



Company Information

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Bankers: Standard Bank South Africa

Auditors: Auditor-General of South Africa

Company Secretary: Sharon Ramoetlo

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 not below market value 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

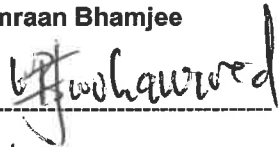
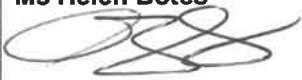
Company values are the ethical foundation of JPC and are therefore fundamental to JPC's success. Such values are not just important but crucial to the overall ascendancy of JPC. The values adopted by JPC are:

- Professionalism
- Accountability
- Responsibility
- Customer Service
- Trust

APPROVAL

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 Chief Executive Officer (CEO);
- 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 Fourth Quarter of the 2019/2020 Financial Year.

<p>Mr Imraan Bhamjee</p>  <p>-----</p> <p>Signature Chief Financial Officer</p>	<p>-----</p> <p>Date of approval</p>
<p>Ms Helen Botes</p>  <p>-----</p> <p>Signature Chief Executive Officer</p>	<p>-----</p> <p>Date of approval</p>
<p>Mr Caswell Rampheri</p> <p>-----</p> <p>Signature Chairperson of Board</p>	<p>-----</p> <p>Date of approval</p>
<p>Cllr. Lloyd Phillips</p> <p>-----</p> <p>Signature Member of the Mayoral Committee</p>	<p>-----</p> <p>Date of approval</p>

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
AIC	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
BMI	Body Mass Index	LLF	Local Labour Forum
BSA	Software Alliance	MDG	Millennium Development Goal
CAPEX	Capital Expenditure	ME	Municipal Entity
CBO	Community-Based Organisation	MFMA	Municipal Finance Management Act, 2003
CCMA	Commission for Conciliation, Mediation and Arbitration	MMC	Member of the Mayoral Committee
COBIT	Control Objectives for Information and Related Technology	MOE	Municipal Owned Entity
CoJ	City of Johannesburg Metropolitan Municipality	MOU	Memorandum of Understanding
CSI	Corporate social investment	MOI	Memorandum of Incorporation
CSU	Client Servicing Unit	MSA	Municipal Systems Act, 2003

ACRONYMS AND ABBREVIATIONS			
Acronym/ abbreviation	Name/phrase	Acronym/ abbreviation	Name/phrase
DED	Department of Economic Development	MTC	Metropolitan Trading Company
EAC	Executive Adjudication Committee	NED	Non-Executive Director
EAP	Employee Assistance Programme	NGO	Non-Governmental Organisation
EE	Employment Equity	OHASA	Occupational Health and Safety Act, 1993
EPWP	Expanded Public Works Programme	OPEX	Operational Expenditure
FMMU	Facilities Management and Maintenance Unit	PIMS	Property Information Management System
FRACC	Fraud and Corruption Committee	POC	Proof of Concept
GBCSA	Green Building Council of South Africa	RDP	Reconstruction and Development Programme
GCSS	COJ: Group Corporate Shared Services	REMCO	Remuneration and Human Resources Committee
GDS 2040	Growth and Development Strategy 2040	RFP	Request for Proposal
GIS	Geographic Information System,	SAPOA	South African Property Owners Association
GIAS	Group Internal Audit Services	SCM	Supply Chain Management
GRAP	Generally Recognised Accounting Practice	SDA	Service Delivery Agreement
GRI	Global Reporting Initiative	SDBIP	Service Delivery Budget Implementation Plan
HIV	Human Immunodeficiency Virus	SDJOC	Service Delivery Joint Operations Committee
IAS	International Accounting Standards	SDM	Service Delivery Model

ACRONYMS AND ABBREVIATIONS			
Acronym/ abbreviation	Name/phrase	Acronym/ abbreviation	Name/phrase
ICT	Information and Communication Technology	SHE	Safety, Health and Environment
IDP	Integrated Development Plan	SMMEs	Small, Medium and Micro-Enterprises
IFRS	International Financial Reporting Standards	SOC	State-Owned Company
IIRC	International Integrated Reporting Council	UNGC	United Nations Global Compact
ILP	Individual Learning Plan	WMC	Work Management Centre
IMPASA	Institute of Municipal People Practitioners of Southern Africa	WSP	Workplace Skills Plan
		YTD	Year-To-Date

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Section 1: Foreword by the Chairperson



“The Outbreak and spread of Covid-19 has significantly affected and changed all spheres of our lives. We are challenged as leaders and called to be up to the challenge and to be innovative in the achievement of the Company’s Strategic objectives. Whilst there are myriad of challenges that the City faces as a result of the devastation occasioned by the pandemic, within our space our response and actions will focus on economic initiatives by leveraging off the City’s vast property asset base as well as supporting the City’s health and safety response as part of our facilities management mandate.

I would like to take this opportunity to recognise the continued resilience and flexibility of 1723 strong team whose health and well-being is our highest priority as most are in the front line. The determination, delivery and devotion from the entire team in ensuring continued service delivery during these trying times is applauded.

I am pleased to present the Fourth Quarter Report of the Company, on behalf of the Board.

TRADING ENVIRONMENT

The operating environment in the reporting period was characterised by uncertainty and this is expected to persist for the short to medium term. Prior to the Covid-19 pandemic the country’s economic outlook was negative following the downgrade to sub-investment grade by the rating agencies. The ailing economy has resulted in a multitude of negative impacts that included amongst others, job losses and a decline in business confidence.

The aforementioned factors have a critical implication on the work that the JPC does as the Company has a dual mandate, i.e. one that pertains to service delivery to the citizens of the City of Johannesburg and its commercial mandate in terms of which the Company leverages the City’s property assets to attract investments and generate income.

The Company’s performance for the current quarter is reflective of these unprecedented hard times experienced in the country and was attributable to the economic woes as exacerbated by the effects of lockdowns in response to Covid-19 pandemic. The JPC scorecard for the period ending 30 June 2020 reflects that the entity achieved 60% (12 of 20 targets), and 40% (8 of 20) of its targets were not achieved.

COMMITMENT TO TRANSFORMATION

The JPC remains committed to the implementation of its Transformation Strategy and this is evidenced by the 100% BBBEE of all goods and services acquired by both JPC and Portfolio.

The Inner City rejuvenation programme was established as one of the JPC's catalysts for driving transformation. To-date, approximately 147 properties (grouped into 38 development opportunities) were awarded, mostly to 100% black, women-owned and managed companies, each with Level 1 BBB-EE accreditation. The Total Project Investment Value is forecasted at R30bn creating approximately 12 136 jobs and equally empowering and creating strategic work packages to meet the 30 % Transformation/SMME target, a monumental milestone for the City of Joburg.

We are pleased with these transformation initiative and remain convinced that the positive benefits for the City will be realised when construction activities are commenced following "normalisation" of lives in the near future as we come out of the lockdowns.

