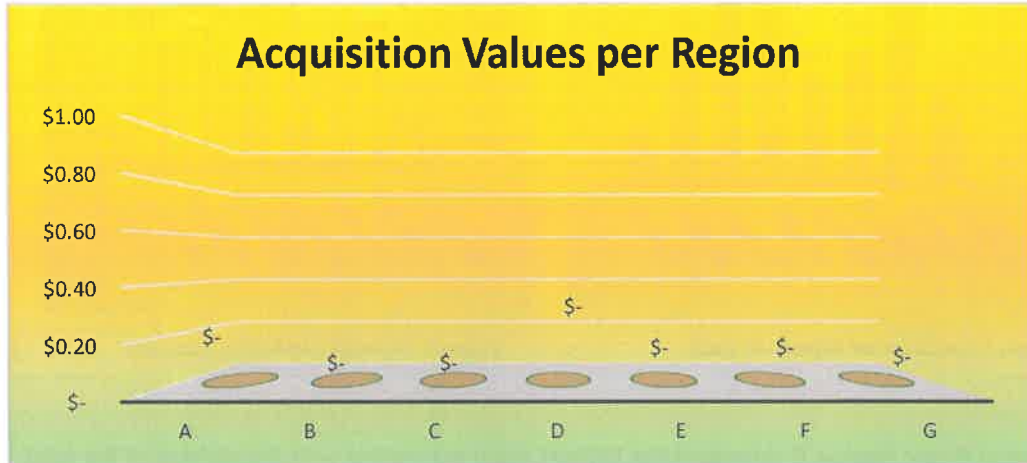


Figure 3: Acquisition Value per Region - Rand Value

DISPOSALS

Two hundred and three (203) properties to the value of R104 408 190.00 were disposed of in the reporting period. These properties are situated in Regions A, D, E, F, G and outside COJ boundaries. The regional representation of the movements is outlined on the graph below.

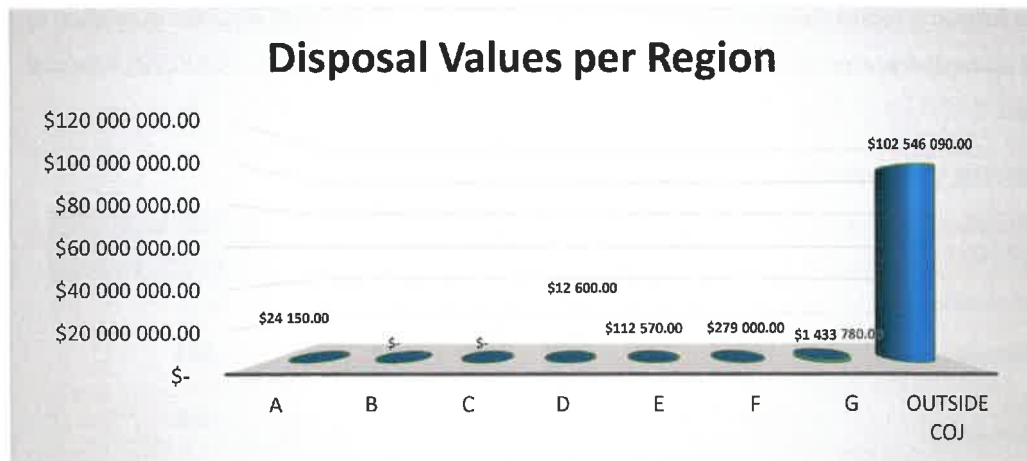


Figure 4: Disposal Value per Region - Rand Value

Seventy seven (77) properties to the value of R1 862 100.00 relate to a transfer of residential homes to beneficiaries as part of the City's service delivery objectives while one hundred and twenty six (126) properties, which vest in Ekurhuleni were transferred to City of Ekurhuleni.

HOUSING CONVERSIONS

Seventy-seven (77) residential properties reported herewith were transferred to beneficiaries during the reporting period in fulfilment of the City's housing mandate as prescribed by the Housing Act. All of these properties are full title properties. These properties are situated in Regions A, B, D, E and G.

EKURHULENI PROPERTIES

One hundred and twenty-six (126) properties were transferred to City of Ekurhuleni. These properties vest in Ekurhuleni, as they are situation within their municipal boundaries.

NET MOVEMENTS

This section provides an indication of the impact of the movements on the value of the Asset Register. The reporting period shows a negative net movement of R104 408 190.00, which translates to a decrease of 1.13% of the entire portfolio as outlined on the table below.

NET ASSET REGISTER MOVEMENT IN VALUE			
Month	Opening Balance	Movement	Closing Balance
Apr-21	R9 312 594 929.44	R-564 400.00	R9 312 030 529.44
May-21	R9 312 030 529.44	R-1 297 700.00	R9 310 732 829.44
Jun-21	R9 310 732 829.44	R-102 546 090.00	R9 208 186 739.44
NET MOVEMENT		R-104 408 190.00	
		-0.06%	

Table 4: Asset Register Net Movement in value

Section 1.2: Property Management Unit

The objective of the Department is to maximise the use of the City's Property Portfolio for social, economic, infrastructure development, management of Informal Traders operating on CoJ Markets and Transport facilities and generate revenue for the City. This is achieved through leases, sales, and granting of servitudes on Council owned properties.

The Department is also responsible for the acquisition of small and strategic properties including real rights on behalf of Council for service delivery purposes. Property Management further ensures that holding costs for cleaning, security and maintenance are kept to the minimum whilst also mitigating the risk of vandalism and illegal occupation.

The Property Management Department's performance during the period was as follows:

FINALISED SALES AND LEASES

Three (3) transactions (sale, lease agreement and use & maintenance agreement) to the value of R1 725 000.00 and R5 665.83 p/m were concluded in the 4th quarter of the 2020/2021 financial year. These transactions are in Regions B and E. The table below outlines a list of transactions finalised per region.

Region	Property Description	Sales	Leases
B	Erf 938 Parktown	R1 725 000.00	N/A
E	A Portion Of The Remaining Extent Of Erf 5 Benmore Gardens Adjacent To Portion 5 Of Erf 3 Benmore Gardens.	N/A	R5 665.83 p/m
	Modderfontein AH 76 (Use & Maintenance Agreement)	N/A	N/A
Total		R1 725 000.00	R5 665.83 p/m

MATTERS WITH ATTORNEYS FOR FINALISATION

Conveyancing Attorneys have been appointed to conclude sales on Ten (10) transactions to the value of R7 999 250.00, with three (3) additional transactions in the 4th quarter - Erf 173 Glenadrienne, Holdings 142, 142 & 143 Linbro Park A.H. These are in Regions B, E and G. The table below outlines the transactions that are at conveyancing stage per region.

Region	Property Description	Sale/ Road Closures	Lease
A	None	N/A	N/A
B	Erf 173 Glenadrienne	R833 125.00	N/A
E	Erf 135 Marlboro Gardens	R91 000.00	N/A
	Erf 357 Marlboro Gardens	R91 000.00	N/A
	Erf 423 Marlboro Gardens	R91 000.00	N/A
	Holding 141 Linbro Park A.H	R2 510 000.00	N/A
	Holding 142 Linbro Park A.H	R1 680 000.00	N/A
	Holding 143 Linbro Park A.H	R1 590 000.00	N/A
G	Erf 60 Eldorado Estate	R60 000.00	N/A
	Erf 1432 Orange Farm	R833 125.00	N/A
	Erf 8465 Orange Farm Ext 6	R220 000.00	N/A
Total		R7 999 250.00	

MATTERS AT LEGAL FOR AGREEMENTS TO BE FINALISED

Legal instructions were issued to the Legal Services Department for transactions to the value of R2 212 000.00 (sales) and R26 965.83 p/m (leases) for the drafting of lease and sale agreements, with three (3) additional transactions in the 4th quarter – Sandhurst Ext 3, Erf 4064 Eldorado Park and Erf 737 Poortjie. The table below outlines a list of properties that are at agreement stage per region.

Region	Property Description	Sale/ Road Closures	Lease
E	Portion of the remainder of Erf 5 Benmore Gardens	N/A	R 5 665. 83 p/m
	Portion 2 of Erf 19 Wierda Valley Ext 1	N/A	R 14 000.00 p/m
	Registration of an airway servitude over Ptn 1 of Erf 113, Ptn 1 of Erf 114 and Ptn 1 of Erf 115 Sandhurst Ext 3	R2 037 000.00	N/A
F	Erf 256 City Deep	R20 000.00	N/A
	Marshall Street	R73 000.00	N/A
	Loveday and Pritchard	R82 000.00	N/A
G	Erf 4064 Eldorado Park	N/A	R6 300.00 p/m
	Erf 737 Poortjie	N/A	R1 000.00 p/m
Total		R2 212 000.00	R26 965.83 p/m

TRANSACTIONS APPROVED AT EAC

One (1) transaction to the value of R35 000.00 was approved conditionally at EAC in the quarter under review. The property in question is in Region C. The table below outlines the summary per region.

Region	Property Description	Sale/ Road Closures	Lease (p/m)
C	Road reserve adj to Erf 565 Strubensvallei Ext 4	R35 000.00	N/A
Total		R35 000.00	R0.00

TRANSACTIONS APPROVED AT COUNCIL

Three (3) transactions in Regions A and G to the value of R51 600.00 p/m received Council approval in terms of Section 14(2) of the Municipal Finance Management Act, 56 of 2003 during the period under review. The table below outlines the transactions approved by Council.

Region	Property Description	Sale/ Road Closures/ Servitude	Lease
A	Erf 706 Rabie Ridge	N/A	R45 000.00 p/m
G	Erf 1173 Stretford Ext 6	N/A	R6 600.00 p/m
	Erf 15744 Orange Farm (Transfer)	N/A	N/A
Total Amount		R0.00	R51 600.00

TRANSACTIONS APPROVED AT EMT & SUB-MAYORAL

Ten (10) transactions in Regions A, C, D, E and G to the value of R8 060 000.00 (sales) and R491 550.00 (leases) were approved at EMT and Sub-Mayoral Committee. These will serve at the next Mayoral. The table below outlined the properties approved at EMT and Sub-Mayoral Committee.

Region	Property Description	Sale/ Road Closures	Lease (p/m)
A	Erf 18169 Ivory Park	N/A	R2 100.00
	Holding 418 Glen Austin AH Ext 1	N/A	R21 300.00
C	Erven 4386 and 4646 Tshepisoong	R810 000.00	N/A
	Erf 3329 Tshepisoong	R7 160 000.00	N/A
	Remaining Extent of Erf 50 and the Remaining Extent of Erf 1020 Florida	N/A	R39 000.00
D	Erf 3704 Dobsonville	N/A	R3 400.00
E	Erf 9 Marlboro	R90 000.00	N/A
	Erf 1075 and 1076 Houghton Estate	N/A	
G	Erf 148 Klipriviersoog	N/A	R411 000.00
	Erven 8604 and 8606 Stretford	N/A	R14 750.00

Total **R8 060 000.00** **R491 550.00**

ACQUISITIONS AND LARGE SERVICE PROVIDERS' SERVITUDE TRANSACTIONS

Infrastructure Development is an essential in supporting the City's Service Delivery initiatives. The large service providers submit applications to the City to allow their services to run through City land to construct infrastructure like water, sanitation, roads and electricity. During the term under review, the following progress was made on the following transactions:

LARGE SERVICE PROVIDERS (LSP's)

REPORTS APPROVED AT EMT AND SUB-MAYORAL

The following reports for the registration of electrical servitudes were approved at EMT and Sub-Mayoral Committee and they will served at Mayoral Committee:

NO.	PROPERTY DESCRIPTION	AMOUNT	COMMISSION
1	Erf 1708 Naledi	R10 000.00	R2 500.00
2	Erf 751 Mofolo South	R33 000.00	R8 250.00
3	Re of Farm Register 388 IQ	R150 000.00	R37 500.00
4	Remainder of Ptn 158 of Farm Diepsloot 388 JR	R390 000.00	R97 500.00
TOTAL		R 3 289 000.00	R 822 250.00

No.	Property Description	Amount	Commission
1	Diepkloof Erf 833	R390 000.00	R97 500.00
2	Dhlamini Erf 576	R1 540 000.00	R385 000.00
3	Moroka Erf 3313	R350 000.00	R87 500.00
4	Orlando East Erf 786	R270 000.00	R67 500.00
5	Re of ptn 16Farm Lombardy 36 IR	R18 000.00	R4 500.00
6	Ptn of Remainder of Farm Lenasia 352 IQ	R528 000.00	R132 000.00
TOTAL		R 3 289 000.00	R 822 250.00

ACQUISITIONS

During the period under review, there were no properties acquired. However, the sale agreements were signed and attorneys were appointed for the transfer of the following transactions:

No.	Erf description	Location	Amount	Commission
1	Remainder of Erf 647	Jeppestown		
	Ptn 1 of Erf 646	Jeppestown		
	Remainder of Ptn 1 Erf 648	Jeppestown		
	Erf 649	Jeppestown		
	Erf 651	Jeppestown	R44 200 000.00	R4 420 000.00
	Erf 654	Jeppestown		
	Erf 655	Jeppestown		
	Erf 2788	Jeppestown		
2	Ptn 121	Zandspruit 191 IQ	R8 100 000.00	R810 000.00
3	Erf 80	Stafford	R14 000 000.00	R1 400 000.00
Total			R66 300 000.00	R6 630 000.00

MANAGEMENT OF THE SANITARY LANES CITY-WIDE

Approval was granted by the EAC for the management of sanitary lanes in all the affected regions.



During the quarter under review 25 agreements were finalised with the adjacent property owners.

No.	Property Description	Management Fee	No.	Property Description	Management Fee
1	Erf 733 Parkview	R3 000.00	14	Erf 345 Parkview	R3 000.00
2	Erf 414 Parkview	R3 000.00	15	Erf 734 Parkview	R3 000.00
3	Erf 739 Parkview	R3 000.00	16	Erf 720 Parkview	R3 000.00
4	Erf 861 Parkview	R3 000.00	17	Erf 932 Parkview	R3 000.00
5	Erf 847 Parkview	R3 000.00	18	Erf 345 Parkview	R3 000.00
6	Erf 345 Parkwood	R3 000.00	19	Erf 239 Parkwood	R3 000.00
7	Erf 720 Parkview	R3 000.00	20	Erf 918 Parkview	R3 000.00
8	Erf 355 Parkview	R3 000.00	21	Erf 741 Forest Town	R3 000.00
9	Erf 942 Parkview	R3 000.00	22	Erf 979 Parkview	R3 000.00
10	Erf 109 Forest Town	R3 000.00	23	Erf 1035 Parkview	R3 000.00
11	Erf 124 Forest Town	R3 000.00	24	Erf 373 Parkview	R3 000.00
12	Erf 668 Forest Town	R3 000.00	25	Erf 855 Parkview	R3 000.00
13	Erf 687 Parkview	R3 000.00			
TOTAL			R63 000.00		

Section 1.3: Informal Trading

JPC is mandated by the City to manage its property portfolio of which this includes properties that form an integral part of dealing with socio and economic priorities of the City, whilst supporting the transformation agenda. The properties are municipal owned Markets and Transport facilities with spaces that are economically activated to benefit Informal Traders in an informal economy sector. The spaces are allocated by DED to enable them to trade in various products so that they can generate income to provide for their families. JPC acting on behalf of the City manages these spaces by entering into leases with Informal Traders.

INCOME COLLECTION

During the reporting period for the quarter ending June 2021, the Informal Trading Unit has collected **R492 871.98**.

NO	FACILITY NAME	INCOME COLLECTED		
		APRIL	MAY	JUNE
1	Metro Mall Informal & Formal Shops	R23 660.22	R138 977.12	R73 427.12
2	Advertising & Promotions	R25 424.09	R25 424.09	R25 424.09
3	Fleet Africa	R6 820.00	R30 070.00	R6 000.00
4	Kliptown Informal & Formal Shops	R11 806.20	R335.00	R460.00
5	Streets Traders	R14 248.60	R14 071.00	R27 282.30
6	Hillbrow	R640.00	R3 780.00	R9 960.00
7	Yeoville	R3 345.00	R750.00	R500.00
8	Fordsburg	R14 456.00	R3 494.00	R18 934.00
9	Bara & Formal Shops	R2 298.00	R2 200.00	R2 400.00
10	Jeppe	R790.00	R1 151.00	R70.00
11	Lenasia	R0.00	R600.00	R0.00
12	Faraday Formal & Informal	R350.00	R0.00	R350.00
13	Doomfontein	R844.15	R200.00	R0.00
14	Rosebank	R0.00	R520.00	R0.00
15	Big Ben	R150.00	R60.00	R300.00
16	Kwa Mai Mai	R0.00	R0.00	R0.00
17	Midrand	R250.00	R250.00	R500.00
18	Alexandra	R300.00	R0.00	R0.00
TOTAL		R105 382.26	R221 882.21	R165 607.51

Table 1: Total income collection per quarter

The rental collection has slightly declined in comparison to quarter three. The overall performance of the portfolio has generated a total income of R2 009 275.15 for the year ending 30 June 2021.

NO	FACILITY NAME	INCOME COLLECTED			
		Q1	Q2	Q3	Q4
1	Metro Mall and Bree Taxi Rank	R224 191 .36	R212 377.00	R173 824.93	R236 064.46
2	Advertising & Promotions	R 100 812.00	R50 406.00	R 76 272.27	R76 272.27
3	Fleet Africa	R 11620.00	R26 818.00	R 33 748 .72	R42 890.00
4	Kliptown Informal & Formal Shops	R 63 280.91	R64 472.00	R 50033.48	R12 601.20
5	Streets Traders	R 19 474.00	R55 843.00	R 44 678.00	R55 601.90
6	Hillbrow	R11 490.00	R22 480.00	R 16032.00	R14 380.00
8	Yeoville	R 5930.00	R13 481.00	R 8 908.00	R4 595.00
9	Fordsburg	R17 776 .04	R47 230.00	R 85 560.43	R36 884.00
10	Bara & Formal Shops	R 4 600.00	R9 294.00	R 18 760.38	R6 898.00
11	Jeppe	R 2399.50	R2 052.00	R 1 750.00	R2 011.00
12	Lenasia	R 1900.00	R1200.00	R 550.00	R600.00
13	Faraday Formal & Informal	R 5269 10	R9 318	R 6059.00	R700.00
14	Doornfontein	R 0.00	R0.00	R100.00	R1 044.15
15	Rosebank	R 0.00	R0.00	R 150.00	R520.00
16	Big Ben	R 400.00	R120.00	R 0.00	R510.00
17	Kwa Mai Mai	R 530.00	R766.00	R 0.00	R0.00
18	Midrand	R 4110 .00	R4674.00	R 5662.00	R1 000.00
19	Alexandra	R 0.00	R 0.00	R 0.00	R300.00
TOTAL		R 473 782.31	R 520 531.00	R 522 089.86	R 492 871.98

FORMALIZATION OF APPROXIMATELY 1930 OR MORE LEASES

One hundred (100) EAC reports circulated for approval internally and still to be presented at EAC.

PLANNED VERIFICATION

150 traders were verified at the Bara Market and Transport Facility, reports have been prepared to enable the EAC process.

STAKEHOLDER ENGAGEMENT & SERVICE DELIVERY

Kwa Mai Mai

JPC effected minor repairs during the month of May and June at the Kwa Mai-Mai Market as an intervention focused on service delivery.



Before: leaking water meter



After – leak fixed



Before: peeling cement



After – work in progress

CHALLENGES

- Inability to collect the rentals from the traders due to the COVID-19 Pandemic lockdown.
- Cleaning services lack of capacity and inadequate equipment to keep all the facilities hygienically clean and complying with Covid 19 protocol.
- Lack of visibility by security guards and shortage of staff securing our facilities.
- Overcrowding in our facilities caused by commuters and traders in our major facilities as lockdown is eased resulting into social distancing not being observed.

Section 1.4: Property Program Management Unit

The Property Program Management Unit prepares land parcels for development purposes in line with the land strategy by sweating the asset to create social and economic returns for the City. Projects are being managed to ensure a “pipeline” of development projects, which will deliver a smooth and reliable flow of development and development returns.

The unit employs a four-stage development facilitation process to improve land assets in terms of which land is first and prepared for development by JPC, and development is undertaken by third-party developers procured in terms of the MFMA.

Development is based on a long-term development lease in terms of which the entire development reverts to the CoJ at no cost at the end of the lease period.



PPMU TRANSACTIONS APPROVED AT EMT AND SUB-MAYORAL

The following transactions were submitted and approved at EMT and Sub Mayoral:

PROJECT	ESTIMATED INVESTMENT VALUE	PURPOSE
Remainder of portion 1 of farm Bergvallei 37IR	R800 million	Request to initiate public participation process as envisaged in Regulation 35 of the Asset Transfer Regulation
Portion of portion 1 of erf 5332 Johannesburg (Metro Centre)	R5.2 billion	Request to initiate public participation process as envisaged in Regulation 35 of the Asset Transfer Regulation
Portion 278 of the farm Langlaagte 224- IQ	R100 million	Request to initiate public participation process as envisaged in Regulation 35 of the Asset Transfer Regulation
Remainder of portion 13 and part of portion 29 of the Farm Rietvlei 101	R800 million	Request to initiate public participation process as envisaged in Regulation 35 of the Asset Transfer Regulation

We anticipate to obtain council approvals for all of the above and conduct public participation process in the first quarter of 2021/2022. The reports on the outcome of the public participation process and request for section 14(2) approvals to be submitted to the JPC Transactions Committee by the beginning of the second quarter.

TRANSACTIONS AT LAND PREPARATION STAGE

This stage involves improvement of the property in order to maximise the attractiveness of the property to investors and developers in order to:

- Ensure the successful development of the property
- Maximise returns to CoJ

The following transactions are still at land preparations stage:

Project	Land Improvement	Status of application	Estimated development Cost
Paterson Park	Sub division and consolidation applications submitted	<p>The required town planning applications were prepared and submitted to the Municipality during May 2020. The applications were circulated for comments and allocated to Municipal Planners who are still in the process to finalize the applications.</p> <p>The delay was caused by the nationwide lockdown and the fact that the CoJ Planning officials are currently working on a roster system where they are only required to be physically at the office two days per week. We anticipate to obtain approval by February 2022.</p>	R880 million

Project	Land Improvement	Status of application	Estimated development Cost
Rosebank	Rezoning application submitted	Rezoning application was submitted to CoJ Planning. Rosebank Action Group (RAG) raised objections to the application. Working with them currently to resolve their issues.	R300 million
Soweto Gateway	Township establishment application submitted	Township establishment application was submitted to CoJ Planning on 10 July 2019. It is still in circulation for comments. Only GDRT commented to date, they have no objections	R3.2 billion
Metro Centre	Rezoning application submitted	The rezoning application was submitted to CoJ Planning in April 2020. The applications were circulated to departments for comments and allocated.	R5.2 billion
Midrand OSO	Rezoning application submitted	Rezoning application was submitted in 2018, and 1 objection was received. CoJ departments have already submitted their comments on the application to CoJ Planning and a Planner has already been assigned to the project. We are still waiting for CoJ Planning to schedule Tribunal Hearing.	R1.2 billion
Bertrams	Rezoning application submitted	Rezoning application was submitted in 2019, one objection received. JPC is still waiting for CoJ Planning to schedule a Tribunal Hearing.	R120 million
Portion 13 and 19 Rietvlei	Township establishment application submitted	Township Establishment application submitted, the departments have commented on the application. JRA has requested the traffic engineer to develop a road master plan.	R800 million

The following are a few of the Property Programme Management Unit projects to date JPC has generated a total of R4.96million through property transactions. JPC has got Section 14(2) approvals on the following projects and intends to release a few of them on the first quarter, prioritising those with uses which are not severely affected by the pandemic, for example, social housing developments. JPC further intends to have the other transactions reviewed with special focus on the Covid - 19 pandemic effect e.g. commercial developments.

PROPERTY	INVESTMENT VALUE	ESTIMATED DEVELOPMENT FACILITATION FEE
SOWETO GATEWAY	R3.2 billion	R48 million
BARA CORNER SITE	R25 million	R375 thousand
ORLANDO EKHAYA	R250 million	R3,75 million
PORTION 246 AND 247 PARKHURST	R280 million	R4,2 million
PATERSON PARK (PHASE 1)	R680 million	R10.2 million
KLIPSPRUIT	R100 million	R1.5 million
COTTOELOE	R30 million	R450 thousand
OSO WYNBERG (WATT STREET)	R800 million	R12 million
PETROL STATIONS	R50 million	R750 thousand
PETERVALE	R100 million	R1.5 million
KEW	R20 million	R300 thousand
ERF 277 JOHANNESBURG	R20 million	R300 thousand
OSO MIDRAND	R1.8 billion	R27 million
PORTION 3 OF ERF 21 SANDOWN	R800 million	R12 million
RISSIK STREET POST OFFICE	R50 million	R750 thousand
SUIDEROORD	R50 million	R750 thousand
PORTION 4 OF ERF 1226 FAIRLANDS	R180 million	R2.7 million

NATIONAL ACADEMY OF AFRICA'S PERFORMING ARTS (NAAPA)

The National Academy of Africa's Performing Arts is a performing arts centre located in the Jabulani Cultural precinct in Soweto. The academy which is the brain child of Mam Letta Mbuli and Ntate Caiphus Semenya which will offer training, performing arts skills development and related services including the instrumentation and the manufacturing thereof under one roof.

The academy aims to redress the reliance of many of South Africa's indigenous music, musicians, songwriters, producers, music arrangers of African descent on their innate talents alone to teach themselves the very basics of music; read and write music; learn to play the various music instruments that are routinely employed in popular, traditional, classical and jazz. It will contribute to the local community by teaching performing arts students from the community.

The 1810m² lettable area will comprise of a double storey building with ground and first floor, which will accommodate classrooms, lecture theatres, recording studio, performance / dance studio, gallery/ hall of fame space, equipment repairs workshop, ablutions and a lift.

The development to be completed in the following phases:

Phase 1: Construction of the building shell, which was completed together with the launch of the development in December 2018.

Phase 2 : commenced in October 2020 and comprises of the completion of the building, staircases, balustrades, internal finishes (including but not limited to walls, flooring, doors, ceiling, sanitary ware, plumbing, electrical, recording studio, air conditioning), external façade and external works including landscaping. We anticipate to reach practical completion by 31st August 2021.



ARTISTS IMPRESSION

PROGRESS MADE TO DATE



REGION B: OSO RANDBURG CIVIC PRECINCT

This development and long term lease was awarded to ATTCO 5 (Pty) Ltd following a tender process and comprises of the following mixed use :

- More than 2000 mixed income residential units which will address the housing backlog
- 5500m² of Green Star rated council offices
- Refurbishment of the Randburg taxi rank and holding area
- Refurbishment of the Randburg Informal taxi holding area
- Public square

The developer together with JPC have formed a project working group which meets weekly and below herewith are the milestones achieved todate.

STAKEHOLDER ENGAGEMENT

The working group has met with most stakeholders and has prioritised all the affected parties including but not limited to the elected Ward councillor, Region B CRUM, the current occupants of the Randburg Civic Centre (Libraries, Clinics, Revenue, MVRA (Motor Vehicle Registering Authority) , DLTC (Driver's License Testing Centre) , JMPD and social services) and the CoJ departments (including but not limited to JDA, CoJ Transport, JPC Informal trading, Jwater, Joshco, City Power and JRA). All the stakeholders are in support of the project and the project working group will continue to engage beyond completion of the project.

REZONING

The site is zoned Business 1, with approved rights in place for 2192 residential dwelling units. There is a rezoning application underway to increase the height allowance on the site from three (3) to ten (10) storeys and no objections were obtained. The CoJ Planning department has received positive comments from most departments with the exception of Joburg Water. Joburg water does not have enough water supply to cater for the proposed development. The project working group will continue to engage with Joburg Water to discuss the potential solution to the problem. An application for traffic relaxation has already been submitted to JRA.

FUNDING APPLICATION

Funding application has been submitted to SHRA (Social Housing Resources Agency), has passed the pre-screening process and we anticipate to obtain approval by October 2021. The developer's equity is in place and the funding application for the other uses of the site has been submitted to funding institutions.

IDENTIFICATION OF DECANTING SITE

The working group has commenced with the development of the decanting strategy in consultation with the affected parties. The decanting sites for the occupants who are located on the first phase of the development (south site which will affect Library, JMPD, the parking area and the taxi holding area) has been identified and the affected parties are satisfied. The steering team will ensure that there is minimal disruption on service delivery during the temporary relocation of the departments

DESIGNS INCLUDING SDP

The SDP has been submitted. The designs and costing for the new taxi holding area has been completed in consultation with the Northern Taxi Liaison Committee. The designs of the temporary site for the Library and JMPD has been completed to the satisfaction of the departments. We anticipate to launch the project in October 2021 when the first phase of the project commences.



PATERSON PARK

PROPERTY SCOPE – PATERSON PARK PRECINCT

Property Description	Expected Development	Investment value	No. of Jobs to be created
<ul style="list-style-type: none"> • Erven 3, 4 and 5 Orchards • Erven 6, 7, 8, 9, 10, 11, 1/12, Rem/12, 1/13, Rem/13 and 15 Orchards • Erf 14 Orchards • Erven 205, 206, 207 and 208 Orange Grove • Erven 409 • Remainder of Portion 2 of Erf 162 Norwood • Erven 110 and 111 Norwood • Erven 42, 43 and 44, 45 and 46 Victoria Extension 3 	High density mixed income residential development (1457 units) in support of the Louis Botha Corridor	R1,2 million	More than 3000 jobs

The Paterson Park Development is located across 4 (four) townships including Norwood, Orange Grove, Orchards and Victoria. The Precinct consists of a configuration of 12 erven and is located to the west of Louis Botha Avenue and south of the R25 / Ivy Road, Johannesburg. The Paterson Park precinct is located within walking distance from two BRT stations on Louis Botha Avenue (both stations are currently under construction).

The Paterson Park precinct falls within the Louis Botha Development Corridor Strategic Area Framework (LBDC SAF) and therefore the vision for the precinct is aligned with that of the SAF, by:

- Creating access to opportunity by reducing distances between home, work and education;
- Creating attractive environments for walking and cycling;
- Creating vibrant, people-centred places;
- Promoting transit-orientated development with higher density residential development around transit stations;
- Supporting mixed-use development that allows people to live, work and play in spatial proximity; and
- Providing sustainable travel alternatives to the private motorcar and managing transport demand.

Furthermore, the precinct will be constructed following the use of green building technology and energy saving practices aimed at achieving the highest rating possible whilst meeting the target market and beneficiary's income bracket as well as other policy requirements.

In preparation of the Paterson Park Precinct for development, the following was completed by JPC:

- A property plan, detailed studies/ investigations including but not limited to Geotechnical investigations, Heritage Impact Assessment, Contour Analysis, Traffic Impact Assessment and Outline Services Scheme Reports complete;
- Rezoning of Land Parcels to allow for higher density residential developments – Rezoning application to allow for high density residential development has been approved and the new rights have been proclaimed;
- Sub division and consolidation applications for each land parcel were submitted and we anticipate to obtain approvals by end February 2021;
- Designs and Installation of bulk services (water, sewer, storm water and internal roads) reached practical completion;
- Construction of parking including solar lights and landscaping completed;
- Installation of Clearvu type fence completed;
- Alternative site for the relocation of the City Parks depot identified and approved by JCPZ. Designs of the new site completed and approved by JCPZ. Containers for the depots purchased and already on site. The Local Rates Payers Association including Ward Governance are opposing the actual relocation of the depots to Cydna. We have re-started the extensive stakeholder engagement with Local Rates Payers Association and hopefully they will accept the council approved initiative.
- Alternative site for JRA identified and approved by JRA. JPC to appoint a professional team to assist with the designs and costing of the new identified site by April 2021 and we anticipate to have the works completed by June 2021;
- Alternative site for Pikitup depot has been identified. JPC to appoint a professional team to assist with the designs and costing of the new identified site by 2021/2022.
- Payment of bulk contributions for Erven 42 to 46 Victoria extension 3 = R12 871 699.00 (bulk contributions forms part of land preparations as it is infrastructure improvements to the property to enable the property to be developable and serviced in line with the new zoning. In a nut shell without the payment of bulk contributions, the property is undevelopable and the new rezoning is of NO use);
- Heritage Impact Assessment application submitted, objections were obtained, the HIA to be reviewed by April 2021.

JABULANI HOUSING

The development is located along Jabulani CBD, Erf 2332 Jabulani ext. Estimated development cost is R117 million. The upmarket units are located in high-rise apartment complexes with good security and landscaped gardens.

The progress to date is as follows:

- Development of 4200 residential units;
- 2890 units have been completed and handed over;
- Jabulani Development Company (JabDevCo) has managed to secure electricity for the development of 1310 Community Residential Units (CRU) in partnership with the Gauteng Department of Human Settlement.

RIVERSIDE VIEW MEGA HOUSING DEVELOPMENT (DIEPSLOOT PHASE 1)

The Project is located directly north of Steyn City, West of Riversands Incubation Hub along William Nicol Drive. Because the site is prominently located between the lower income area of Diepsloot and the prestigious high-income area of Dainfern, a unique opportunity exists to integrate Diepsloot with Johannesburg.

All Subsidised Residential Units will be transferred to third party beneficiaries, nominated by CoJ. The total residential yield of 10 414 residential units will be delivered, which is expected to be completed 2022. The project will inject an estimated cost of R5 billion on completion. To-date 1228 title deeds have been given to beneficiaries for RDP units.

Total Housing Mix consists of the following:

- 3113 Single residential GAP/FLISP UNITS, 4332 high density walk up RDP units and 2969 high-density walk up Rental units.

The progress to date is as follows:

- 2948 Single residential FLISP completed.
- 457 Multi-storey Rental units completed.
- 3612 Multi-storey RDP units completed.
- 256 Single residential FLISP currently under construction – all units have been completed
- Multi-storey RDP units completed and handed over to COJ and GDHS – 3612 completed and approximately 1728 occupied currently.