ENSURING FINANCIAL SUSTAINABILITY & GOOD GOVERNANCE

In line with the Company's economic development mandate, the JPC continues to set ambitious targets that focus on job creation, advancing transformation and inclusive growth. A generally challenging operating environment has continued to impact negatively on the company's financial performance.

To improve the Company's performance, the Board has increased our oversight through the relevant sub-committees. The Board and Management with the support of the City, will in the short term craft a strategy to ensure JPC can in the long-term become financially sustainable. In the short to medium term JPC will be focussing on the key property development projects which have the potential to unleash economic activity and create jobs.

Sound corporate governance based on an ethical foundation remains the cornerstone of our efforts for a sustainable and successful organisation. We continue to strengthen our governance structures and frameworks.

ACKNOWLEDGEMENTS

The JPC continues to strive for outcomes that are reflective of the commitment and effort of its leadership and management teams as well as staff.

For the reporting period, JPC received resignations from Mr Ishmael Hendricks (a non-executive director) and. On behalf of the Board, I express my appreciation for their inputs and contributions; and wish them well in their future endeavours.



I also wish to express the Board's sincere appreciation to the Member of the Mayoral Committee (MMC) for Economic Development, Cllr. Lloyd Phillips and his team for their oversight and guidance

Finally, I record my appreciation to my fellow directors for their wisdom, diligence, commitment and continued support.

Caswell Rampheri
Board Chairperson

Section 2: Chief Executive Officer's Review



As we end the 2019/2020 Financial year, I wish to 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 financial position while taking note of the various challenges that have impacted the JPC. The Company is planning towards the "New Normal" in order to continue to provide its services to the City as the pandemic has affected us in ways that we could not have planned for.

This quarter's report demonstrates JPC's performance which was impacted by global Covid-19 pandemic and caused delays in the implementation of JPC's flagship projects. It is noted that JPC is rising to the challenges with regards to achieving financial sustainability despite challenges that faced us as the City and the property sector.

Financial Performance

We are proud to achieve an improvement with regards to net cash flows position leading to JPC's overdraft facility declining significantly by R184 million, which has led to a reduction in JPC's interest costs and improved its solvency position. JPC has managed to spend 45% of its allocated CAPEX, as a result of lockdown restriction in terms of the disaster management act, risk adjusted level 5 and 4, which prohibited the operation of the construction and property sector. JPC intends to streamline its processes to ensure that its capex expenditure is committed and implemented in the first two quarters of the 2020/2021 financial year. The reduction of intercompany debt from the R402million reported at the end of the previous financial year to R325million 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.

Achievements in terms of Pre-determined Objectives

During the quarter under review, the JPC had to reassess its business operations and targets taking into account the disruptions such as economic downturn and Covid-19. As part of the City's response to covid-19 pandemic, the City adjusted JPC's budget to cater for cleaning and sanitation initiatives. Furthermore, JPC experienced a decrease in respect of revenue generated from Outdoor Advertising and economic/ social leases as result of economic downturn.

For the period under review, JPC scorecard reflects the entity has achieved 60% of its targets i.e. (12 of 20 KPI). The achievements for the period under review include:

- Attraction of investment on COJ property worth R2.3 billion through the property transactions such as Inner City Rejuvenation Programme, Randburg Office Space Optimisation Project (OSO) that will result in facilitation fees of R34.5 million.
- The property development projects such as Huddle Park, Jabulani and Riverside View has led to rand value investment spent of R636 million
- A total of fifty- five (55) properties released on long term lease for Inner City Rejuvenation and redevelopment projects result in partnerships with private sector.
- Reduction of intercompany debt from the R402 million to R325 million
- Revenue collected from Outdoor Advertising leases amounted to R48 million against budgeted R60 million.
- At least 25 facilities (Metro Mall, Bree, Park Central, MTN, Faraday, to name a few) were deep cleaned, fogging and sanitisation. This initiative was one of the prominent stories on social media and garnered the positive publicity required.

COVID-19 response

Management also embarked on deep cleaning and sanitizing initiatives at its informal trading facilities within the transport hubs in support of City's initiatives to combat the pandemic.

Way Forward

We will continue to improve on the JPC's profitability through a continued focus on outdoor advertising, commercial leases, property development projects and financial turnaround plan whilst we seek to navigate through the uncharted terrain of trying to achieve financial sustainability in the midst of a pandemic. In conclusion, I am confident with the progress we have made thus far, JPC will realise 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.



Helen Botes
Chief Executive Officer

Section 3: Chief Financial Officer's Review



The fourth quarter of the 2019/20 financial year was significantly impacted by the rise of Covid-19 throughout South Africa. From a business cycle perspective, the 4th quarter is dedicated to the final execution of COJ and JPC budgets and the projects that they fund. The 35 days of level 5 lockdown meant that no contractors could continue with planned and contracted works, this has resulted in limited spending on repairs and maintenance and CAPEX projects.

The back end functions of JPC were still operational during the initial level 5 lockdown and allowed for planning and preparation of business continuity upon the de-escalation to level 4; however, a substantial amount of time for service delivery and productivity was lost by then.

An emergency budget resubmission was provided during the fourth quarter to aid the COJ in its endeavour to prevent and combat the virus. However the final confirmation of the budget was only received on 29 June 2020 and placed JPC at a disadvantage to deliver on the revised budget for cleaning and sanitisation across COJ occupied facilities as 2 days was insufficient time to run the necessary processes to appoint and provide the services required. Included in the adjusted budget was R83.5 million for deep cleaning and sanitisation, as well as R64.4 million for security personnel at COJ-occupied corporate buildings that is currently being administered by JMPD. The subsidy from the COJ was increased to accommodate these expenses.

In the interim, JPC has achieved a profit of R81 million primarily due to the large increases in the subsidy in the final adjustment budget. In generating such large profits, JPC needs to be cognizant of the tax implications that arise as this will have large cash outflow implications. However, as the annual financial statements are being prepared and finalised transactions related to accruals and other expenditure (i.e. security, R&M, etc.) will be accounted for as they arise and this may reduce the indicated profit.

The cash position of the entity resides at a negative R184 million and this indicates a year –on-year improvement in the reduction of the overdraft due to the collection of outstanding intercompany and related party debtors during the financial year. Year-on-year, the improvement in the cash position is in excess of R90 million and this improvement is further illustrated on the statement of cash flows inflows from the operating activities by the conclusion of the quarter is R19.5 million despite settling R150 millions of June 2019 accruals in the previous quarters and R98.4 million for the subsidy in June is still to be received from the COJ.

JPC has a current ratio of 0.99:1 as compared to the norm of 1:1, the ratio remains stagnant around this benchmark as cash was utilised in the first two quarters to settle accruals from the June 2019 financial year-end. The ratio is further affected by the accounting of employee costs related to the insourcing of cleaning. Collection of outstanding intercompany debt coupled with an increase in commission from the Portfolio will see JPC have enough cash to completely reverse the overdraft in the coming financial years. It is improbable nor prudent for JPC to consider settling intercompany creditors and loans until the liquidity position of the entity has stabilised.

JPC has a solvency ratio of 1.18:1 against the norm of 2:1 and is factually solvent, whereby the financial statements indicate that there are sufficient assets to cover all liabilities. The change in solvency in this quarter is due to the recovery of salary costs for insourced cleaners and the increase in the subsidy. It is anticipated that JPC will maintain a ratio above 1:1 throughout the closure of the 2020 financial year with a positive net asset value and equity position being achieved; this will allay the risks around the going concern of the entity.

Currently 45% of the overall Capex budget of R160million has been spent. The budget was increased by R50 million in the final adjustment budget received on the 29th of June but could not be committed or spent by financial year end; nor could existing projects be completed due to the national lockdown across the end of March and April. Further to this, JPC obtained approval from the MMC to reallocate R30 million Capex from the Sandown project to site development but the reallocation was disallowed by Council during the final adjustment budget. Taking these into consideration, JPC could not spend R80 million of the R160 million Capex budget. The proportion spent/unspent on the remaining budget will be determined as accruals for completed works are submitted and accounted for in the coming weeks. Discussions are in progress with the COJ on rolling funding and projects forward into the next financial year.

During the financial year, SARS conducted a VAT audit for the 2015 and 2017 financial years. SARS reassessed VAT submissions for the period March, April, May and June 2015 periods as well as December 2017 and raised penalties and interest based on their reassessment amounting to R2.7million. The penalties and interest arose from the transfer of rental contracts to JPC from the COJ during the integration in 2013/14. The contracts are authorised and contracted for on behalf of the COJ but are budgeted for and paid by the JPC. SARS refused to acknowledge the relationship between JPC and the COJ and treats both entities as separate entities as opposed to holding and subsidiary companies. Input VAT deductions for rental invoices have been disallowed as a result of the reassessment. Rain Chartered Accountants, JPC's tax consultants, submitted objections to SARS on this matter and both objections were declined.

In concluding the 2019 financial year audit, the Audit General of South Africa (AGSA) found that five of the six floors in Forum 1 of Braampark Office Park 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 R24.3 million for the YTD.

During the 2018/19 financial year, JPC has incurred R7.1 million in irregular expenditure on fleet services from AVIS. A new service provider has been appointed by the COJ, however, that contract has also been declared irregular along with AVIS being extended until further notice from the COJ. During the 2019/20 financial year, JPC has incurred a further R10.5 million in irregular expenditure for the continuation of the fleet service contract from the COJ. As fleet services are essential to the operations of JPC, and the appointment is controlled by the COJ, JPC has to continue to utilise the services until advised otherwise. As the irregular expenditure originates from the appointment at the COJ, a submission has been made to MPAC for condonement of the irregular fleet services expenditure in JPC.

For the 2019/20 financial year, JPC's budget for board meetings and related expenditure exceeded its budget by R140 000 and will be declared irregular as no additional provision for budget was granted in the final adjustment budget. The number of meetings held during the financial year were greater than the planned schedule for meetings for 2019/20.

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.

Preparation for the 2019/20 financial year-end audit commenced at the conclusion of quarter two. Management intends on utilising and leveraging existing strengths in financial reporting and compliance to achieve a positive audit outcome. A Matrix has successfully been employed in previous financial years to gauge the level of audit readiness and is again being employed to determine and mitigate risk areas for the audit.



Imraan Bhamjee
Chief Financial Officer

Section 4: Corporate Profile and Overview of the Entity

The City of Joburg Property Company SOC 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 a total of 1723 employees who supports JPC in implementing its mandate from a signed service delivery agreement with its sole shareholder, the COJ. The core functions of JPC are as follows:

1. Property Portfolio

This Unit comprises the following Units:

1.1. Asset Management

The Aim of Asset Management is to implement sound Asset Management practices that ensures council owned properties are effectively utilised for basic municipal services focussing on social, economic and financial priorities.

- ✓ Land strategy development – this is a Blueprint strategic document that ensures that there is sufficient land and buildings to support the implementation of :
- ✓ Spatial development framework.
- ✓ Housing masterplan,
- ✓ CoJ transport plan,
- ✓ Human development strategy,
- ✓ Capital infrastructure plan and
- ✓ The City's service delivery initiatives.

Operational and financial performance – The unit focuses on monitoring and evaluating the optimisation of portfolio composition, the maintenance of the property asset register, Verification of Assets as outlined in asset register, compiling highest and best use analysis and the drafting of Asset Management plans.

1.2. Property Programme Management

Creation of real value on CoJ Property by 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.



1.3. Property Management

To create social and economic development opportunities within the City, through community based services with property and land reform serving as a leverage to achieving the socio-economic objectives. The Core functions of the Unit include:



- Leases & Sales (Social Property Portfolio)
- Municipal Acquisitions
- Transactional & Contract Management
- Stakeholder Management
- Stakeholder Management
- Managing tenant relationships
- Overseeing building maintenance

- ✓ **Informal Trading** - The role of this function is to support the informal economy through municipal Markets and Transport Facilities by providing spaces that are economically activated to benefit Informal Traders. The spaces are leased to Traders 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.

- ✓ **Cleaning** - JPC prime responsibility is to ensure that cleaning services standards and practices are met at each facility in terms of hygiene, cleanliness, tidiness and also to ensure that the facilities are equipped with all the necessary cleaning materials and equipment's. Furthermore, to ensure that all waste disposals are disposed in terms of OHASA Regulations.

1.4. Corporate Real Estate

This Unit comprises the following Units:

- **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 FM is to look at the state of council facilities and propose solutions to council which will ensure an OHASA compliant facilities for both community, business and operational needs.

- **Office Space Optimisation (OSO) Programme**

The function for this Unit is to provide the COJ various departments and its owned entities with office accommodation. This is realised through the Office Space Optimisation (OSO). The Programme aims to leverage spatial development to stimulate economic growth, accelerate service delivery, unite and empower communities of the City. The OSO of the City will be enabled by using investment in its own offices as a catalyst for redevelopment.

1.5. Inner City Redevelopment Projects

The Inner City rejuvenation programme has been established with the intention of building an inclusive society with an enhanced quality of life for the residents of the Inner City

2. 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 5: Strategic Objectives

Competitive Landscape

JPC manages a diverse property portfolio made up of various classes of assets, i.e. residential, office, commercial, social (sports facilities and stadiums), and service delivery (clinics, fire stations, community centres) assets. There is no other municipality nationally that comprehensively manages its portfolio through a municipal entity. This therefore, makes JPC unique in the industry. Furthermore, no company in the private sector provides the range of services that JPC offers as indicated above, ranging from asset management to outdoor advertising. In practice, there are companies providing property and facilities management and others dealing with property development. The social and service delivery assets are something unique to municipalities. Unlike other property companies in the private sector, JPC is not only focused on the bottom line (profit-driven). As outlined in the Asset Transfer Regulations, JPC uses Council land for basic municipal services and residual land utilised for social and commercial purposes.