SOWETO GATEWAY

The development is located on Chris Hani Road, west of N1 highway in Diepkloof. It is directly adjacent to and east of Chris Hani Baragwaneth Hospital Precinct. The total project area approximately 30.5 hectare and the estimated development cost is R 4 billion.

Total development Yield consists of the following:

- 3366 mixed income residential units,
- Public open space,
- Retail space,
- Education space,
- Medical facilities,
- Hotel/ conference,

- Community facilities,
- Commercial,
- Light industrial.

The progress to date is as follows:

- Property Plans complete.
- Public Participation complete.
- Section 14(2) approval obtained.
- Submission of Township Establishment application and Environmental Impact Assessment.
- RFP advertised on 4 December 2019, bids were evaluated on 14 May 2020 and three bids were received and evaluated.
- Due to the fact that more than a year has lapsed since the RFP went out and the tender validity period expiring, this process has been cancelled and the property will need to be put out on tender again.

SOUTHERN FARMS

Southern Farms is located south of the existing suburbs of Naturena, west of Kibler Park, east of Lenasia and Lehae as is abutted by the N1 and N12 National Highways. The Southern Farms project area including the privately owned land parcels located to the east of the N1 highway, is approximately 3 997 hectares in size.

Of the total project area, approximately 2902 hectares is undevelopable due to environmental sensitivities, heritage, major road reserves (PWV 5 and K-routes) of which the majority will form part of the Biodiversity Conservation Area, representing approximately 73% of the total project area. A rather small portion of the total project area which is approximately 27% of the total project area of 1 094 hectares, is considered suitable for development.

Total housing yields and mix consists of the following:

The initial housing yield is 40 200 housing units, which include the following mix:

- 55% FLISP/ Bonded units
- 35% RDP units
- 10% Rental units

Other yields include:

- Commercial – 81 183m² GLA
- Retail – 245 988m² GLA
- Industrial – 418 000m² GLA

The progress to date is as follows:

- Section 14(2) approval obtained.
- Final Precinct Plan and all supporting documentation has been submitted to Planning and City Transformation for consideration.
- EAC report on entering into a Land Availability Agreement with the appointed developer and proceeding with Stage 2 implementation is pending sign off by the City Manager who has requested a Probity Report on the process to date. JPC's Internal Audit is currently undertaking this. The report will be referred back once the probity has been concluded.

EXTENSION OF THE URBAN EDGE

The extension of the City's Urban Edge to incorporate the project area, and amendment Urban Development Framework process has been concluded. The report from Development Planning and City Transformation is currently being circulated through the various committees.

SERVICED SITES PROGRAMME

JPC, in conjunction with the Department of Housing has embarked on a rapid land release programme, to make available serviced sites in the Southern Farms Integrated development. This is in line with the Gauteng Premier's pronouncement to make available 60 000 serviced sites with emphasis on the south of Johannesburg. This ultimately helps the city as it alleviates the pressure to deliver houses.

In light of this, JPC is in the process of finalising the RFP to go out to the public for Program Management to executive the above scope of works for Southern Farms Services site programme. Due to COVID-19 and the disruption of the daily operations at JPC over the past couple of months, the RFP process was halted and will resume as soon as we are given the go-ahead from the Acting CEO.

MOOKI STREET PRECINCT

The Mooki Street Precinct is located within the City of Johannesburg Region D administrative boundary. The following facilities are located:

- The Orlando Stadium;
- The South African Police Services – Orlando Police Station;
- The Orlando Train Station;
- The Ubuntu Kraal Development;
- The Hector Pietersen Memorial and Vilakazi Street Node.

This area is well served by a network of various forms of public transport – namely the Metro Rail station as well as the two BRT Stations to the north and south of the Precinct.

The objective of the development includes the following:

- A mixed-use precinct development to create both job and economic opportunities and address the previous apartheid spatial planning practice while stimulating private development.
- Densify the area by providing walk-ups.
- Create safe zone around the precinct area not only in terms of pedestrian access but also in terms of promoting public safety.

The progress to date is as follows:

- Property Plans complete.
- Section 14(2) approval obtained.

OFFICE SPACE OPTIMISATION PROGRAMME

CoJ Office Optimisation Program (OSO) intends to leverage the delivery of the Council offices to:

- Establish a rational framework for municipal offices and service delivery;
- Use investment in council offices to catalyse the revitalization of the transport nodes.
- Build wealth for the CoJ and its citizens by developing city owned office accommodation as an asset for future sustainability.

The following regional offices were identified in accordance with the rational spatial framework, which supports the City's spatial planning policies and informed by the City's Transit Oriented development Principles:

REGION	LOCATION	PROGRESS
Region A	Midrand Station Precinct	The RFP for the long-term lease and development of the site to be released in around February 2021.
Region B	Randburg Civic Precinct	Long-term (50 years) development lease approved.
Region C	Existing Roodeport Civic	Town Planning applications in progress.
Region D	Existing Jabulani Civic Precinct	RFP (Long-term development lease) to be advertised in the quarter under review.
Region E	Watt Street Interchange	RFP (Long-term development lease) evaluation in progress.
Region F	Metro Centre Precinct & Turffontein Precinct	The Town Planning application related into the required land rights for the development of the Metro Centre Precinct was submitted and awaiting appointment. RFP (long-term development lease) to be advertised in November 2021.

REGION	LOCATION	PROGRESS
Region G	Orange Farm Civic Precinct	Section 14(2) in progress.

LAND RELEASE STRATEGY

The land to be released in the following 2 phases:

Phase 1: Erven 42 to 46 Victoria extension – 767 mixed income residential units – RFP to be advertised in the fourth quarter of the financial year. Anticipated investment value = R630 million.

Phase 2: Erven 3, 4 and 5 Orchards; Erven 6, 7, 8, 9, 10, 11, 1/12, Rem/12, 1/13, Rem/13 and 15 Orchards; Erf 14 Orchards; Erven 205, 206, 207 and 208 Orange Grove; Erven 409; Remainder of Portion 2 of Erf 162 Norwood; Erven 110 and 111 Norwood - to be advertised once the relocation strategy for the relocation of the depots (PIKITUP and JRA) has been finalised. Anticipated investment value = R570 million.

CHALLENGES

- Identification of alternative site for the Pikitup depot.
- Insufficient power supply.

INTERNAL FOCUSED PROJECTS: REPAIRS AND MAINTENANCE (PLANNED)

JPC is responsible for the management function and oversees all City-owned buildings, public conveniences (public ablutions) and taxi facilities. The Unit is focused on providing effective, efficient and quality management of building construction and maintenance services to the city of Johannesburg.

PROGRESS TO DATE

As the City has not yet finalised its replacement panel to the 494/16, departments continued to request JPC for assistance in execution of maintenance related services. To date the following Departments have requested the services of JPC for the execution of maintenance related services through its panel of service providers.

Repair and maintenance have taken place through emergency projects undertaken in the 2021/2022 financial year. JPC has finalised SLA's with various departments and Framework orders have been submitted in order to able to implement the Prioritized Planned maintenance. Repairs & Maintenance is 65.76% below the YTD budget. Due to the change in hybrid work-from-home models, R&M has not been utilised in office accommodation buildings as anticipated for the financial year.

PLANNED PRIORITY PROJECTS

- ✓ **DEPARTMENT OF ECONOMIC DEVELOPMENT: ALLOCATED BUDGET: R10 958 000.00:**
 - Issue a tender to appoint a turnkey project manager to build, design and repair by 30th April 2021
- ✓ **DEPARTMENT OF TRANSPORT: ALLOCATED BUDGET: R12 612 700.00**
 - Issue a tender to appoint a turnkey project manager to build, design and repair by 30th April 2021
- ✓ **METRO BUS:** Metro Bus has not requested JPC to do the maintenance of their facilities in 2020/2021 financial year. JPC have a scheduled meeting to discuss the way forward. The focus is on Space Optimisation in this currently financial year. Metro Bus have confirmed that they will be moving to Forum 1 in Braampark by the end of quarter two of the 2021/2022 financial year. The RFP will be issued for the refurbishment of the offices by CRE.
- ✓ **PUBLIC SAFETY DEPARTMENT: ALLOCATED BUDGET: R81 600 00.00**
- ✓ **EMS: ALLOCATED BUDGET: R31 600 00.00**
- ✓ **JMPD: ALLOCATED BUDGET: R37 000 00.00**
- ✓ **PUBLIC SAFETY HEAD OFFICE: ALLOCATED BUDGET: R13 000 00.00**
 - All repair and maintenance work for Public Safety was cancelled, as projects could not be completed by the end of June 2021. Only emergency work was undertaken for the current financial year to the value of R5 597 113.00.
 - JPC introduced credit limit of R5m per department agreed upon on the SLA which effective means once the limit is reached no further services will be rendered. JPC only undertakes to honour fixed expenditure payments until the situation improves. Outstanding amounts owed by the department that exceeds the SLA agreement therefore forcing JPC to stop all work for the department until outstanding amounts have been settled. Department submitting their request to JPC to undertake work for the 2020/2021 financial year only in September 2020. The department only signed off the SLA at the end of November 2020. Addendum to SLA to undertake CAPEX projects was only finalised in March 2021. All CAPEX work was cancelled by the Bid Specification Committee and the reason being that projects would not be completed by 30 June 2021.
- ✓ **SOCIAL DEVELOPMENT: ALLOCATED BUDGET: R10 894 000.00**
- ✓ **HOUSING DEPARTMENT: PUBLIC HOUSING STOCK MANAGEMENT: ALLOCATED BUDGET: R90 000 000.00**

The Department of Housing brought forward five prioritised projects, **Jeppestown, Moffatview, Langlaagte (Old Brewery), Wynberg and Doornfontein (Karserne)** for feasibility studies into the Development of Temporary Emergency Accommodations.

Out of the 5 prioritised projects, only two appointments **Jeppestown and Moffatview** were done, the other three **Langlaagte, Wynberg and Doornfontein**, had to be put on halt, since the Auditor General had declared the JPC Panel of Professionals irregular.

The two appointments/contracts, **Jeppestown and Moffatview** had to be terminated, since the appointments were done out of the JPC Panel of Professionals.

There is an existing Service Level Agreement between The Department of Housing's Public Housing Stock Management (PHSM) and City of Joburg Property Company, on the developments of the Temporary Emergency Accommodations (TEA) in the Inner City.

No SLA in place between the two Departments and planned maintenance schedule not submitted to JPC. No procurement processes done, no Framework Orders for the Department's Repairs and Maintenance and Minor Upgrades.

DEPARTMENT OF HEALTH: ALLOCATED BUDGET: R24 831 000.00

In case of the Department of Health, Condition Based Assessments on all the prioritised facilities were done, and adverts will only be done in August 2021.

DEPARTMENT OF REVENUE & FINANCE: ALLOCATED BUDGET: R14 000 000.00

Department of Revenue and Finance have a Repairs and Maintenance Service Level Agreement (SLA) with JPC and is valid until **30 June 2021**. Planned maintenance schedules submitted to JPC and no Framework Orders for the Department's Repairs, Maintenance, and Minor Upgrades. There was no implementation of the submitted "prioritized maintenance plans" since the department did not give JPC approval to use their budget.

Section 1.5: Corporate Real Estate & Facilities Management

LEASING & BUILDING MANAGEMENT UNIT

STATUS OF CORPORATE REAL ESTATE LEASE AGREEMENTS

The following lease agreements have expired and are in the process of being renewed.

Facility Name	User Department	Responsible Department	Comments
Halfway House Library	Community Development	User Department	Lease on Month-to-month. JPC to facilitate in securing a term lease.
222 Smith Street	Housing Department	JPC	EAC has granted authority to enter into a lease renewal. Awaiting SHE report of the facility
Malvern Library	Community Development	User Department	Lease on Month-to-month.
Yarona Shopping Centre	Community Development	User Department	Lease expired July 2020. Lease on Month-to-month.
66 Jorissen Place	Pikitup	JPC	Report is currently at EAC for consideration.

FOCUS FOR THE NEXT QUARTER

LEASES AGREEMENTS

Additional office space requirements from Group Finance for two leases that will expire during the financial year 2021/2022. Termination of the Forum 2 lease at the end of August 2021. Notice of intention to terminate has been sent to the Landlord.

PROJECTS

- Joburg Water sourcing of office space and fit-out (tender closed 28/06/2021);
- MTC Office fit-out (tender advertised 16/0/2021); and
- Metro Bus fit-out (tender advertised 16/07/2021)

CLEANING SERVICES UNIT: ACHIEVEMENTS

The Department of Employment and Labour issued guidelines for employees to deal with COVID-19 at workplaces that the Employer should adhere with the COVID-19 requirements to ensure that the facilities occupied by employees does comply.

Bid specification for the procurement of cleaning equipment has been drawn and the tender will be advised during July 2021.

A new bid specification sat on the 29th June 2021 with the plans to advertise on the 09th July 2021. The panel will focus on the following services in line with Covid-19 risk:

- Daily maintenance of sanitisation of frequently touched areas;
- Deep cleaning and sanitisation; and
- Fogging.

CHALLENGES AND MITIGATIONS

CHALLENGES	MITIGATIONS
No Supervisors in the portfolio	Role profile has been drafted and will submitted for approval and advertisement. Approximately 7 Supervisors will be considered for appointment.
Insufficient cleaning equipment	Budget allocation of R15mil has been set aside for the procurement of equipment.

PLANNED MAINTENANCE: CLEANING

PROJECT NAME	FOCUS IN QUARTER 4	FOCUS FOR QUARTER 1 (2021/2022 FY)
1. Ennerdale Repairs & Maintenance	a) Bid specification document	a) Advertisement, evaluations and award.
2. Metro Centre Repairs & Maintenance	a) Budget confirmation and approval.	a) Bid specification and advert.
3. Meadowlands Repairs & Maintenance	a) Budget confirmation and approval.	Bid specification and advert.

Section 1.6: Outdoor Advertising

SUMMARY OF PROGRESS ON THE IMPLEMENTATION OF THE TRANSITIONAL PERIOD

JPC achieved 10% implementation of the masterplan in this quarter under review. The annual accumulative achieved to date is therefore 25% against a target of 35% that was set for the 2020/21 Financial Year.

One of the biggest setbacks regarding this programme is that it has its biggest dependency on the City as the regulator of outdoor advertising. Despite various engagements with the City, very little progress has been made to finalise the much-awaited report regarding the transitional period. In this regard therefore JPC is unable to finalise contracting with any parties to be able to collect revenue from existing signs that hence revenue continue to decline to the detriment of the City.

JPC's plans to issue a street furniture tender remain on track albeit delayed mainly due to Departments and ME is being slow in providing representatives who must participate in the specification processes as approved by the Accounting Officer. JPC cannot continue with the programme as critical inputs may be left out, as a number of the amenities are service delivery requirements these identified City's Departments and ME's.

As part of its turnaround plan for the financial year under review and beyond, JPC planned to prepare certain compliant sites that have lapsed in order to obtain Council's approval to lease the sites including undertaking by laws processes to ensure that each site is properly authorized before any competitive process is undertaken. This will ensure that the City is able to derive maximum returns from each site, comply with applicable law thus enabling the private sector to operate and therefore generate revenue much quicker rather than being embroiled in dealing with planning authorities to seek authorisation. This project requires a budget and JPC will continue to look for alternative means of implementing it mainly as Covid 19 has placed a constraint in obtaining funding from the City during mid-term budget review.

Lastly, JPC is still finalising consultation to a report to obtain approval for a number of initiatives that requires Council's approval such as development of advertising precincts and other high value signs in terms of applicable law. This report is in response to the current constraints posed by the 2009 By-laws on new business and various provisions in law existing for Council to dispense with this. The report also include a proposal for a special dispensation that will ensure that the City is able to transform the sector through empowering previously disadvantaged SMME's whose plight may have been worsen by the impact of Covid-19 pandemic in addition to challenges they face in the sector.

HIGHLIGHTS FOR THE QUARTER








JPC and the City of Johannesburg's Department of Development Planning held a workshop on the 15th April 2021. The objective of the workshop was to appraise JPC of the status of the Transitional Period and the draft By-laws currently being reviewed by the City.

One of the key success factors for developing new business by JPC is the review of the By-laws and hence the engagement on key elements that JPC would like to be incorporated into the draft to ensure that the City, through JPC, is able to leverage the it's immovable assets to achieve broad based transformation of the sector, increase the value of the portfolio to contribute to the financial sustainability of the City and be able to partner with the private sector to implement the delivery of certain amenities at no cost to the citizens thereby contributing to socio-economic development and city building.

At the workshop, the City also undertook to finalise a report to Council on the transitional period. The report aims to appraise Council of the delays in finalising the processing of sites that were declared in October 2019 and seek guidance on how to proceed with the transition period which is due to expire in March 2022. The transitional period remain relevant as it was aimed at decluttering the urban landscape while the City undertakes the by-law review programme. This process of reviewing the By-laws will also take its time to unfold as the City cannot rush it and be found to have erred in the process and to start the process afresh again.

Section 1.7: Inner City Property Development Projects

The focus in Quarter 4 has extensively been the continuous monitoring of the Town Planning Applications of Inner City Rejuvenation Phase 1, 2 & 3 properties awarded for development. Ultimately, approvals (i.e. Removal of restrictions/Consolidation/Rezoning/Site Development approvals/Building Plan Approvals) are sought so that construction can commence.