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:

- Priority 1: Good Governance
- Priority 2: Financial Sustainability
- Priority 3: Integrated Human Settlement
- Priority 4: Sustainable Service Delivery
- Priority 5: Job Opportunity & Creation
- Priority 6: Safer City
- Priority 7: Active & Engaged Citizens
- Priority 8: Economic Development & Growth
- Priority 9: Sustainable Environmental Development
- Priority 10: Smart City
- Priority 11: Covid-19 Response

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:



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 TWO: GOVERNANCE

Section 1: Corporate Governance Statement

Governing Principles

JPC's decision-making and administration comply with the MFMA, MSA, and the Companies Act. JPC follows King IV Report on Corporate Governance for South Africa, 2016.

Board Composition & Diversity

The Board composition complies with the Memorandum of Incorporation MOI. The Board of Directors comprises Mr. C Rampheri (Chairperson), Ms. Y Erasmus, Mr. T Harper, Mr. I Hendricks, Mr. T Masemola, Mr. M Rabodila, Ms. A Ramakoaba, Ms. K Sithebe, Mr. V Ward, Ms. H Botes (Chief Executive Officer and Executive Director), and Mr. I Bhamjee (Chief Financial Officer and Executive Director)".

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).

- During the period under review, the following meetings were held:

Board	Audit and Risk Committee	Transactions Committee	Remco Transformation, Social and Ethics Committee
16 April 2020	15 April 2020	14 April 2020	14 April 2020
2 June 2020		28-29 April 2020*	5-6 May 2020*
8 June 2020			
18 June 2020			

*Committee Induction Workshop

Section 2: Board Committees

	Audit & Risk Committee	Transactions Committee	Remco, Transformation, Social and Ethics Committee
Focus Area	<ul style="list-style-type: none"> • Integrated Reporting • Financial Reporting • Internal Audit and External Audit Matters • Risk - Management and Information Technology Governance • Information & Cyber Security 	<ul style="list-style-type: none"> • Consider and to recommend to the Council for approval, as the case may be and subject to the applicable legislation, the following property related transactions: <ul style="list-style-type: none"> ○ Alienation of Property; Acquisition of Property ○ Acquisition of Property; ○ Granting Amending, Acquiring and/or cancellation of servitudes; ○ Property Donations; ○ Barter; ○ Outdoor Advertising and Cellular Masts; ○ Leases, use, management agreement and/or control agreements; ○ Property Development 	<ul style="list-style-type: none"> • Remuneration Strategy and Policy • Succession Planning • Human Capital Management • Good Corporate Citizenship • Ethical Leadership and Conduct • Social and Economic Development • Stakeholder Relationships • Reputation Management
	80% Attendance	83% Attendance	100% Attendance
Meeting Schedule	The Committee met once during period under review	The Committee met thrice times during the period under review	The Committee met thrice times during the period under review.
Composition	<ul style="list-style-type: none"> • Mr. Trevor Harper (Chair) • Ms. Yolandi Erasmus • Ms. Mpho Mosweu • Mr. Big boy Kekana • Mr. Patrick Makape* 	<ul style="list-style-type: none"> • Mr. Tau Masemola (Chair) • Ms. Yolandi Erasmus • Mr. Moeketsi Rabodila* • Ms. Khanya Sithebe • Mr. Vernon Ward* • Mr. Ismail Hendricks 	<ul style="list-style-type: none"> • Mr. Vernon Ward (Chair) • Ms. Khanya Sithebe • Ms. Abigail Ramakoaba • Mr. Tau Masemola

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' remuneration are approved by the Shareholder. Non-Executive Directors' fees comprise a base and an attendance fee component.

Directors and Prescribed Officers Remuneration

YTD Directors Payments: 30 th June 2020			
Name of Director	Meetings Attended YTD	Other Meetings YTD	Emoluments
Ms Y Erasmus	6	-	R41 739
Mr T Harper	5	-	R17 391
Mr I Hendricks	4	-	R36 522
Mr S Masemola	6	-	R22 609
Mr A Ramakoaba	5	-	R15 652
Mr C Rampheri	4	1	R62 610
Ms. K Sithebe	6	-	R31 304
Mr V Ward	6	-	R38 261
Prof H Kasan	14	1	R109 565
Mr J Letsapa	11	3	R108 000
Ms M Mojapelo	9	8	R125 804
Mr O Mongale	11	3	R99 130
Ms K Muthwa	14	6	R165 217
Mr L Nage	-	4	R27 826
Ms Y Pamla	17	7	R215 652
Mr L Qina	9	3	R99 130
Mr M Rabodila	14	10	R239 391
Totals			R1 455 805

*these figures indicates year to date remuneration hence the table includes board members who have been retired.

Independent Audit & Risk Committee Members

YTD Directors Payments as at 30 June 2020

Name of Independent Audit Committee Member	Meetings Attended YTD	Emoluments
Mr B Kekana	1	R5 217
Mr G Dunnington	6	R36 522
Ms S Mzizi	6	R31 304
Mr Z Samsam	7	R67 826
Totals		R140 870