Inner City Rejuvenation Programme Phase	Status of majority of projects	Status Legend		RAG	
			No progress		
One	1. Projects have received approvals for Site Development Plans. Building Plans to be submitted.				
	2. Temporary Alternative Accommodation to be provided by the City (Housing)				
Two	1. Majority of the developments awarded are delayed and require Town Planning approvals for the following: <ul style="list-style-type: none"> • Building line relaxation • Removal of restrictions • Consolidation • Rezoning • Site Development Plan • Building Plan 				
Three	1. Majority of the developments awarded have received the following approvals <ul style="list-style-type: none"> • Consolidation • Rezoning 				
	2. Site Development Plans to be submitted				

INNER CITY REJUVENATION PROGRAMME: WAY FORWARD

The Inner City Rejuvenation Programme's Phase 4 & 5 is also in motion, the aforementioned focuses on privately owned properties. Various privately owned properties in the Inner City, which are abandoned, hijacked and/or dilapidated, have been identified and earmarked for release.

As outlined in previous reports in Phase 4 & 5 the focus is on privately owned properties. No properties have been approved by Council and released to the private sector for development. This is because the process for the release of privately owned properties differs in that following thorough site visits/due diligence; a comprehensive report must be circulated to CoJ Committees for Section 14(1) approval and later, a Section 14(2) approval.

Moreover, the privately owned buildings identified have various issues ranging from illegal connections to the buildings owing Rates and Services, which exceed the property value.

Due diligence is of crucial importance so the City can thoroughly explore and identify options on how to possibly release these properties (i.e. by means of Declaratory Order, Expropriation, Sale in Execution, Abandonments, etc.). While the city-owned properties were swiftly released, it is evident that due diligence and forensic investigations is of crucial importance on the privately owned properties identified.

Below is a provisional schedule outlining various Committees the report for the privately owned properties will be circulated to for a Section 14(1) and Section 14(2) approval, respectively:

SCHEDULE FOR REPORT SUBMISSIONS	
COMMITTEE MEETING	DATE
Site Inspections	Site Inspections completed
Rates & Taxes	Have Received all Rates and Taxes
JPC Transaction and Board	July 2021*
Economic Growth Technical Cluster	August 2021*
Economic Growth Sub Mayoral	September 2021*
Mayoral	October 2021*
Section 79	February 2022*
Council 14 (1) approval	March 2022*
Negotiation with owners of privately owned properties	6-12 months (minimum time forecasted)
Acquisition of properties	
Economic Growth Technical Cluster	October 2022*
Economic Growth Sub Mayoral	November 2022*
Mayoral	February 2023*
Section 79	March 2023*
Council 14 (2) approval	April 2023*
Bid Specification Committee	May 2023*
Tender Advertisement	June 2023*

Section 1.8: Communications and Marketing

MEDIA

The City procure media monitoring from a single service provider, since February 2021 there has been an absence of the service and the service will resume in quarter one of the 2021/2022 financial year. The process for securing the service has been through bid specification and has approval at probity. The JPC had representation and participated in the bid specification process until mid-June when the advertisements were completed.

The following articles have been covered in the media this quarter. It is important to note that these are sourced through the internet and articles shared at group level amongst communicators and it is for that reason that no AVEs are available.

ARTICLE	PUBLICATION	DATE
Revitalised Metro Mall a Boon for Informal Traders	CoJ Website	14 June 2021
Fordsburg Flea Market Gets a Facelift	CoJ Website	14 June 2021
Shoddy Maintenance and Safety Concerns at Joburg's Landmark	GroundUp Daily Maverick	2 June 2021
Post Office Re-Invaded: Squatters Invade Heritage Building After Joburg Spends R29 Million	The Star	11 June 2021
JPC In Turmoil	The Citizen	25 May 2021
Joburg's Beleaguered JPC Probed for Alleged Human Rights Violations – Kwa Mai Mai	The Citizen	
Corruption Riddled JPC Plagued by Toxic Work Environment	The Citizen	23 June 2021
Fordsburg Flea Market Gets Facelift with Explosion of Colour	The Star	18 June 2021
Fairmount Sport Club Gets a Facelift	Caxton Papers – Rosebank Killarney	30 April 2021
Melrose Bowls Club Reportedly Neglected	Caxton Papers – Rosebank Killarney	12 May 2021

The challenge remains with many projects that were planned for the financial year 2020-2021 will be realized in 2021/2022. This will provide ample content for quarter one which commences in July 2021. Social issues remain addressed through media queries.

Maintenance of relationships with industry associates to ensure channel to disseminate JPC initiatives and developments.

ASSOCIATION	STATUS 2021	COMMENTS
South Africa Property Owners Association (SAPOA)	Renewed subscription for 2021 in February	Paid in 2021. Convention postponed, traditionally JPC flagship event
South African Institute of Black Property Practitioners (SAIBPP)	Renewed subscription for 2021 in February	On-going activities and advocacy, virtual forums. No physical ones
Women's Property Network (WPN)	Invoice for annual membership received in Q4. Additional motivations by SCM required to renew annual subscriptions.	Will be addressed in new financial year
Youth In Property Association (YIPA)	Ad-hoc relationship	Regularly support and promote their activities. Predominantly on social media
JPOMA	Ad-hoc engagements, COVID conditions did not provide forum for engagement in Q4.	Maintain regular phone contact, have explored training courses available to industry on building management.
Johannesburg Inner City Property (JICP)	Regular forums facilitated by Inner City Forum.	Attend for industry insight on the CBD, however none in Q4
Green Building Council South Africa (GBCSA)	JPC serves on the marketing committee of the GBCSA. Offices relocated to Cape Town in 2020. Committee activities suspended until further notice.	Scaled back activity
Private Student Housing Association	Ad-hoc	Maintain relationship to ensure abreast of trends and legislation that could affect developers on CoJ long-term leases.

CORPORATE SOCIAL INVESTMENT

Book Contribution	Book donated by staff members to be given away during 2021 – for Mandela month.
Mandela Day Initiative	Blankets knitted during 2020/2021 by group of JPC employees to be donated. Drive lead by Shaneille Smith at Braampark
Sanitary Pad Drive	Sanitary pads collected in 2019/2020 available for distribution. MMC Khoza accepted invitation to distribute these in Q3 when schools resumed. Alternative arrangement to be made.

JPC facilities covered in publicity to public and through monthly internal newsletters internally. In April, an amended version of the February newsletter was distributed to staff. The May Staff Talk will be completed and distributed in July. The June Getting to Know You will also be distributed.

BRAND BUILDING

Maintenance of the integrity of the JPC Brand remains a priority through strong brand building. The Marketing Department provided support to the Regional team during the roadshows for the Accelerated Service Delivery Regional Drives with the Executive Mayor.

The branding was raised as a concern by the Client Business Operations team, a concern that Marketing has shared as it is six years' old. A motivation for a new proposed branding will be submitted in the new financial year. The material will be kept to a minimum, but will be consistent with the professionalism of the company. The department continues to collaborate with Group Communications and Marketing to ensure a presence of the brand at various levels. While this is the strongest form the media prospective, it happens at all opportunities.

WEBSITE AND SOCIAL MEDIA STATISTICS

Supply Chain Management remains the main driver for visits to the website; some statistics for the past two months are as follows, by page givers:

MONTH	RFQS	TENDERS	RFPS	VACANCIES	REGISTRATION
May	8621	2375	1935	1186	0
June	9296	2372	1745	1057	317

The contact us page had the longest view time, which averaged 2.35 minutes in May and 3.02 minutes in June. The reporting for the start of the quarter (April) remains unreported as the service provider was reappointed in May 2021.

Social Media Statistics at the end of June were Facebook – 4954 friends, Instagram 451, LinkedIn and Twitter 4488 followers.

Section 1.9: Information Technology Unit (IT)

INFORMATION COMMUNICATION AND TECHNOLOGY (ICT) / OPERATION CHALLENGES

The request for the approval of the Bill of Quantities (BOQ) for Information Communication and Technology (ICT) requirements to fit out Braampark Forum One with turnkey ICT infrastructure for relocation of JPC Head Office via the newly appointed IT panel, POP: 12/2020, still waiting for approval which has affected IT projects and service delivery to the business including IT Key/Priority programmes in relation to JPC Scorecard 2020/21.

MITIGATION PLAN FOR ICT IN FORUM ONE

A network link between Forum One and Forum Two was established, a point-to-point 200MB wireless link was installed from Forum 2 to Forum 1, as to create a hybrid network solution for the JPC infrastructure network connectivity. A number of Wi-Fi Access points were also deployed across Forum One to maximize the network access for users and cater for a wider coverage area.

The Legal Department is dealing with this matter and has prepared a supplementary memorandum to the JPC Management as to address some of the documents that were required by Management prior to award a service provider, only upon receiving the approval, IT can commence with planned projects as to render service delivery to the business, as the current ICT infrastructure is ageing or/and unable to cope with business requirements/demands. Procurement for all IT resources are currently on hold and will commence in the next financial year. This is impacting negatively on some of the services IT renders to JPC department i.e. Exclaim, a legal Software that support Legal with the latest and new legislation needed to assist the department with decision recommendations and decision making.

JPC IT has experience a number of challenges in regards to the Procurement of ICT infrastructure:

- Security and theft: This is a great concerning JPC losing Assets because of theft in Forum One. There is no access control nor managed security from the basement.
- Network and User Resources: As noted, JPC is operating on a temporary network connection over a Link from forum 2. This is not ideal, however it keep the business up and working. The continued loss of computers in the offices will run IT resources dry without any stock to allocate to affected users.

- **Licensing and infrastructure:** Infrastructure including licensing requirements are not being fulfilled; SCM processes are being repeated without finalization for previous SCM process.

Recommendations for the above challenges:

- The IT Infrastructure Tender be finalized and approved for installation for Forum one
- Increase the Managed Security to include Access from the basements.
- Moving of the server room to forum one.

IT HIGHLIGHTS / ACTIVITIES FOR THE QUARTER UNDER REVIEW

THE RT15 – 2021 TRANSVERSAL CONTRACT WITH NATIONAL TREASURY

The supply and delivery of mobile communication services to the state for a period 1 April 2021 to 31 March 2026.

The information Technology Unit has been tasked to drive the RT15 2021 Transversal Contract and make recommendation to the Executive Management. After consideration and engagements conducted with the service provider, IT was able to collect information for the task ahead. Considering the information gathered defining all primary aspect derived from each Network Providers Presentation, IT recommends that City of Joburg Property Company Partners with Vodacom to drive the next five years of service in respect the National Treasury RT15 2021-2026 Transversal Contract. This was based on Price, in depended footprint and package deals presented.

The recommendation was noted by EXCO after the presentation to Executive Management on the 17th of June 2021. The Supply Chain Management and Legal Processes are now due to ensure all processed are followed.

SERVICE PROVIDER	PROCE (FINANCIAL IMPLICATION)	QUALITY OF SERVICE	OFFERING
TELKOM	R57 600	Coverage sought across all land including SLA. Cost included to user for Services derived from other NP.	<ol style="list-style-type: none"> 1. Preferred Category 1 (device+sim) package deal. 2. A 20GB streaming data free included. Unlimited CUG for voice, SMS. 3. Free Telkom line calling and Unlimited work data
VODACOM	R52 200	Coverage sought across all land as an independent Provider. Signed SLA to provide service to other NP.	<ol style="list-style-type: none"> 1. The Network Provider was able to demonstrate the preferred package Category 1 (device+sim) package deal. 2. Unlimited CUG for voice, SMS.

SERVICE PROVIDER	PROCE (FINANCIAL IMPLICATION)	QUALITY OF SERVICE	OFFERING
			3. Unlimited work data 4. Free Fraud prevention Policy. X2 screen repair (60months)
MTN	R56 400	Coverage sought across all land including SLA. Cost included to user for Services derived from other NP.	1. The Network Provider was able to demonstrate the preferred package Category 1 (device+sim) package deal. 2. Unlimited CUG for voice, SMS. 3. Unlimited work data
CELL C	R46 680 (SIM ONLY)	Coverage sought across all land including SLA. Cost included to user for Services derived from other NP.	1. The Network Provider was not able to demonstrate the preferred package Category 1 (device+sim) package deal. 2. Unlimited CUG for voice, SMS. 3. Unlimited work data

SAP HR Employee Self-Service (ESS) SYSTEM CONFIGURED FOR JPC

SAP HR Employee Self-Service (ESS) provides JPC Employees with access to view pay-slips and IRP5 tax certificates apply for leave and update personal details. ESS is a web enabled tool used to update own data by the employees themselves. To implement LEAVE REQUEST & APPROVAL, ESS is required. The system automatically determines the approver responsible and lists the name in the Web application.

JPC IT was part of the:-

- Testing strategy plan as to determine whether ESS system can be accessed from JPC and that Employees can view their pay-slips;
- Deploy the SAP ESS Uniform Resource Locator (url) to internet explorer for easy access;
- Collaborated with CoJ SAP Team for JPC user creation; and
- Process Documentation Guide on SAP ESS.

IMPLEMENT USER SYNCHRONIZATION BETWEEN JPC AND COJ ON MS TEAMS

Microsoft Teams (MS TEAMS) is a proprietary business communication platform developed by Microsoft, as part of the Microsoft 365 family of products. Teams is a chat-based collaboration tool that provides global, remote, and dispersed teams with the ability to work together and share information via a common space, also fully integrated with many other Office 365 services, such as Skype, SharePoint and Exchange.

JPC IT:-

- Setup Active Directory synchronization between JPC and COJ for user synchronization.
- Verification of logging credentials, JPC email address and Active Directory password on Teams.

The implementation of the Microsoft Teams has proved great success across all networks for JPC users. This is an ongoing project that JPC through COJ continues to utilize as and when needed from the set of available licenses from COJ.

Section 1.10: Client Relations Management

Highlights or key interventions during the period under review

- ❖ Participated in the 120 days of Accelerated Service Delivery Programme across the regions.
- ❖ Five (05) property related transactions were approved by Council. These transactions included leases, a transfer and a property acquisition.
- ❖ 420 circulations loaded on to the Property Information Management System from the internal business units and CoJ entities.

JPC has a varying stakeholder group who require different things from the organisation and as such we continually adapt our mode of engagement to ensure that we respond to the need of our stakeholders within the set of approved service standards above that we participate in various communication platforms such as the COJ strategic committees and regional committee meeting's. JPC also utilises those platforms to report on programmes and activities that affect service delivery within its mandate.

Key to note is our commitment to monitor progress of implementation and responses from the external and internal stakeholders. We have streamlined and develop links across the company to ensure that information processed is timeous and relevant. These are the Generic challenges identified from our stakeholders which have remind generic across this current financial year

- Slow turnaround time for transactions, queries and reports;
- Illegal occupations and contract management;
- Unmanaged properties contributing to crime and grime;
- vacant land invaded resulting in illegal structures, sub-letting, illegal connections and crime;
- Management and maintenance of council owned land and buildings;
- Hijacked properties and ablution facilities;

- Informal trading management and dilapidated taxi ranks;
- Public convenience strategy, facilities management and maintenance plans;
- Deep cleaning, sanitisation and fogging;
- Management and maintenance of corporate buildings and cleaners;
- Insufficient engagements and status updates for property developments;
- Incomplete projects and prioritisation model in allocation of capex.

JPC adhered to the service standards set by the COJ contained in the Shareholder Compact, which relate to client service functionality and turnaround times of enquiries.

* 15 x condition based assessments conducted on a monthly basis

The information provided is in terms of the Service Level Standards submitted is up to 21 June 2021 due to timing differences. The second submission of this report to be submitted on the 9th July 2021 will include the performance for June 2021. The June 2021 YTD figures will be updated.

KPI	Core Service	Service Level Standard Target	April	May	June	Q4 Actual	Variance explanation
KPI 1.1	KPI 1.1, Response in acknowledgement of requests, enquiries and complaints	Within 1 day of logged call	211	219	0	430	Not applicable
KPI 1.2	KPI 1.2, Provision of answers and/or results related to the receipt of the requests and enquiries regarding properties	Within 3 days of logged call	155	158	0	313	Not applicable
KPI 1.3	KPI 1.3, The performance of emergency work for JPC managed facilities	Within 1 day of logged call	0	112	0	112	Not applicable
KPI 1.4	KPI 1.4, Performance of minor works on facilities managed by JPC	Within 2 days of logged call	0	40	0	40	Not applicable
KPI 1.5	KPI 1.5, Performance of major works on facilities managed by JPC	Within 5 days of logged call	0	20	0	20	Not applicable
KPI 1.6	KPI 1.6, Complete the sale or lease and registration of servitudes of Council owned land	Within 6 months after Council Approval in terms of Section 14(2) of the Municipal Finance Management Act	0	0	0	0	Not applicable
KPI 1.7	KPI 1.7, Tender placed after Council approval and CoJ Executive Adjudication Committee	Within 4 months of CoJ Executive Adjudication Committee approval	0	0	0	0	Not applicable
KPI 1.8	KPI 1.8, Internal allocation of land and buildings to City Departments and Entities (PTOB : Permission to occupy and build and lease office space from third parties)	Within 60 days of application and budget confirmation	0	0	0	0	Not applicable
KPI 1.9	KPI 1.9, Performance of surveys on the condition of all plant and equipment in order to allow the assessment of the required repairs and maintenance of facilities managed by JPC	Quarterly	15	15	0	*15	Not applicable
KPI 1.10	KPI 1.10, Response to general enquiries at client services counter	Within 24 hours of logged call	65	64	0	129	Not applicable
KPI 1.11	KPI 1.11, Response to enquiries regarding transactions in pipeline	Within 24 hours of logged call	0	0	0	0	Not applicable
KPI 1.12	KPI 1.12, Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application	8 of 8 = 100%	14 of 14 = 100%	0 of 0 = 100%	22 of 22 = 100%	Not applicable



Chapter 4: Human Resources & Organisational Management

Section 1: Human Resource and Organisational Management

Overview Highlights and Achievements:

Revised Human Resources Strategy

The Human Capital Management section provides a synopsis of the initiatives implemented aligned to JPC's HR agenda, and focuses on the organisation's strategic objectives as outlined in the HR Strategy. The HR Strategy has been approved for a 3-year period, from 2018 to 2021. The long-term objective is to position JPC as an employer of choice, by creating a workplace that is healthy, productive and exciting to its current workforce, and at the same time appeals to prospective employees.