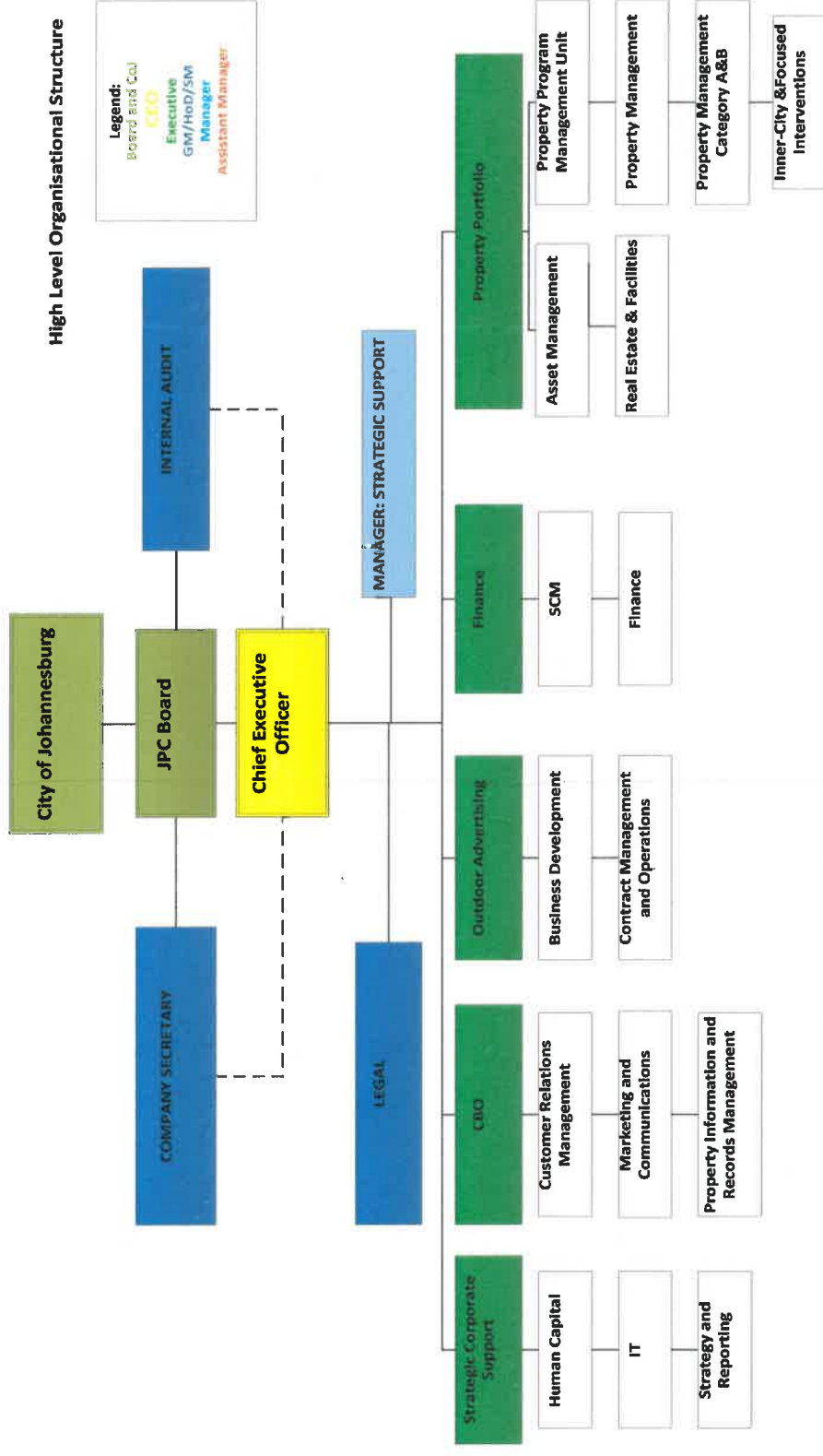
*these figures indicates year to date remuneration hence the table includes board members who have been retired.

The table below summarises the Executive Management remuneration for the fourth quarter of 2019/2020

YTD EXECUTIVE SALARIES AS AT 30 th JUNE 2020							
Name	BASIC SALARY	TRAVEL ALLOWANCE	LEAVE PAY	PERFORMANCE BONUS/13TH CHEQUE	GRATUITIES	COMPANY CONTRI.	TOTAL
Botes HM	675 000.00	62 499.99		-	-	7 696.17	R745 196.16
Matthews CL				-	-		R-
Ramoetlo MD	396 345.99			-	-	48 072.12	R444 418.11
Mzobe SG	344 926.56	30 000.00	52 083.20	-	-	80 683.05	R507 692.81
Mokataka T	373 573.26			-	-	80 512.23	R454 085.49
Padayachee K				-	-		R-
Mbethe ES	410 060.55	22 555.50		-	-	77 235.78	R509 851.83
Mntungwa SZ	439 782.75			-	-	97 551.48	R537 334.23
Sardianos F	439 782.75			-	-	97 551.48	R537 334.23
Bhamjee I	422 064.75	24 000.00		-	-	91 221.12	R537 285.87
Totals	R3 501 536.61	R139 055.49	R52 083.20	-	-	R580 523.43	R4 273 198.73

*these figures indicates year to date (YTD) remuneration hence the table includes Exco members who have been resigned.

Section 4: High Level Structure



Structure Approved:

Chief Executive Officer:
Helen Botes

Date:

Section 5: 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.

Activities Conducted in Quarter 4

During the period under review, a number of risk management activities were executed. JPC adopted a new risk register template, which is aligned to the most recent City of Joburg Risk Management Framework. This new register would improve the effectiveness of operational challenges experienced during the 2018/19 financial year. The entity conducted a review of its Strategic Risk Register, using 2018/19 risk management status as the baseline for the assessment. The 2019/2020 Strategic Risk Register has been presented and approved by the ARC and Board.

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

There has also been a preliminary engagement with the Inner City team in order for a project risk register to be developed and monitored during the various phases of the Inner City project.

The JPC has 13 strategic risks for the 2019/20 financial year. The overall risk profile at the end of the quarter two remains within an adequate range, despite majority of actions only being due for implementation during the third and fourth quarters.

Two of JPCs high-rated risk, namely “Occupation of buildings that are not OHASA compliant”, as well as “Inadequate maintenance of property”, remains the areas that can only see significant progress once departments and entities enter in to agreements with JPC, in order for repairs and maintenance budgets of these departments and MOEs to be made available to JPC to action OHASA prioritized maintenance.

Section 5.1: Strategic Risks (Top 5 strategic risks based on residual risk rating)

Risk Ref	Risk	Residual Risk Rating				Action to improve management of risk	Due date	Progress on each action item as at end of the quarter
		Q1	Q2	Q3	Q4			
14	Financial viability of cleaner staff insourcing by JPC on behalf of the City (excl. Health and MEs)	Very High 20	Very High 20	Very High 20	Very High 20	<ol style="list-style-type: none"> JPC will start paying new staff once budget is allocated by COJ. Letter to be submitted to City Manager advising on the impact of the insourcing project on JPC and the greater COJ. 	JPC has submitted its revised proposals for the next three financial years with prominence being placed on unlocking the potential revenue streams from the Portfolio and seeking a path from the COJ for the funding of the insourced cleaning services	
2	Occupation of buildings that are not OHASA compliant	High 18	High 18	High 18	High 18	<ol style="list-style-type: none"> Assessment of properties to allow the assessment of repairs and maintenance to be increased from the current 16 corporate buildings, to all properties housing CoJ staff. The CoJ OHASA team to be part of the team doing the assessment Follow-up to be made on commitments made by entities and departments on OHASA issues. 	Funding for office accommodation in and around the greater Braamfontein area has been requested so as to vacate the Metro Centre, with minimal disruption to the operations of the COJ, while refurbishment is performed to bring it up to occupational health and safety requirements.	