The business success of any organisation is underpinned by the Human Capital Factor, and at JPC our return on investment is measured in terms of the following strategic focus areas:

- Aligning the HR strategy to the JPC Strategy, IDP and the Mayoral Priorities by positioning JPC as Employer of Choice.
- An HR Strategy that serves as a vehicle for facilitating transformation from a human capital perspective, and ensure that JPC has a workforce that is fit for purpose and productive.
- Aligning focus areas in order to contribute to the JPC mandate.

CURB OF COVID-19 PANDEMIC

Management has played a role in supporting the business to manage the spread of COVID-19 and ensuring that the risks is effectively managed, health and safety of employees were a high priority during the period under review.

Communication to employees has been key in keeping them informed and implementing safety precautions is continuously critical and engaging employees through various awareness platforms such as WhatsApp groups and SMS's. These communications are aimed at informing employees on COVID-19 compliance regulations, keeping healthy and at the same time still contributing to business productivity in the new normal.

There is currently staff rotation plans for level 4 and staff report at the office as and when required to attend to execution of duties. The staff are fully capacitated to function or perform their duties from home. Staff are encouraged to use "MICROSOFT/ZOOM" for meeting purposes and as part of social distancing to alleviate the spread of covid-19.

Employee Self Service (ESS)

JPC has been part of the first wave of the SAP Business Transformation Programme project and this is amongst other MOE's. A sample of employees who have access to computers were nominated to test a part of "**Employee Self Service Portal**" on pay slip viewing and printing, this is indicative of the progress made so far and this directly aligns the organization to the new norm where technology is now a way of being in ensuring that there are effective tools to service employees and making their work life easy.

Employment Equity Compliance

All employers are required to follow the Employment Equity Act and perform an analysis of their workforce for annual submissions to the Department of Labour. JPC has complied and submitted the Annual Employment Equity Report in January 2021.

Training and Development

An Internship programme has successfully been completed for 69 interns that were hosted for a period of 12 months effective 15th January 2020 until 15th June 2021. Participation on the City's Skills Audit assessment project at 100% of levels 7 and 8.

DECLARATION OF INTERESTS

As set out in the Code of Conduct/Ethics, all employees are required to disclose any personal interest that may bring conflict or even be perceived as conflict between the organization's interest and that of an employee. The declaration of private interest is conducted at the beginning of each financial year.

A total number of **1142** submissions were received out of **1695** employees, and only **22** employees declared their personal interests. Due to COVID-19 risk adjusted plan, more than 40% of the staff compliment is still not back for work to limit exposure to COVID-19 infection and where possible employees work from home due to the following reasons:

- Employees who are 60 years and above.
- Employees with co-morbidities.
- Employees who are pregnant.
- Employees who are based in high COVID-19 working sites (Public Convenience).

BELOW IS THE BREAKDOWN IN TERMS OF DEPARTMENTAL COMPLIANCE:

DEPARTMENT	NUMBER OF SUBMISSIONS	NUMBER OF EMPLOYEES
OFFICE OF THE CEO	9	12
FINANCE	25	37
CLIENT BUSINESS OPERATIONS	52	66
OUTDOOR ADVERTISING	4	4
STRATEGIC CORPORATE SUPPORT	18	18
ASSET MANAGEMENT	4	4
PPMU	15	19
INNER CITY	7	11
PORTFOLIO MANAGEMENT CATEGORY A&B	8	9
PROPERTY MANAGEMENT	8	12
INFORMAL TRADING	25	31
FACILITIES MANAGEMENT	181	262
CLEANING SERVICES	763	1210
INTERNS	23	
TOTAL	1142	1695

ORGANIZATIONAL DEVELOPMENT

The overall structural information as at June 2021 is as follows: The total number of vacant positions as at June 2021 is 448. At this stage, there are budget constraints and only vacancies that are funded and deemed as critical will be filled.

All structures have been successfully updated on SAP.

Department	NO. OF POSITIONS	FILLED POSITIONS	VACANT POSTS
Office of the CEO	28	12	16
Finance	42	37	5
Client Business Operations	81	66	15
Outdoor Advertising	9	4	5
Strategic Corporate Support	26	18	8
Portfolio: Asset Management	7	4	3
Portfolio: PPMU	33	19	14
Portfolio Management Category A&B	16	9	7
Portfolio: Property Management & Informal Trading	114	43	71
Portfolio: Inner-City	17	11	6
Portfolio: Real Estate & Facilities	523	262	261
Cleaning Services	1253	1210	37
TOTAL STAFF COMPLIMENT	2149	1695	448

Section 2: Employee Remuneration and Cost Including Executives

The total salary bill equates to an amount of **R476 240 764** for the 2020/2021 financial year.

SALARY BILL: 2020/2021 FINANCIAL YEAR	
MONTH	AMOUNT
QUARTER 1	120 108 763
QUARTER 2	133 352 329
QUARTER 3	112 103 135
QUARTER 4	110 676 537
Total	476 240 764

The table above indicates the quarterly breakdown of the salary bill for the 2020/2021 financial year inclusive of the following transactions that emerged:

- Cost of living increase for 2020/2021 was implemented at 6.25%.
- Adjustment of all related employee benefits such as homeowners allowance and medical aid new limits.
- Payment of annual bonuses/13th cheques in November 2020.
- Payment of performance bonuses to qualifying Executive and Senior managers following AGM.
- Uploading of new tax tables in March 2021 the beginning of the 2021/2022 tax year.
- Final payments of terminated employees.
- Appointment of new employees following a recruitment process.

OVERTIME COSTS: 2020/2021 FINANCIAL YEAR

Overtime expenditure is consistent and is as a result of services rendered to the public by JPC in respect of public convenience facilities. Public convenience facilities are open seven (7) days a week and are being maintained by employees who work five (5) days a week, they are required to work over weekends in order to deliver a quality service to the public.

There has been a rise on overtime due to the need for cleaners who work in the corporate buildings where there are shift workers, such as JMPD; to be at work at all times to ensure that all buildings are clean and safe as per covid-19 regulations.

The table below indicate quarterly overtime for the 2020/2021 financial year.

OVERTIME BILL: Q3 OVERTIME EXPENSES FOR JAN - MAR 2021			
QUARTERLY	TOTAL COSTS	% OF EXPENDITURE	QUARTERLY REDUCTION
Q1 (Jul-Sep 20)	R 595 353	52%	0%
Q2 (Oct - Dec 20)	R1 028 925	55%	3%
Q3 (Jan - Mar 21)	R614 550	46%	-9%
Q4 (Apr - Jun 21)	R916 354	62%	16%
TOTAL AMOUNTS	R3 155 181		10%

The quarterly overtime indicates a slight increase in the second quarter, a significant cost reduction in the third quarter by 9%. The reduction is due to the fact that most employees were still on leave in the January period. There was a significant increase in the fourth quarter as the country moved to alert level 4 of the lockdown due to the 3rd wave of the corona virus, a larger number of employees within facilities management and cleaning were required to ensure all building and public facilities are kept in a clean state.

Section 3: Key Vacancies

The following positions were advertised in March 2021; the process of recruitment and selection is still underway:

DEPARTMENT	POSITION	SALARY LEVEL	NUMBER OF POSITIONS	ADVERT
STRATEGIC CORPORATE SUPPORT	MANAGER: ER & WELLNESS	6	1	INTERNAL/ EXTERNAL
	HEAD: HUMAN CAPITAL MANAGEMENT	4	1	INTERNAL/ EXTERNAL
OFFICE OF THE CEO	COMPANY SECRETARY	5	1	INTERNAL/ EXTERNAL
	ASSISTANT STRATEGIC OPERATIONAL MANAGER	7	2	INTERNAL
FINANCE	BOOKKEEPER	8	1	INTERNAL

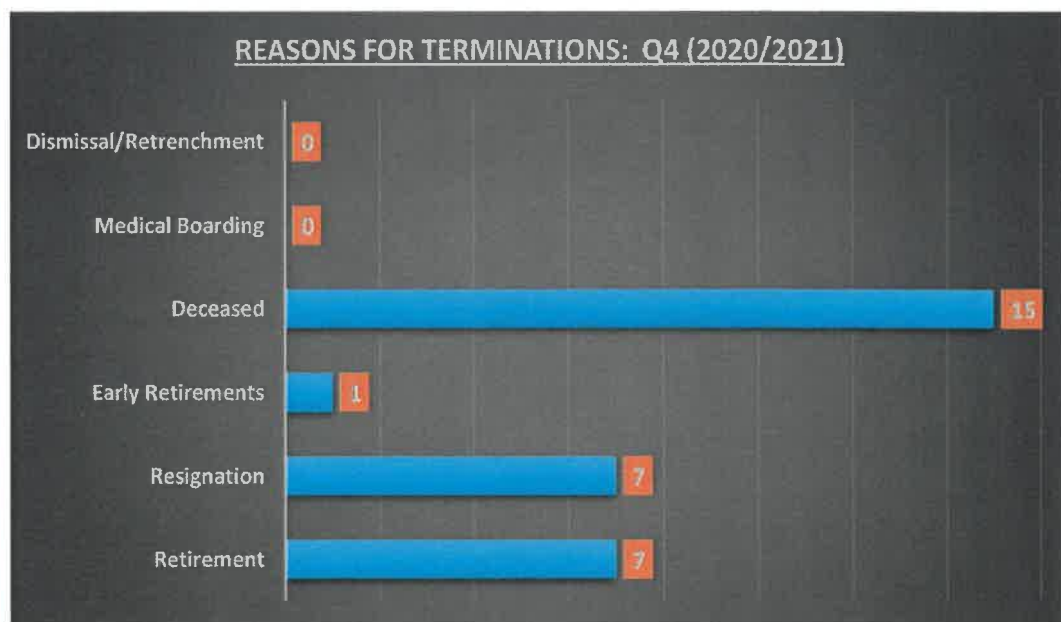
STAFF MOVEMENTS

Terminations: It is reported that in this financial year (2020/2021) that 30 terminations were actions. The table below depicts the reasons for the terminations.

Occupational Levels	MALE				FEMALE				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	0	0	1
Professionally qualified and mid-management	2	0	1	0	2	0	0	0	0	0	5
Jun. Management, Superintendents and Skilled Technical	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled / Administration	4	1	0	0	1	1	0	0	0	0	7
Unskilled and defined decision making	4	0	0	0	12	1	0	0	0	0	17
Total Permanent Staff	11	1	1	0	15	2	0	0	0	0	30
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	11	1	1	0	15	2	0	0	0	0	30

The table above illustrates the terminations realised inclusive of temporary and permanent employees as per occupational levels, race and gender. These terminations were mainly due to retirement, death and resignations.

The graph below indicates the reasons for termination that transpired in this financial year.

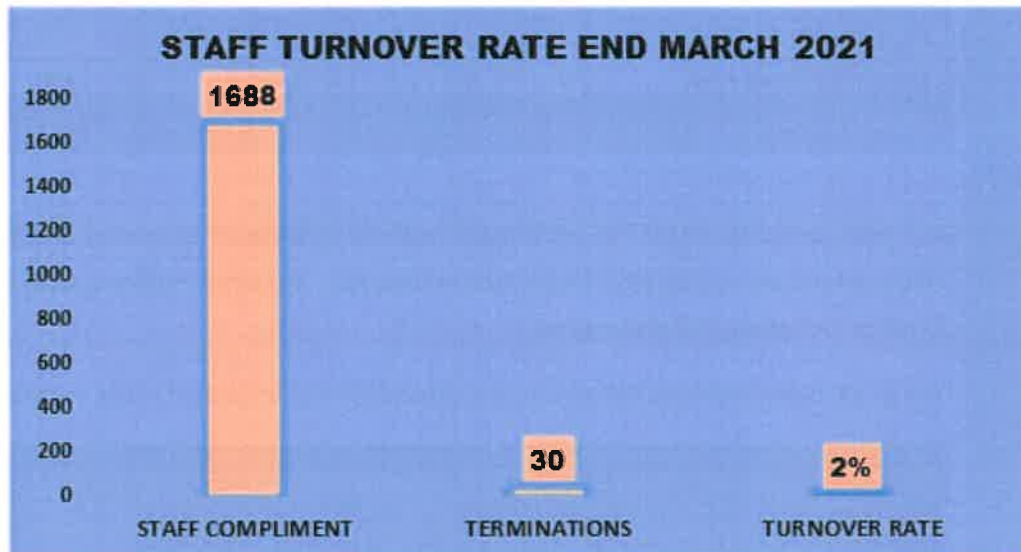


- **Deceased:** Fifteen (15) employees passed away in this financial year mostly through ill health.

- **Early Retirement:** One (1) employee went on early retirement due to issues of ill health and age.
- **Resignation:** Seven (7) employees resigned from the organisation with prospects for better career opportunities
- **Retirement:** Seven (7) employees went on retirement in this financial year.

The impact of termination rate realised contributes to the under capacitation within key business areas and the business has identified critical positions per business unit that need to be advertised as soon as budget is made available.

STAFF TURN OVER FOR THE PERIOD UNDER REVIEW: APRIL – JUNE 2021



The graph above shows staff turnover rate of 1%, which is a good level taking into consideration that a healthy turnover rate is 5% to 10%. Employees stay longer in the employ and this indicates that JPC is fair in paying employee benefits as an employer of choice.

Section 4: Employment Equity

The total JPC EE demographics of the permanent workforce as at June 2021 is 1675.

Occupational Levels	MALE				FEMALE				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	0	0	0	0	0	1	0	0	0	0	1
Senior Management	5	0	2	2	2	0	0	0	0	0	11
Professionally qualified and mid-management	18	1	5	4	23	2	2	6	0	0	61
Jun. Management, Superintendents and Skilled Technical	97	5	6	9	96	16	2	0	0	0	231
Semi-skilled / Administration	63	7	1	0	6	2	1	0	0	0	80
Unskilled and defined decision making	344	2	0	1	943	14	0	0	0	0	1304
Total Permanent Staff	527	15	14	16	1070	35	5	6	0	0	1688
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	527	15	14	16	1070	35	5	6	0	0	1688

There are no significant changes since the third quarter on employee demographics. In terms of the racial representations there is still improvements to be realised particularly the identification of positions that must be filled by People living with Disabilities and positions to be filled to address gender disparities. Priority will be given to female incumbents as and when there are vacant positions to be filled within the organisation.

RACIAL AND GENDER SPLIT PER POPULATION GROUPS AS WELL AS THE GAP ANALYSIS AGAINST EAP TARGETS AS AT JUNE 2021

JPC continues to put measures in place to improve gender equality and equal representation in terms of gender and race. The EE targets for 2019 to 2024 based on the Provincial Economic Active Demographic Population (EADP) are as follows:

PROVINCIAL ECONOMIC ACTIVE DEMOGRAPHIC POPULATION (EADP)

POPULATION GROUP	MALE %	FEMALE %	TOTAL %	GENDER SPLIT %
Africans	31%	63%	95%	Male 34%
Coloureds	1%	2%	3%	
Indians	1%	0%	1%	Female 66%
Whites	1%	0%	1%	
Disability			2%	

**RACIAL SPLIT PER POPULATION GROUPS IN LINE WITH ECONOMIC ACTIVE
DEMOGRAPHIC POPULATION**

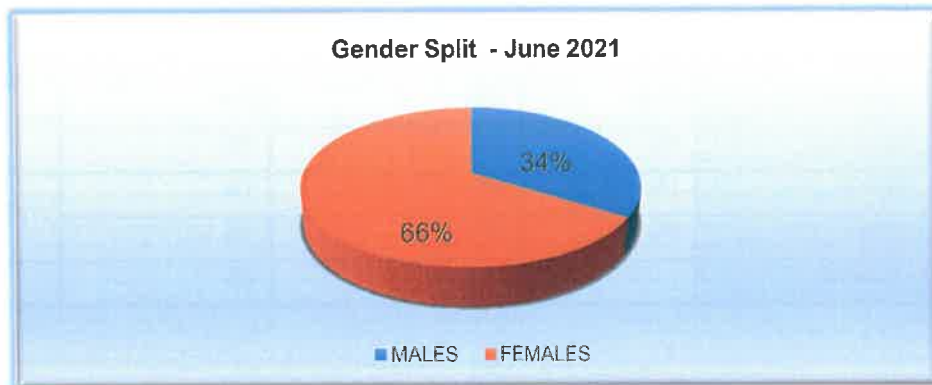
RACIAL SPLIT - DECEMBER 2020	TARGET	ACTUAL	CURRENT NUMERICAL
AFRICAN	81%	94.7%	1597
COLOURED	3%	2.9%	50
INDIAN	3%	1.1%	19
WHITE	14%	1.4%	22
			1688

Overall Racial Split	RACIAL SPLIT			
	A	C	I	W
Actual	94.7%	2.9%	1.1%	1.4%
Target	81%	3%	3%	14%
Gaps	14%	0%	-2%	-12%

The underrepresentation of Indians and Whites in terms of racial split against the EAP targets and People living with Disabilities has not yet been addressed. The racial gap will be address as and when there are vacant positions to be filled.

GENDER SPLIT ANALYSIS

JPC has recorded 66% of the female representation overall, 4% drop as from previous quarters as a result of terminations. The bulk of the staff is under the lower level staffs. This provides JPC with an opportunity to put in place interventions to allow female employees in this unit to improve their skills at supervisory and team leader levels.



TRAINING IMPLEMENTED PLAN FOR THE PERIOD UNDER REVIEW

The following interventions were successfully enrolled through online/virtual platforms as were offered free in-house and online from the School of Government. The 2021/2022 Workplace Skills Plan and Annual Training Report (WSP and ATR) were successfully submitted online to Services SETA on 30th April 2021. The Individual Learning Plan complies.

PROGRAMME / COURSE	NUMBER OF BENEFICIARIES
1. SAP Navigation Training	6
2. Writing for Government	16
3. Ethics in the Public Service	
4. Introduction to Leading Change	
5. Introduction to Financial Management and Budgeting	1
6. Generally Recognised Practice	
7. Introduction to Strategic Planning and Management	
8. Policy and Procedure on Incapacity Leave and Ill-Health Retirement	
TOTAL	23

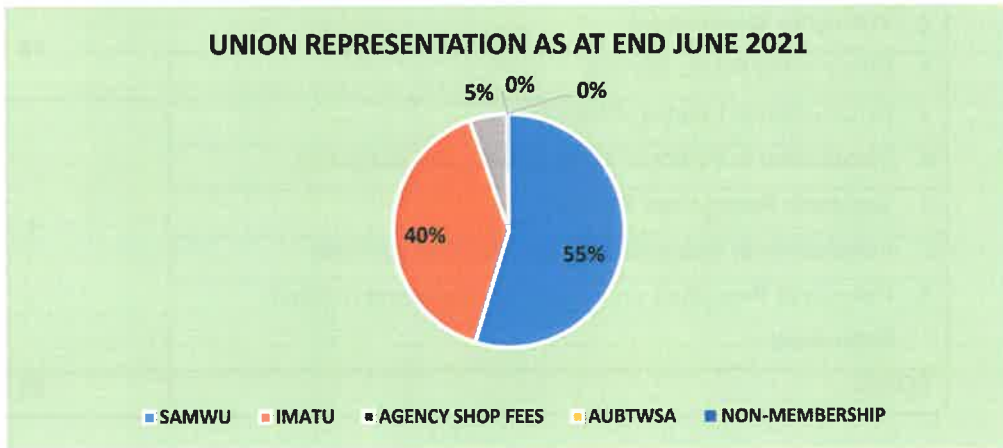
LEARNERSHIPS AND GRADUATES INTERNSHIP PROGRAMME

The Internship programme term ended on the 15th June 2021 after 18 months of its inception and this according to the Services Seta programme cycle. JPC was approved to host 69 graduate interns for a period of twelve (12) months effective from 15th January 2020. However, Services Seta approved that the Internship programme be extended for another by five (5) months to mitigate the time lost due to COVID19 national lockdown. As at 15th June 2021, there were only Twenty Five (25) interns remaining in the programme, while others had already exited the programme taking up on new job opportunities in other organisations.

Section 6: UNION REPRESENTATION

Union presentation for this period under review: April - June 2021

The union representation and membership graph above shows that from a staff compliment of 1715 permanent employees, 32% belongs to SAMWU, 54 belongs to IMATU, 14% fall within the Agency shop fees. A new Union has been introduced but does not have memberships yet. Majority of the cleaning department are affiliated with IMATU, which has given them a rise over SAMWU.



Section 7: DISCIPLINARY MATTERS & OUTCOMES

CURRENT INTERNAL CASES

CASE DESCRIPTION	PROGRESS	OUTCOME
THIRTEEN (14) EMPLOYEES WERE PLACE ON PRECAUTIONARY SUSPENSION	INVESTIGATIONS ARE STILL UNDERWAY	PENDING OUTCOME OF INVESTIGATION WHICH WILL POINT THE EMPLOYER IN THE DIRECTION TO TAKE

EXTERNAL DISPUTES

CASE DESCRIPTION	OUTCOME
Unfair Labour Practice	The matter was dismissed at the CCMA as the employee referred the matter at the incorrect forum instead of Bargaining Council

CASE DESCRIPTION	OUTCOME
185 Unfair Labour Practice	Conciliation held and the outcome indicated that matter was not resolved. The complainant has proceeded and referred the matter for arbitration. An Award certificate has been issued and matter concluded.
185 Unfair Labour Practice	Conciliation has not been held, employee has proceeded and referred the matter to the High Court and case has been dismissed. The employee has referred the matter back Bargaining Council for conciliation.

Eight matters have been referred to the external dispute resolution mechanism at SALGBC and Labour Court and the outcome is indicated above. The Labour Court found in favour of JPC in the Review Application.

Section 8: Leave and Productivity Management

LEAVE LIABILITY: JULY TO JUNE 2020-2021 FINANCIAL YEAR

The leave liability amount based on the annual leave balances as at end June 2021 amounts to **R38 772 677.00**. The leave liability amount indicates a decrease from the second quarter which is due to employees utilizing their leave days for the festive period as well as the increase in the number of employees who encash their leave days due to financial constraints caused as households go through financial strain.

The table below illustrates the monthly leave liability amounts: (JULY - JUNE 2021)

Q4 LEAVE PROVISION: JULY - JUNE 2021		
MONTH	LEAVE DAYS	AMOUNT
Q1 (JUL - SEP)	36033	R 40 396 387
Q2 (OCT - DEC)	32873	R 39 350 701
Q3 (JAN - MAR)	31621	R 36 221 699
Q4 (APR - JUN)	33079	R 38 772 677
TOTALS	133606	R 154 741 463.76

ABSENTEEISM PER DEPARTMENT

DEPARTMENT	PERIOD	NUMBER OF STAFF TAKEN SICK LEAVE	TOTAL SICK DAYS TAKEN	% ABSENTEEISM
OFFICE OF THE CEO	APRIL - JUNE 2021	3	19	0.01%
FINANCE & SCM	APRIL - JUNE 2021	1	12	0.01%
CLIENT BUSINESS OPERATIONS	APRIL - JUNE 2021	17	36	0.02%
CORPORATE SERVICES	APRIL - JUNE 2021	3	12	0.01%
OUTDOOR ADVERTISING	APRIL - JUNE 2021	1	2	0.00%
PORTFOLIO MANAGEMENT	APRIL - JUNE 2021	37	167	0.09%
CLEANING SERVICES	APRIL - JUNE 2021	53	116	0.06%
TOTALS		115	364	0.19%

The above table illustrates the absenteeism rate per department, JPC has an absenteeism rate of 0.19% and the department with the highest absenteeism rate is Portfolio Management. This department is where majority of our technical, lower level employees are based, and an aging workforce plagues it as majority of our technical team employees have a long service history with the COJ.

Section 9: Employee Wellness

JPC is implementing measures of control in terms of limiting the spread of Covid-19 in the office space environment. This is a necessary requirement to safeguard our employees and adhere to the guidelines as laid out in the regulations.

It is also compulsory for all employees to report all incidences via means of telecommunication of any employees diagnosed with Covid-19 or showing signs of Covid-19 or flu-like symptoms, not to report to work in person and self-isolate. This should also be true if a member of the employees' household becomes ill.

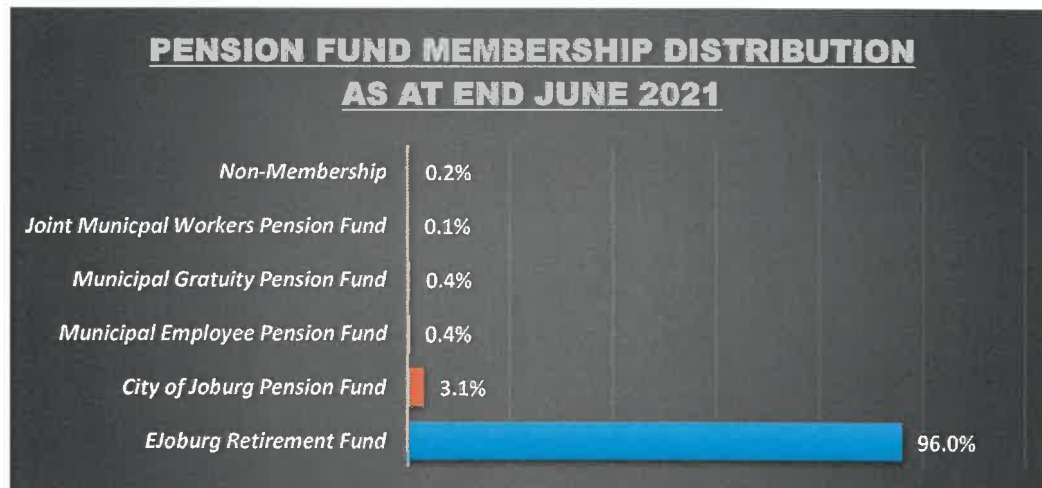
Workplace health and safety is under the microscope with the outbreak of the Corona Virus and various awareness communications and posters have been distributed regarding hygiene and leave provisions.

CORONA VIRUS OUTBREAK – THIRD WAVE

- Workplace health and safety is under the microscope and requires stringent monitoring at departmental level;
- Various awareness communications and posters are distributed regarding hygiene and leave provisions via internal communicate and pamphlets;
- Management is required to encourage employees to utilise their sick leave should they experience flu like symptoms and seek medical attention.
- Remind employees to avoid shaking hands for greeting.
- Employees are also required to sanitise the hands as they come into different functions and their workstations.
- It is compulsory for employees to wear masks at all times.

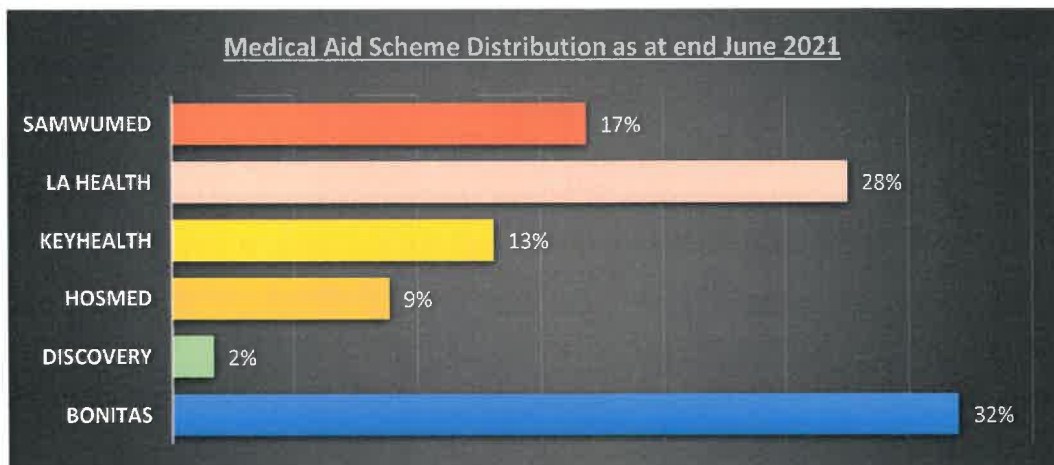
Section 10: Employee Benefits

The table below indicates the pension funds membership distribution as at end June 2021:



The graph above demonstrates the membership distribution of JPC to the accredited pension funds. This condition is compulsory to all JPC employees with the exception of the Chief Executive Officer, medically boarded employees and temporary employees. *In terms of the salary and wage collective agreement, the pension fund condition ordinarily increases by virtue of the salary increase percentage and related linked benefits.*

THE ACCREDITED MEDICAL AID SCHEMES MEMBERSHIP DISTRIBUTION AS AT END MARCH 2021 IS AS FOLLOWS:



The table above specifies the accredited medical aid schemes and membership distribution to each scheme as at the end of June 2021. The provision set out in relation to medical aid, states that for the duration of the salary and wage agreement, and based on the 60/40 principle set out in the Main Collective Agreement, the current maximum medical aid employer contribution rate to accredited medical schemes increased to **R4 773.12** for 2020/2021 financial year.



Chapter 5: Financial Performance

Section 1: Statement of Financial Position

STATEMENT OF FINANCIAL POSITION FOR JPC FOR THE PERIOD ENDED 30 JUNE 2021

	Note	2021	2020	Variance R
Assets				
Current assets		667 372 240	670 235 074	-2 862 834
Cash and cash equivalents	1	2 000	2 000	-
Receivables from exchange transactions	2	529 390 088	660 968 260	-131 578 172
Loans to shareholders	3	137 932 834	8 960 950	128 971 884
Receivables from non-exchange transactions	4	2 939	2 939	-0
Prepayments	5	44 380	300 926	-256 546
Non-current assets		47 329 451	63 642 085	-16 312 635
Property, plant and equipment	6	10 891 898	20 017 879	-9 125 981
Intangible assets	7	13 558 783	13 890 178	-331 395
Prepayment	8	24 447	24 447	-0
Deposits	9	182 092	182 092	-
Deferred Tax Asset	10	22 671 516	22 669 263	2 253
Current tax receivable	11	715	6 858 227	-6 857 512
Total Assets		714 701 691	733 877 160	-19 175 468
Liabilities				
Current Liabilities		784 038 267	735 206 640	48 831 626
Payables from exchange transactions	12	92 272 909	339 964 272	-235 336 796
Finance lease obligation	13	547 120	4 183 102	-3 635 981
Loans from shareholders	14	683 235 975	372 074 506	311 161 469
Provisions	15	1 744 609	3 096 951	-1 352 342
Income received in advance	16	-	3 975 000	-3 975 000
Operating lease liability	17	6 237 653	11 912 809	-5 675 156
Non-Current Liabilities		686 000	1 233 120	-547 120
Finance lease obligation	13	-	547 120	-547 120
Employee benefit obligation	18	686 000	686 000	-
Total liabilities		784 724 267	736 439 761	48 284 506
Net Assets		-70 022 575	-2 562 601	-67 459 974
Share Capital	19	5 142 721	5 142 721	-
Accumulated Surplus/(Deficit)	20	-75 165 296	-7 705 322	-67 459 974
Total Net Assets / (Liabilities)		-70 022 575	-2 562 601	-67 459 974

High Level Notes:

1. The petty cash float is maintained at R2 000 every month.
2. Debtors comprises of two categories: related parties and third parties. Related parties indicates monies outstanding from intercompany transactions. Third parties refers to external clients. JPC has received R222 million for the YTD from related party debtors.
3. Represents the COJ: Portfolio loan account with JPC.
4. Staff debtors relate to personnel that have signed an acknowledgement of debt.
5. Prepayments relate to the amortisation of software licenses over the duration of the usage terms and conditions; as well as office accommodation for the amortisation of expenditure related to the acquisition of the Forum 2 lease.
6. Property, plant and equipment is measured at the lower of cost or carrying amount. The useful life of fixed assets has been extended due to their good condition.
7. Intangible assets comprise of computer software that has been procured and internally generated. The impairment of internally generated assets is to be reviewed during the 2021 financial year.
8. Prepayments relate to the amortisation of software licenses over the duration of the usage terms and conditions; as well as office accommodation for the amortisation of expenditure related to the acquisition of the Forum 2 lease.
9. Electricity deposits with Eskom for the Baragwanath informal trading facility and the Lenasia facilities management buildings.
10. Deferred tax has been calculated to account for movements in the balance sheet.
11. Refund due from SARS for income tax assessments from 2012/13 to present.
12. Consists of current liabilities that will become due and payable in the next 12 months. These liabilities include VAT, accruals, related party accruals, etc. Comparatively JPC has had a significant reduction in payables as accruals for the 2020 financial year were paid.
13. This is the short-term portion of the finance lease liability which is payable within one year.
14. Relates to loan accounts payable between JPC and various COJ departments for the JPC and insourced cleaners payroll as well as transactional loan accounts for the acquisition of property for the COJ.
15. Relates to provision for EXCO bonuses for the 2019/20 financial year.
16. Commission related to the acquisition of property for the COJMM Department of Housing was raised and received in the 2020 financial year; however, the transaction only materialised subsequent to the financial year-end.
17. GRAP 13 adjustment for the straight lining of operating leases over the lease duration of office accommodation buildings.
18. Provision on Post-retirement Medical Aid raised based on 2019/20 actuarial valuation report in respect of personnel that qualify for the benefit.
19. There are no changes to the share capital of JPC in the current financial year.
20. The accumulated surpluses and losses from previous and current financial year.