Risk Ref	Risk	Residual Risk Rating				Action to improve management of risk	Due date	Progress on each action item as at end of the quarter
		Q1	Q2	Q3	Q4			
3	Inadequate maintenance of property	High 17	High 17	High 17	High 17	5 Entities and departments with buildings not OHASA compliant to be reported to the City Manager and later to the Executive Mayor, if necessary. 6 Approval of operating model by labour and staff in order to assign buildings to technical teams. 1 Implement a comprehensive facilities management plan of all properties of the City.	1. June 2020 Not due during quarter 3	
4	Inadequate contract management	High 12	High 12	High 12	High 12	n/a		Dedicated position created on reviewed JPC Organogram for contract management and monitoring.
5	Inability to generate revenue	Moderate 11	Moderate 11	Moderate 11	Moderate 11	Implementation of JPC Financial Turnaround Strategy	June 2020	JPC achieved a profit of R26.3 million for the first two quarters of 2020 (to be updated). The profit is attributable to expenditure management in the first two quarters; however, expenditure on R&M is anticipated to increase from quarter three through to the conclusion of the



Risk Ref	Risk	Residual Risk Rating				Action to improve management of risk	Due date	Progress on each action item as at end of the quarter
		Q1	Q2	Q3	Q4			
							financial year. JPC anticipates that it will still be able to maintain its profitability trajectory for the financial year as facilitation fees for Inner City and Orange Grove Regeneration projects materialise in quarter four upon the completion of the projects adjudication and awarding.	

*This section has not been updated due to challenges experienced because the Risk Manager position not being filled.

Interpretation of Risk Exposure Levels Exposure

The interpretation of the various risk exposure levels and the general risk management approach in relation to Each risk exposure level is set out in the table below:

Exposure Rating	Assessment	Action Required
Very High 20 - 25	Unacceptable	Requires immediate attention from Management on implementation of corrective measures
High 12 - 19	Unacceptable	Implementation of improvement opportunities and validation of current controls
Medium 6 - 11	Acceptable with caution	Evaluation and improvement of current controls
Low 1 - 5	Acceptable	Validation and optimization of controls

Risk Management Unit comments on 2019/20 Strategic Risks

Risk Ref No.	Risk Description	Comments
1	Perceived to be trading recklessly.	The improved cash inflows reported to related party debt collections, as well as the improved solvency ratio for the entity is indicative that the current controls pertaining to these risks, are in fact functioning as intended. Management should continue implementing additional actions towards generating revenue, ultimately eliminating the risk of reckless trading.
2	Inability to generate revenue	

*This section has not been updated due to challenges experienced because the Risk Manager position not being filled.

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.

At the end of quarter three, 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 following compliance process as prescribed by the Compliance Institute of South Africa (CISA) has been initiated:

- Phase 1: Compliance Risk identification- completed
- Phase 2: Compliance Risk measurement – completed
- Phase 3: Compliance Risk management- in progress
- Phase 4: Compliance Risk monitoring – in progress

A number of acts are still being assessed for compliance and once this assessment of the universe is completed, compliance risk management plans will be developed and placed in the compliance manual for monitoring of implementation by management in order to achieve compliance.

In the period under review, Board Members were provided with the declaration of interest forms for completion as part of the welcome/on boarding documents and most have submitted the declarations forms with one board member outstanding.



CHAPTER THREE: SERVICE DELIVERY AND PERFORMANCE

Section 1: Overall Company Performance

Highlights and Lowlights

JPC had 21 Key Performance Indicators outlined in the approved 2019/20 Business plan and one KPI contributes to the City's SDBIP. Following the approval of the deviation report one (1) KPI (3.1 Skills Audit) was rolled over into the next financial year as a result there are now 20 Key Performance Indicators.

Highlights	Lowlights
<ul style="list-style-type: none"> ➤ Covid-19 Response: At least 25 facilities (Metro Mall, Bree, Park Central, MTN, Faraday, to name a few) were deep cleaned, fogging and sanitisation. A number of jobs were created during this period and SMME's supported. ➤ Intercompany Debt: Intercompany debtors have decreased from R402 million at 30 June 2019 to R325 million in the end of fourth quarter. ➤ Investment Spend: The property development projects such as Huddle Park, Jabulani and Riverside View has led to rand value investment spent of R636 million. ➤ Investment Attraction: The attraction of investment on COJ property worth R2.3billion through the property transactions such as Inner City Rejuvenation Programme, Randburg Office Space Optimisation Project (OSO) that will result in facilitation fees of R34.5 million. ➤ Informal Trading Leases: A total of 136 property transaction reports have been approved by the City's Executive Adjudication Committee in this quarter with regards to the renewal of informal trader's leases. The quarter target could not be achieved. 	<ul style="list-style-type: none"> ➤ Covid-19 Impact: The pandemic has also impacted the various Bid Evaluation processes i.e. Committee meetings have had to be roll over into the coming financial years. e.g. finalisation of the awarding of projects such as Soweto Gateway worth R3.2 billion investment and Bara Corner site worth R100 million investment ➤ Revenue Generations: JPC experienced a decrease in respect of revenue generated from Outdoor Advertising and economic/ social leases. Revenue collected from Outdoor Advertising leases amounted to R48 million against budgeted R60 million.

The JPC scorecard for Fourth Quarter ending 30th June 2020 reflects that the entity achieved 60% (12 of 20 targets due), and 40% (8 of 20) of its targets not achieved. These targets could not be achieved due to the prolonged lockdown, which was not anticipated at the time. The target relating to unqualified Audit opinion was achieved in quarter 2.

KPI	JPC Overall Performance			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Achieved	11 = 58%	12=57%	15=75%	12=60%
Not Achieved	8 = 42%	9=43%	5=25%	8=40%
KPI at Risk	0	0	0	0
KPI not yet due	3	1	1	0

1.1. Investment attraction / business facilitation within CoJ boundaries based on signed contracts

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	R200 million attraction	R400 million attraction	R950 million attraction	R950 million attraction	R2.5 billion attraction
Actual	R 443 637 332.00	-	R1.86 Billion	-	R2.3 Billion

Target Not Achieved: The department intended to award and finalise the award of Soweto Gateway worth R3.2 billion investment and Bara Corner site worth R100 million investment in June 2020 however, the process was delayed due to the Covid-19 lock down regulations. The transactions will be delivered in the first quarter of 2020/2021.

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	R200 million investment spend on projects	R200 million investment spend on projects	R200 million investment spend on projects	R0 investment spend on projects	R600 million investment spend on projects
Actual	R217 171 500.00 investment spend on projects	R172 285 676.36 investment attraction	R239 478 512.00 investment spend	-	R628 935 688.36 investment spend on projects

Target Achieved and Exceeded: Construction spend in respect of Property Development Projects

1.3. Job opportunities created

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	200 Job Opportunities Created	400 Job Opportunities Created	600 Job Opportunities Created	800 Job Opportunities Created	2 000 Job Opportunities Created
Actual	184 jobs opportunities Created	103 Job Opportunities Created	2 907 Job Opportunities Created	1700 Job Opportunities Created	4 894 Jobs opportunities Created

Target Achieved and Exceeded: Target was exceeded due to additional work performed in this quarter i.r.o cleaning and R&M.