Section 2: Statement of Financial Performance

STATEMENT OF FINANCE PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2021

	Note	Actual	Year-to-date Budget	Variance	Annual Budget
Revenue					
Revenue from non-exchange transactions					
COJ - Subsidies received	1	646 229 000	646 229 000	-	646 229 000
Revenue from exchange transactions					
Internal recoveries	2	105 727 710	340 223 000	234 495 290	340 223 000
Commission on Portfolio Rentals	3	48 119 602	201 937 000	153 817 398	201 937 000
Commission on Outdoor Advertising	4	14 857 729	41 799 000	26 941 271	41 799 000
Commission on Property Acquisition	5	8 975 454	7 893 000	-1 082 454	7 893 000
Assets Under Management Fees	6	12 667 644	-	-12 667 644	-
Facilitation Fees - Inner City	7	7 000 000	7 000 000	-	7 000 000
Facilitation fees	8	-	30 000 000	30 000 000	30 000 000
Ad hoc Fees	9	1 500 000	40 000 000	38 500 000	40 000 000
Cell Mast	10	289 988	-	-289 988	-
		12 317 293	11 594 000	-723 293	11 594 000
Other income					
Interest received	11	485 820	-	-485 820	-
		485 820	-	-485 820	-
Total Revenue		752 442 530	986 452 000	234 009 470	986 452 000
Expenditure					
Board of directors fees and expenses	12	1 799 675	2 800 000	1 000 325	2 800 000
Office operational expenses	13	256 882 005	328 209 100	71 327 095	328 209 100
Contracted expenses	14	15 437 383	25 466 000	10 028 617	25 466 000
Cleaning materials	15	4 170 757	31 478 000	27 307 243	31 478 000
Repairs & Maintenance	16	31 347 728	91 545 000	60 197 272	91 545 000
Salaries	17	487 847 935	453 583 780	-34 264 156	453 583 780
Travel	18	-	538 000	538 000	538 000
Interest Paid	19	3 290 632	38 700 000	35 409 368	38 700 000
Depreciation	20	8 404 157	14 132 120	5 727 963	14 132 120
Loss on disposal of assets	21	1 053 213	-	-1 053 213	-
Total expenditure		810 233 487	986 452 000	176 218 513	986 452 000
(Deficit)/surplus before taxation		-57 790 957	0	57 790 958	0
Taxation		-	-	-	-
Net (Deficit)/Surplus		-57 790 957	0	57 790 958	0

High Level Notes:

1. Subsidy provided to JPC for the 2020/21 financial year. The subsidy was increased during the midterm budget review to subsidise the shortfall in cleaners' salaries.
2. Internal recoveries relates to the salary recovery for insourced of cleaning staff, and management fees for R&M, and CAPEX projects undertaken on behalf of the COJ and its departments. This revenue line will increase as related party transactions are concluded for the annual financial statements.
3. The COJ Rental Collection Commission, Servitudes and Rates & Taxes is 64.45% below the budget, this is in line with rental collections in Portfolio. There is currently an undertaking to renew leases; this will increase the amount of revenue Portfolio can collect and the commission receivable by JPC.
4. The Commission on Outdoor Advertising is 13.7% above the budget; this is in alignment with collections in Portfolio. The budget was reduced during the midterm budget review in Q3.
5. Recognition of revenue for income received in advance from the 2020 financial year concerning Erf 180 Wolhuter.
6. Relates to Asset under Management fee for the administration of the COJ's assets.
7. Relates to Facilitation Fees for the Inner City rejuvenation. For the YTD no transactions have transpired.
8. Relates to development facilitation fees. For the YTD two transactions have transpired.
9. Ad hoc fees relate to services provided by JPC to City Power and Johannesburg Water for property acquisitions.
10. Cell Mast is in line with the contract signed between JPC and Altivex.
11. JPC accrued interest on the sweeping account in Q4 as the overdraft was reduced.
12. Directors' emoluments and expenditure is 35.73% below the budget. This is in line with the number of meetings scheduled for the YTD.
13. Operational expenditure is 21.73% below the YTD budget. Cost management measures have been implemented to manage expenditure. Operational expenditure is anticipated to increase as final AFS is prepared and accruals are accounted for.
14. Contracted expenditure is 39.38% below the budget. Contracted expenditure is anticipated to increase as final AFS is prepared and accruals are accounted for.
15. Bulk cleaning materials have been procured as and when they have been required to be replenished in the current financial year.
16. Repairs & Maintenance is 65.76% below the YTD budget. Due to the change in hybrid work-from-home models, R&M has not been utilised in office accommodation buildings as anticipated for the financial year.
17. Salary expenditure is 7.55% above the budget. Additional budget was provided during the midterm review to cover the shortfall in cleaners' employee costs; however, it is insufficient to cover the shortfall in the overall salaries budget.
18. No travel expenditure has been incurred for the YTD.
19. Interest on the overdraft has decreased significantly, as the overdraft has decreased due to collection of monies from related party debtors.
20. Depreciation is 40.53% below the budget. This is in line with the fixed asset register.
21. JPC accounted for laptops and IT equipment that has been stolen in Q4 as well as disposed of tenant installations previously capitalised for Forum 2.

Section 3: Cash Flow Statement

STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30 JUNE 2021

	2021	2020
Cash flows from operating activities		
Rendering of services	222 567 622	-73 240 669
Subsidies	646 229 000	658 636 000
Interest Income	423 448	74 073
	869 220 070	585 469 404
Payments		
Employee costs	(489 200 277)	-382 704 185
Suppliers	(562 747 516)	-205 091 481
Finance costs	(3 290 632)	-18 175 219
Taxation	6 919 884	-
	(1 048 318 542)	-605 970 885
Net cash flows from operating activities	-179 098 472	-20 501 481
Cash flows from investing activities		
Purchase of PPE	-	-944 775
Proceeds/(Loss) on disposal of PPE	-	-
Purchase of intangible assets	-	-35 036
Payment of deposits	-	-
Net cash flows from investing activities	-	-979 811
Cash flows from financing activities		
Net movement of shareholders loan	182 187 333	28 882 245
Finance lease payments	-3 088 861	-7 400 953
Net cash flows from financing activities	179 098 472	21 481 292
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at 01 July 2020	2 000	2 000
Cash and cash equivalents at 30 June 2021	2 000	2 000

	NOTE REF	ACTUAL June-21	ACTUAL June-20	VARIANCE
ASSETS		-	-	
NON-CURRENT ASSETS		-	-	-
Prepayment - Outdoor Advertising commission - JPC	9	-	-	-
CURRENT ASSETS		287 313 554	382 746 368	(95 432 815)
Trade and other receivables		260 458 304	290 691 047	(30 232 744)
Debtors - Rentals	1	144 349 840	134 670 282	9 679 558
Doubtful Debts - Move Provision	1	(47 655 156)	(47 655 156)	-
Debtors - Other: COJ	2	18 546 039	8 293 175	10 252 864
Debtors - Land Sales	3	281 993	281 993	-
COJ Portfolio - VAT Claim/Payable Account	4	14 865 187	15 150 476	-
COJ Departments Debtors	5	11 278 995	11 278 995	-
JPC Portfolio Loan Account	16	20 045 895		20 045 895
Capital Expenditure: Current Year	10	3 036 931	70 935 952	(67 899 021)
Capital Expenditure: Prior Year	10	95 708 579	97 735 329	(2 026 751)
Cash and cash equivalents		26 855 250	92 055 321	(65 200 071)
STD/ABSA COJ Loan Account - Bank Sweeping	6	-	-	-
STD/ ABSA Bank: JRA Portfolio Account	7	7 026 920	72 261 177	(65 234 257)
STD/ABSA Bank - Tenant Deposit Account	8	19 828 329	19 794 143	34 186
		287 313 554	382 746 368	(95 432 815)

**EQUITY AND LIABILITIES
EARNINGS AND RESERVES**

	37 972 366	-14 159 112	52 131 478
Retained Income - Prior Year	(3 086 013)	(28 422 273)	25 336 260
Current Period Surplus/(Deficit)	41 058 379	14 263 161	26 795 217
To End Prior Month Surplus/(Deficit)	52 925 486	65 303 507	(12 378 021)
Current Month Surplus/(Deficit)	(11 867 107)	(51 040 346)	39 173 238

CAPITAL AND RESERVES

	37 972 366	-14 159 112	52 131 478
--	-------------------	--------------------	-------------------

NON CURRENT LIABILITIES

Prepaid Income - Outdoor Advertising	-	-	-
12	-	-	-

CURRENT LIABILITIES

	249 341 188	396 905 480	(147 564 292)
Trade and Other Payables			
STB COJ Loan Account - Bank Sweeping	221 941 953	246 138 515	(24 196 563)
6			
COJ Portfolio - VAT Claim/Payable Account	-	-	-
4			
Accruals	2 050 839	89 176 880	(87 126 042)
13			
Receipts In Advance - Rentals	11 612 450	12 300 155	(687 706)
14			
Deposits Received: Tenants	11 296 950	11 538 828	(241 878)
15			
JPC Portfolio Loan Account	-	35 312 104	(12 300 155)
16			
Property Portfolio Loan: MOE's Prepaid - Deposit received on land sales	55 069	55 069	(11 483 759)
17			
19	348 683	348 683	293 613
Creditor (Solar Street Names)	1 944 008	1 944 008	1 595 325
20			
Creditor (Khulu Outdoor)	91 237	91 237	(1 852 770)
21			
	<u>287 313 554</u>	<u>382 746 368</u>	<u>(95 432 815)</u>

High Level Notes:

1. Debtors balance as per age analysis.
2. This relates to rental accommodation of Councillors, Community Participation Projects. It was agreed with COJ that the JPC Portfolio will pay for the monthly rentals for the office space and in turn, the City will refund Portfolio for expenses incurred.
3. Land sales transferred from COJ to Clients but the full purchase price has not been paid, follow ups were made by Credit Control when the clients did not respond/pay the outstanding balance they were handed over to the Legal Team.
4. The VAT generated by the Portfolio is declared to the COJ each month. The VAT is consolidated in the COJ's VAT return, which is in turn submitted to the SA Revenue Services.
5. COJ Departments Debtors as follows: COJ GSPRC: R11 278 995. Community Based Projects.
6. The COJ STD Bank account reflects the sweeping of cumulative funds between the COJ Portfolio Bank Account to the COJ Treasury account, currently COJ Departments are delaying payments for work done and as a result the bank is in overdraft.
8. The amount reflects Tenant deposits held in the COJ Tenant Deposit Account including interest as well as payments received for the Rissik Post Office insurance claims.
10. Capital expenditure been incurred for the financial year ending 30th June 2021 is R3 036 931 which equates to a total spent of 2%, an amount of R95 708 578.77 still has to be paid from the CoJ for the financial year ended 30 June 2020. The budget allocated for the year amounts to R147 980 655 for the year 2020/2021. The amount still payable relates to the Sandown Capex Project.
13. This item reflects accruals raised, R2 050 839 is still to be paid.
14. This item reflects rental paid in advance for the next 30 years by RMB properties, which is allocated on a straight-line basis, 15 years remaining on the contract.
15. The amount reflects Tenant Deposits held and Rissik Post Office Insurance paid in the COJ Portfolio Trust account excluding interest earned.
16. The JPC Loan account reflects the commissions due to JPC, 25% on Rentals, 10% on Land Sales and 10% on Capex Projects, and includes amounts received and paid on behalf of the COJ Portfolio. Offsetting in this regard was not taken into account thus JPC owes the Portfolio.
17. The Property Portfolio Loan account reflects amounts due to MOE's based on the income received and expenses paid on their behalf. MOE's Rentals are paid into JPC Main Account and are normally paid over to MOE's the following month.
20. Payments received from Solar Street names, no contract exists thus amounts are due and payable to clients.
21. Payments received from Khulu Outdoor, no contract exists thus amounts are due and payable to clients.

	NOTE REF	ACTUAL YTD 2020/2021	BUDGET YTD 2020/2021	VARIANCE YTD	APPROVED BUDGET 2020/2021
INCOME / BILLINGS					
Rent of Facilities and Equipment	1	63 451 282	105 128 000	-41 676 718	105 128 000
Interest Received - Arrear Debtors	2	2 600 046	3 515 000	-914 954	3 515 000
Other Income	3	-450 499	12 000 000	-12 450 499	12 000 000
Recoveries: Bad Debts - COJ	4	-	-	-	-
Outdoor Advertising - COJ	5	31 484 179	50 000 000	-18 515 821	50 000 000
Gains on Disposal of Assets	6	-	33 000 000	-33 000 000	33 000 000
TOTAL INCOME		97 085 008	203 643 000	-106 557 992	203 643 000

	NOTE REF	ACTUAL YTD 2020/2021	BUDGET YTD 2020/2021	VARIANCE YTD	APPROVED BUDGET 2020/2021
EXPENDITURE					
Contacted Services: Business Advisory PM	7a	-	7 792 222	7 792 222	7 792 222
Contacted Services: Business Advisory Research	7b	-	13 904 994	13 904 994	13 904 994
Contacted Services: Business Advisory Valuer	7c	920 645	2 630 784	1 710 139	2 630 784
RM: Buildings	8	1 001 918	64 745 000	63 538 000	64 745 000
Bad and Doubtful Debts	9	-	2 107 000	2 107 000	2 107 000
Advertising, Publicity and Marketing	11	64 380	3 120 000	3 055 620	3 120 000
General Expenses: Assessment Rates	10	658 112	4 990 000	4 331 888	4 990 000
General Expenses: Refuse Removal	10	570 910	6 160 000	5 589 090	6 160 000
General Expenses: Sundries	10	-	2 620 000	2 620 000	2 620 000
Internal Recoveries: JPC Commission	12	32 529 151	56 692 000	24 162 849	56 692 000
Internal Recoveries: Internal Charges Core- security	13a.	20 292 792	37 285 000	16 992 208	37 285 000
Internal Recoveries: Internal Charges Legal	13b.	-11 278	7 244 000	7 255 278	7 244 000
Internal Recoveries: Internal Charges Cleaning	14	-	41 614 000	41 614 000	41 614 000
Depreciation: Other Assets	15	-	531 000	531 000	531 000
TOTAL EXPENDITURE		56 026 629	251 436 000	145 804 011	251 436 000
SURPLUS / (DEFICIT)		41 058 379	-47 793 000	88 851 379	-47 793 000

High Level Notes:

1. COJ Rentals: The overall revenue anticipated from the rentals collection is 39% below the targeted budget. Delays in the approval of reports by EAC has resulted in the lease renewal period being longer than the average 3 months it takes for a lease to be renewed. Delays in council approvals for potential new leases has also stifled income received from the rental of facilities and equipment.
2. This item reflects interest charged on overdue tenant accounts. The interest generated on the debtor's accounts 26% below the targeted budget.
3. Other income is derived from servitude rights and income billed for services rendered on behalf of COJ Department. Income derived from servitude is 104.1% below the budget.
4. No income recognised for the month of June 2021
5. Income derived from outdoor advertising and promotions, 37% below the budget. The reason for none achievement of the revenue target from outdoor advertising leases is mainly due to a number of advertising contracts that have lapsed where the City is no longer collecting any revenue. This income is dependent on lifting of suspension relating to the implementation of the by-laws pending finalization of legal action by various role-players (the industry, OHMSA, SAPOA, etc.) challenging various aspects of the by-law.
6. No income recognised for the month of June 2021
- 7a. Contacted Services: Business Advisory PM no expenditure this quarter.
- 7b. Contacted Services: Business Advisory PM no expenditure this quarter.
- 7c. Contacted Services: Business Advisory Valuer is 65% below YTD budget.
- 8a. Repairs and maintenance of buildings expenditure is 98.5% below YTD budget.
9. No expenditure recorded in this financial year.
10. General Expenses: Assessment Rates, Refuse Removal is, Electricity supply- expenditure incurred is 86.8% and 90.7% below YTD budget.
11. Advertising, Publicity and Marketing expenditure is 97.9% below.
12. Internal Recoveries: JPC Commission indicates a saving of 42.6% against the budget indicating the security expenses are within budget. Delay in the conclusion of new leases, lease renewals, servitude registrations and land sales has resulted in the drop in commission payable to JPC.
- 13a. Internal Recoveries: Internal Charges Core- security is 45.6% below YTD budget.
- 13b. Internal Recoveries: Internal Charges Core- legal charges no expenditure this month.
14. Internal Recoveries: Internal Charges Core- cleaning insourcing no expenditure this month
15. No expenditure recorded in this financial year.