1.4. SMME's supported through property transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	100 SMME's supported	200 SMME's supported	1315 SMME's supported	350 SMME's supported	1 965 SMME's supported
Actual	21 SMME's supported	19 SMME's supported	1 334 SMME's supported	852 SMME's supported	2 226 SMMEs supported

Target Achieved and Exceeded: Target was exceeded due to additional work performed in this quarter i.r.o Cleaning and R&M.

1.5. 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.

2.1 Asset Management Plans formulated

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	50 asset management plans concluded	50 asset management plans concluded	75 asset management plans concluded	75 asset management plans concluded	250 asset management plans concluded
Actual	65 asset management plans concluded	60 asset management plans concluded	103 asset management plans concluded	50 asset management plans concluded	278 asset management plans concluded

Target Achieved and Exceeded: The number of plans increased as a result of property pipelines identified for either lease, sales and delivery of basic municipal services and development.

2.2. Number of properties acquired on behalf of the City Departments and Entities

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	Acquisition of 3 properties	Acquisition of 3 properties	Acquisition of 4 properties	Acquisition of 5 properties	15 Properties acquired
Actual	Acquisition of 3 properties	Acquisition of 1 properties	Acquisition of 6 properties	Acquisition of 1 property	Acquisition of 11 properties

Target Not Achieved: Target for the 4th quarter was not achieved due to the four properties are awaiting conclusion of the registration process at the deeds office.

2.3. 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	-	-	-	136 Reports approved by EAC	136 Reports approved by EAC

Target not achieved: To date only 136 reports have been approved by EAC to enable JPC to enter into lease agreements with Traders and the physical verification of traders was not possible due to Level 5 and 4 of the lockdown.

2.4. Development / Refurbishment Public Conveniences

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	Nil	25 public conveniences completed	25 public conveniences completed	Nil	50 public conveniences
Actual	-	-	36 public conveniences completed	36 public conveniences completed	72 public conveniences completed

Target Achieved and Exceeded: Quarterly target exceeded as construction for public conveniences were permitted as per the level 3 regulations i.e. Public Construction Projects could then be finalised.

2.5 Release of 120 properties for social and economic leases including servitudes and sales

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	0 properties Leased	35 properties leased	55 properties leased	10 properties Leased	100 properties leased
Actual	Nil	22 properties leased	27 properties leased	11 Properties leases	60 properties leased

Target Achieved and Exceeded: Due to the number of transactions approved for release for social economic leases.

2.6. 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	20 Inner City properties awarded	0 Inner City properties awarded	0 Inner City properties awarded	20 Inner City properties awarded
Actual	Nil	35 Inner City properties awarded	Nil	20 Inner City properties awarded	55 Inner City properties awarded

Target Achieved

3.1. Implement training & development initiatives to address competency gaps

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	70	70	130	30	300 employees trained
Actual	17 employees trained	17 employees trained	204 employees trained	99 employees trained	337 employees trained

Target Exceeded: As result of e-learning that was introduced to ensure compliance to lockdown regulations

3.2. Skills audit conducted

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	0% completion of skill audit for level seven to nine employees	0% completion of skill audit for seven to nine employees	0% completion of skill audit for seven to nine employees	0% completion of skill audit for level seven to nine employees	0% completion of skill audit for level seven to ninety employees
Actual	Nil	Nil	Nil	Nil	Nil

Target not Applicable: Deviation approved to roll over this KPI in the next year due to Covid-19 Business disruption thus it is not included in the overall reflection of the achievement of pre-determined objectives.

3.3. 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	Company Secretary Position filled	Various strategic positions advertised and filled within the reporting period (57)	Various Strategic funded vacancies filled (53)	-	35% of all strategic vacancies filled within 90 days

Target Not Achieved: The recruitment and selection process was impacted by the current circumstances of social distancing challenges and lockdown of non-essential services emanating from Covid-19. Vacancies were advertised and in some instances interviews held however the process not could be finalised.

3.4. Streamlining of disciplinary processes & success rate in cases

	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	-	-	-	-	-

Target not achieved: Due to matters being referred for investigation and postponements.

3.5. 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

4.1. Income generated through property transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	R50m income raised from leases and servitudes sales	R50m income raised from leases and servitudes sales	R50m income raised from leases and servitudes sales	R30 m income raised from leases and servitudes sales	R180m income raised from leases and servitudes sales
Actual	R29 109 850.30 raised from leases and sale of servitudes sales	R31 261 287.23 raised from leases and sale of servitudes sales	R46 045 063.26 raised from leases and sale of servitudes sales	R24 471 568.50 raised from leases and sale of servitude sales	R130 887 769.29 raised from leases and sale of servitudes sales

Target not achieved: The target for the 4th Quarter of the financial year was not achieved, due to the interruption of services resulting from the national lockdown level 5 and 4 Covid-19 pandemic.

4.2. 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	15% implementation of the outdoor advertising masterplan	5% implementation of the outdoor advertising masterplan	5% implementation of the outdoor advertising masterplan
Actual	10% implementation of the Outdoor Advertising masterplan	5% implementation of the Outdoor Advertising masterplan	15% implementation of the Outdoor Advertising masterplan	-	30% implementation of the Outdoor Advertising masterplan

Target Achieved

4.3. Spend of allocated CAPEX

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	20% spend on allocated Capex	30% spend on allocated Capex	30% spend on allocated Capex	20% spend on allocated Capex	100% spend on allocated Capex
Actual	8% spend on Capex projects	12% spend on Capex projects	46% spend on Capex projects	45% spend on Capex	45% spend on Capex projects

Target Not Achieved: due to the property industry, construction and maintenance services not operating during level 5 and 4 of the lockdown.

4.4. 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 outcome
Actual	Not Applicable	Unqualified Audit outcome	Not Applicable	Not Applicable	Unqualified Audit outcome

Target Achieved: Target achieved in the second quarter for the previous year.

4.5. Resolution of Auditor General & Internal Audit Findings

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	0% 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%	-

Target- Not Achieved: There are three outstanding findings that were not resolved, disciplinary of staff not finalised, the write off relating to fruitless and wasteful expenditure relating to Forum 1 office building and filling of vacancies. The organisation is in the process of dealing with these remaining three findings.

Section 1.1: Asset Management

Portfolio Profile

The portfolio of the City has a total value of R9, 238 billion which comprises of 28 876 properties for the quarterly period ending 30 June 2020. The table below illustrates the high-level summary outlining the number of properties and values per region.