Section 4: Capital Projects & Expenditure

Project No	JSIP No	Details	Total 2020-21 Budget	YTD Actuals	Variance	%
1	2669	Computer Equipment - New Computer Upgrades	8 100 000	-	8 100 000	0%
2	4142	Erf 43-46 Victoria Ext 3(Paterson Park Node) VICTORIA EXT.3 E Regional	5 000 000	-	5 000 000	0%
3	2290	FMMU - Public Conveniences New Public toilets JOHANNESBURG	25 000 000	769 584.00	24 230 416	3%
4	6358	Marlboro Station Project Land Preparation	500 000	-	500 000	0%
5	4184	Metromall Taxi Rank Shop Revitalisation and Waste Management Area Redesign	20 000 000	-	20 000 000	0%
6	2284	Office Space Optimisation Program New Precinct Redevelopment JOHANNESBURG F City Wide	71 880 655	-	71 880 655	0%
8	2632	Park Central Facility Upgrade and Packaging Renewal Building Alterations JOHANNESBURG F Ward	2 500 000	-	2 500 000	0%
9	4180	Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex JOHANNESBURG F Ward	15 000 000	2 267 347	12 732 653	15%
			147 980 655	3 036 931	144 943 724	2%

Section 5: Ratios Analysis

PART A: JPC

LIQUIDITY RATIO

JPC is currently owed R529 million from trade and intercompany debtors with cash collections in excess of R222 million being achieved for the YTD for trade receivables. JPC has a current ratio of 0.85:1 as compared to the norm of 1:1, the ratio has declined from the June 2020 financial year-end as the financial performance of the company has lagged behind business and budgeted objectives for the current financial year.

The sweeping account currently reflects as positive R128 million, however related party loans exceeding R500 million for salary costs are still to be paid to the COJ's Group Finance and Corporate Shared Services for the 2021 financial year. The cash position has improved as collections from related parties will increase throughout the 2020/21 financial year. Further to this, JPC will recover employee costs from the COJ's departments for cleaning services provided from September 2019; this will increase the liquidity and solvency of JPC.

DEBTORS COLLECTION PERIOD

JPC has debtors' collection ratio in excess of two years for third party/external debtors. Collection of third party debtors have declined significantly due to the timing difference for the receipt of cell mast income and the non-recovery of facilitation fees for the 2019 and 2020 financial years. The debtors' collection ratio for intercompany and related party debtors is 273 days. The intercompany debtors' collection ratio is due to the timing differences in the collection of intercompany debtors and non-payment by COJ departments and other MOE's for services rendered by JPC.

SOLVENCY RATIO

JPC has a solvency ratio of 0.9:1 against the norm of 2:1 and is factually insolvent, whereby the financial statements indicate that there are insufficient assets to cover all liabilities. The solvency position improved due to profits from the 2019 and 2020 financial years, however, the position has deteriorated over the 2021 financial year as a substantial loss has been incurred for the financial year.

COST COVERAGE RATIO

Due to the positive cash position of JPC, the cost coverage ratio is positive 1.9:1. However, the ratio is not a true reflection of JPC's operational expenditure as R&M related to and expensed by the COJ is paid for by JPC.

CREDITORS PAYMENT CYCLE

JPC currently pays service providers and creditors within 30 days, as defined by the MFMA.

PART B - CoJ-JPC Portfolio

LIQUIDITY RATIO

CoJ-JPC Portfolio has current ratio of 1.26:1 as compared to the norm of 2:1, with a negative cash flow of R204.3 million for the period under review as compared to a negative cash flow of R250.4 million for the same period in the 2020 financial year. Intercompany debtors currently owe Portfolio R164.1 million. This accounts for 55.6% of the total assets of Portfolio. The financial risk posed to JPC is substantial as the non-recovery of the outstanding debt has a negative impact on the cash position and liquidity of the entity. Average monthly collection is between R9m – R12m that is sufficient to cover average monthly expenditure.

CASH COLLECTION RATE

The cash collection cycle is the number of days it takes to collect accounts receivable. The measure is important for tracking the ability of a business to grant a reasonable amount of credit to worthy customers, as well as to collect receivables in a timely manner. Portfolio's cash collection rate is currently at 11%. The collection rate excludes debt owing from other debtors.

SOLVENCY RATIO

CoJ-JPC Portfolio has a solvency ratio of 1.34:1 against the norm of 2:1 and is currently solvent. The CoJ-JPC Portfolio Financials indicate that there are sufficient assets to cover all liabilities despite not meeting the ratio norm.

DEBTORS COLLECTION PERIOD

CoJ-JPC Portfolio collection period is 59 days as compared to the industry norm of 60 days and this takes into account debtors, which are deemed irrecoverable. A bad debts report was prepared, submitted to Core Accounting weekly follow-ups on the said report are performed, as it has to be presented to Mayoral Committee for approval.

COST COVERAGE RATIO

Portfolio has a cost coverage ratio of negative 58:1. This is due to a negative sweeping account balance of R204.3 million and average monthly expenditure being R3.6 million. The Portfolio predominantly utilises its cash for CAPEX spend and recovery from the COJ is dependent on the completion and verification of the projects.

CREDITORS PAYMENT CYCLE

Portfolio currently pays service providers and creditors within 30 days, as defined by the MFMA.

Section 6: Supply Chain Management and BBBEEE

JPC's Supply Chain Management (SCM) is governed by a SCM Policy for goods and services which regulates all SCM Practices. The Policy was approved by the board and is subject to periodic review, every two years or more frequently if required, to ensure that it remains relevant to changed circumstances. The Policy implements the SCM practices as envisaged by the Act and its Regulations.

The SCM Policy ascribes to a procurement system which:

- Is fair, equitable, transparent, competitive and cost effective in terms of Section 217 of the Constitution of South Africa No 108 of 1996;
- Enhances uniformity in Supply Chain Management systems between organs of state in all spheres;
- Embraces the principles of efficient environmental management; and
- Is consistent with the Municipal Finance Management Act, Municipal Supply Chain Management Regulations, Broad Based Black Economic Empowerment Act, Preferential Procurement Policy Framework Act and other Codes promulgated thereunder in the Government Gazette.

DEVIATIONS

JPC Entity

JPC does not have any new deviations identified during the period under review. The current deviations were identified and approved in the previous periods and now running their term.

City Portfolio

There are no deviations

Payment within 30 days

JPC and Portfolio currently pays service providers and creditors within 30 days, as defined by the MFMA. This compliance with 30 days is one of the reasons the two accounts are on negative cash flow, as the City departments do not settle the intercompany debts within 30 days.

Section 7: Fruitless and Wasteful Expenditure

DESCRIPTION					CORRECTIVE MEASURES		
UNAUTHORISED EXPENDITURE	IRREGULAR EXPENDITURE	FRUITLESS & WASTEFUL EXPENDITURE	ESTIMATED AMOUNT	CATEGORY	DISCIPLINARY ACTION	CRIMINAL CHARGE	OTHER
None	None	Yes	R12 447 171	Rental	None	N/A	N/A
None	Yes	No	R6 316 798	Fleet	None	N/A	N/A

During the 2019 financial year audit, the Audit General of South Africa (AGSA) found that five of the six floors in Forum 1 were unutilised, with only Group Governance in occupation of the 6th floor. The AGSA considered rental and parking less the recovery for rental from Group Governance to conclude on an amount that should be declared and disclosed by JPC as fruitless and wasteful expenditure for the unutilised floor space for the 2019 financial year. Using a similar assumption for the calculation of fruitless and wasteful expenditure, JPC has incurred R12 447 171 for the YTD. From the 1st of September 2020, JPC has taken occupation of Forum 1; however, Forum 2 remains vacant and has been classified as fruitless and wasteful from September until a tenant occupies the building or the lease is terminated.

JPC incurred R6 316 798 for fleet services for the YTD. However, the billing from Afrirent, the fleet service provider, is often delayed and the fleet expenditure is expected to increase significantly in coming month. Fleet services are an essential requirement for the operations of JPC and could not be discontinued under the existing contract that was entered into by the COJ. Subsequent to the 2020 financial year-end, the Council of the COJMM approved the write off irregular expenditure related to fleet services. The write off totals to R13 700 469 and accounts for all fleet expenditure for the 2018 and 2019 financial years.

Section 8: Pending Litigations and Possible Liabilities

JPC Entity: None

City Portfolio

- Legal action brought by JPC on behalf of COJ
- Legal action brought against brought against the COJ and/or against JPC on behalf of the COJ
- Issued summonses on behalf of the COJ for arrear payments

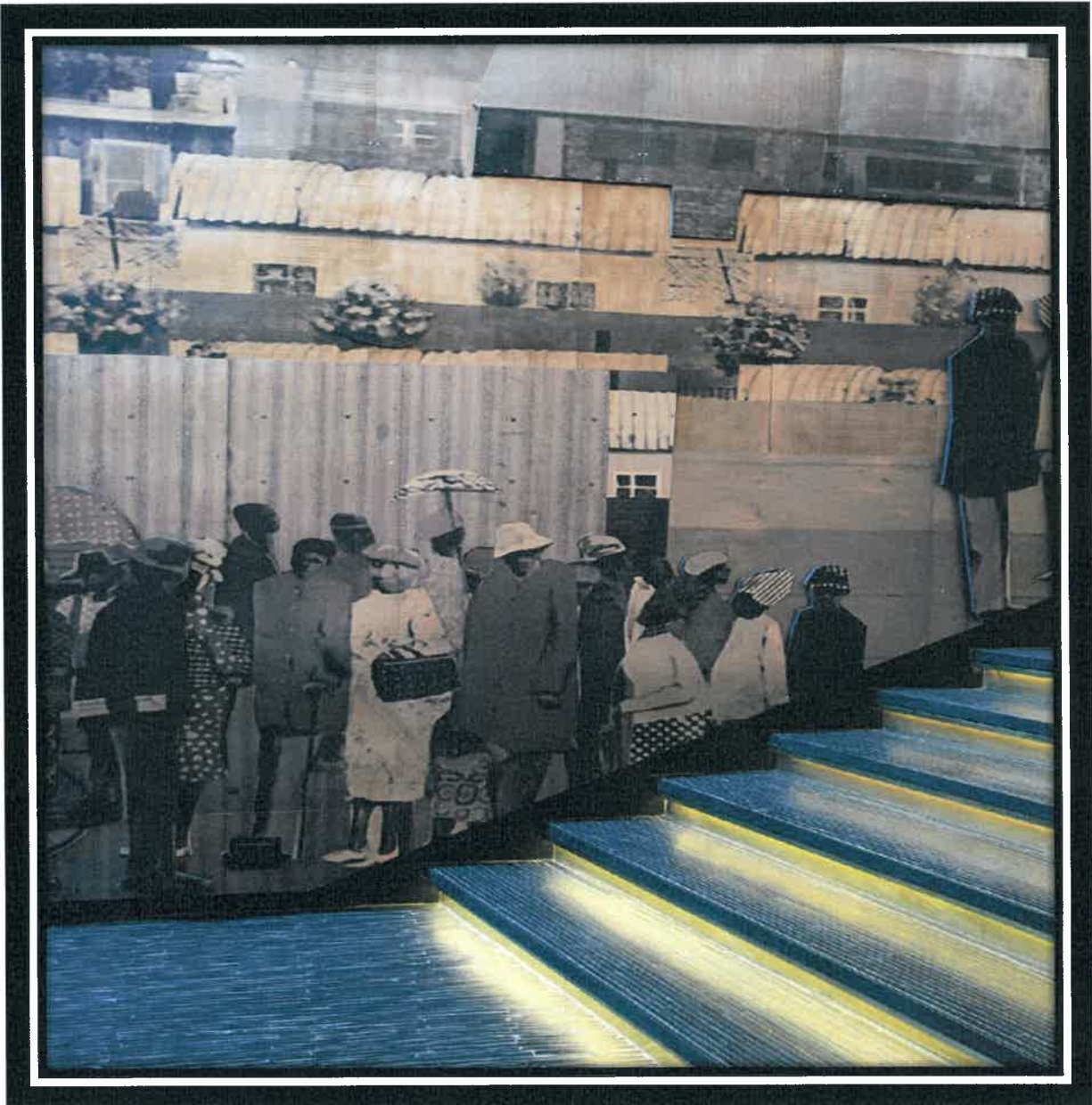
Section 9: Insurance Claims against / to JPC

JPC Entity: None

City Portfolio: The insurance claims for portfolio asset is handled by Group Risk and Assurance Services and not JPC.

Section 10: Statement on Amount Owed By & To Government Departments and Public Entities

JPC and City Portfolio managed by JPC do not have amounts owed by / to government department and public entities.



Chapter 6: Internal & External Audit Outcome

Section 1: Results of Internal Audit

The three-year rolling internal audit plan is reviewed and approved annually by the Audit and Risk Committee after taking into account both strategic and operational risks of the entity.

The internal audit plan for the current financial year was developed using the top strategic risks of JPC approved on October 2020. The Audit and Risk Committee approved the draft internal audit coverage plan for 2020/21 during April to approve the plan. The internal audits relating to 2020/21 is still in progress.

The Covid-19 pandemic resulted in the audit plan for 2019/20 being completed late, which affected the planning for the 2020/21 coverage. The internal resources of Internal Audit Unit assist management during the external audit process to ensure that AGSA requests are prioritised and information provided timeously.

Section 2: Progress on Resolution of Internal Audit Findings

The entity has eight unresolved internal audit findings remaining from the findings raised in the execution of the 2019/20 Financial Period. The breakdown of the unresolved findings is as follows:

CATEGORY	TOTAL AS AT 30 JUNE 2021
Very High	2
High	6
Medium	0
Total	8

The schedule of unresolved internal audit findings is presented to Audit and Risk Committee on a quarterly basis, where management account for the implementation plan.

Section 3: Progress on Resolution of External Findings

The Auditor General of South Africa (AGSA) finalised the 2019/20 audit and issued their audit and management report letter in March 2021. The AGSA findings indicated that the financial statements presented were fair in all material respects, including the financial position of the City of Joburg Property Company (SOC) Ltd as at 30 June 2020 and its financial performance and cash flows for the specified year that ended. No material findings identified the usefulness and reliability of the reported performance

information. There were instances of non-compliance where key legislation was concerned, as set out in the general notice issued in terms of the Public Audit Act.

JPC'S AUDIT OUTCOME FOR THE PAST FIVE YEARS IS AS FOLLOWS:

Audit Opinion	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	Unqualified (clean audit)	Unqualified (clean audit)	Unqualified (clean audit)	Unqualified with findings	Unqualified with findings

ACTION PLANS TO RESOLVE AUDIT REPORT FINDINGS ARE AS FOLLOWS:

TYPE OF FINDING	BASED ON 2019/2020 AUDIT OPINION		
	NEW FINDINGS	REPEAT FINDINGS	REMEDIAL / CORRECTIVE ACTION
Matters Affecting Audit opinion	Reasonable steps were not taken to prevent fruitless and wasteful expenditure in contravention of section 95(d) of the MFMA. The expenditure related to rental office accommodation.	No	The building that caused the expenditure has been occupied by JPC in September 2020. The Covid-19 pandemic delayed the leasehold improvement that needed to be effected prior to moving to the new building.
	Sufficient appropriate audit evidence could not be obtained that goods and services with transaction value below R200 000 were procured using the price quotations as required by SCM regulation 17(1) (a) and (c).	No	Controls around document management to be improved and prioritised. Documents were misplaced which resulted in the finding.
	Some of the quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by SCM policy, in contravention of SCM regulations 16(b) and 17(1) (b).	No	To enhance our Controls and curb abuse, the SCM Policy will be amended to read "in cases where one quotation is received after advertisement on the website and a submission/memo will be submitted to the Accounting Officer to approve the consideration and evaluation of such quotation.
	Sufficient appropriate audit evidence could not be obtained that contracts were awarded only to bidders who submitted a declaration on whether they were employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).	No	Controls around document management to be improved and prioritised. Documents were misplaced which resulted in the finding.
	Some quotation of the goods and services were accepted from bidders whose tax matters had not been declared by SARS to be in order, in contravention of SCM regulation 43	No	Central Supplier Database Report to be printed by SCM during evaluation of bids for the recommended bidders. Bidders with tax issues to be provided 7 days to remedy the situation in line with MFMA Circular 90.

TYPE OF FINDING	BASED ON 2019/2020 AUDIT OPINION		
	NEW FINDINGS	REPEAT FINDINGS	REMEDIAL / CORRECTIVE ACTION
	Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids as required by SCM regulation 19(a).	No	This was raised due to a finding relating to splitting of bids, even though the procurement process were four months apart. JPC will be addressing this issue by enhancing the demand management process.
	Some of the contracts were awarded to bidders based on points given for criteria that differs from those stipulated in the original invitation for bidding, in contravention of SCM regulation 21(b) and 28(1) (a) (i) and the Preferential Procurement Regulations, Similar non-compliance was noted in the prior year.	No	Controls around document management to be improved and prioritised. Documents were misplaced which resulted in the finding. In the past financial year the issue was capturing the correct bid evaluation score to the BEC report, a score of 75 was captured as 57 resulting in a bidder being incorrectly eliminated.

Section 4: State of the Internal Controls

The internal controls systems as designed by management are effectively implemented to provide reasonable assurance that the objectives and goals may be achieved. The internal control deficiencies noted by AGSA are being addressed as reflected in the dashboard above.