Region	Value %	No. of Properties	Sum of Value
Region A	8%	1756	R 758 563 228.28
Region B	17%	3935	R 1 601 022 080.10
Region C	12%	2349	R 1 117 590 161.38
Region D	10%	6228	R 878 561 229.40
Region E	19%	4759	R 1 727 956 704.18
Region F	16%	4833	R 1 438 543 910.97
Region G	13%	4526	R 1 167 937 548.12
Outside CoJ Boundaries	6%	490	R 547 881 446.01
Grand Total	100%	28876	R 9 238 056 308.44

Table: High Level Portfolio Summary

Region D has the highest number of Council properties at 6 228, followed by Region F, which reflects 4 833 properties, Region E showing 4 759 properties, then by Region G at 4 526 properties, while Region B reflects 3 935 properties. Region C is the second lowest with 2 349 properties followed by Region A, which has the least number of properties at 1 756. A graphical outline of the portfolio of properties is outlined below.

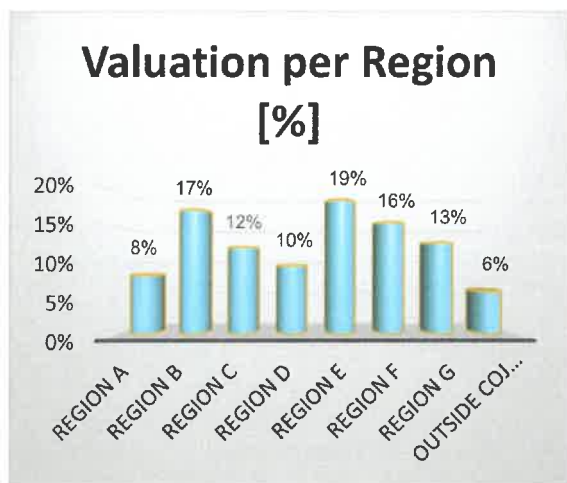


Figure 1: Summary per Region - % Value

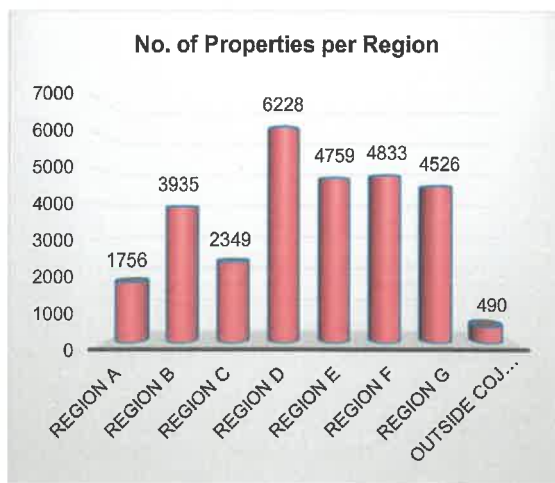


Figure 2: Summary per Region - Quantity

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, totaling 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 table illustrates the movements and updates of the Asset Register in relation to the property transfers that occurred in during the third quarter of the 2019/2020 financial year.

Monthly Movements by Quantity

Movement Category	20-Apr	20-May	20-Jun	TOTAL
Acquisitions	5	0	0	5
Disposals	-60	0	-9	-69
Net Movement	-55	0	-9	-64

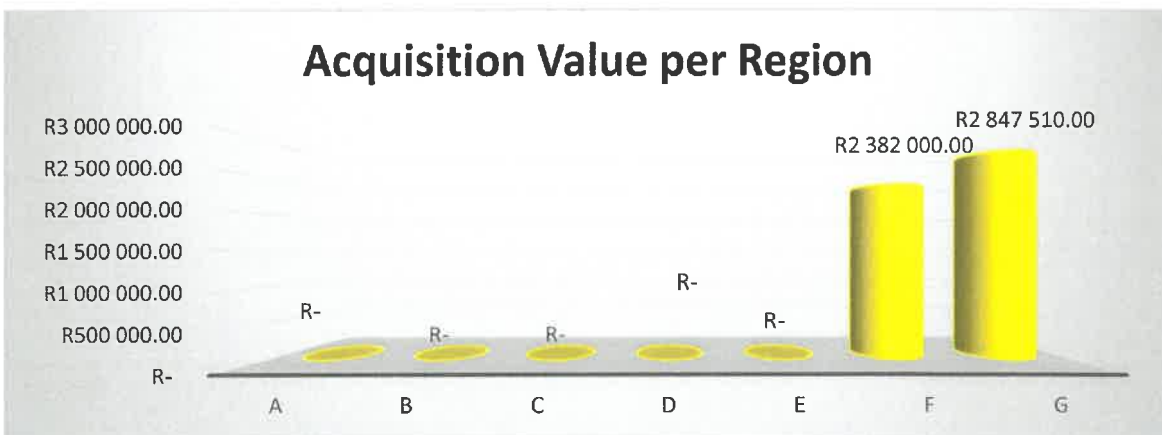
Monthly Movements by Value

Movement Category	20-Apr	20-May	20-Jun	TOTAL
Acquisitions	R5 229 510.00	R0.00	R0.00	R5 229 510.00
Disposals	-R10 756 030.00	R0.00	-R317 162.00	-R11 073 192.00
Total	R-5 526 520.00	R0.00	R-317 162.00	R-5 843 682.00

Acquisitions

Five (5) properties to the value of R5 229 510.00 were taken on during the reporting period. These properties are situated in Region F and Region G and they are outlined as follows:

- Three (3) properties valued at R2 382 000.00 (public open spaces) in Alveda Ext 8 were transferred to the City in terms of the Conditions of Township Establishment as a result of a new development.
- Two (2) properties to the value of R2 847 510.00 were acquired on behalf of Housing in Unaville Agricultural Holdings for an integrated residential development.



Disposals

Sixty-nine (69) properties to the value of R11 073 192.00 were disposed of in the reporting period. These properties are situated in Regions A, D, E and G. They are outlined as follows:

One (1) church to the value of R29 520.00 was transferred to a beneficiary during the 4th quarter as part of the Land Regularisation Programme while sixty-eight (68) properties to the value of R11 043 672.00 relate to Housing Transfers to beneficiaries as part of the City's service delivery objectives.

✓ **Land Regularisation**

One (1) church was transferred to an entitled beneficiary in Region D in terms of the conversion of rights governed by the Conversion Act 81 of 1988.

✓ **Housing Conversion**

One (1) shop was transferred to entitled beneficiary in Region D in terms of the conversion of rights governed by the Conversion Act 81 of 1988.

✓ **Housing Conversions**

- ❖ Sixty-eight (68) residential properties reported herewith were transferred to beneficiaries during the reporting period. Of these properties, forty-nine (49) properties were transferred as full title properties while nineteen (19) properties were transferred as sectional title in fulfilment of the City's housing mandate as prescribed by the Housing Act.
- ❖ These properties are situated in Regions A, D, E and G. The regional representation of the movements is outlined on the graph below.

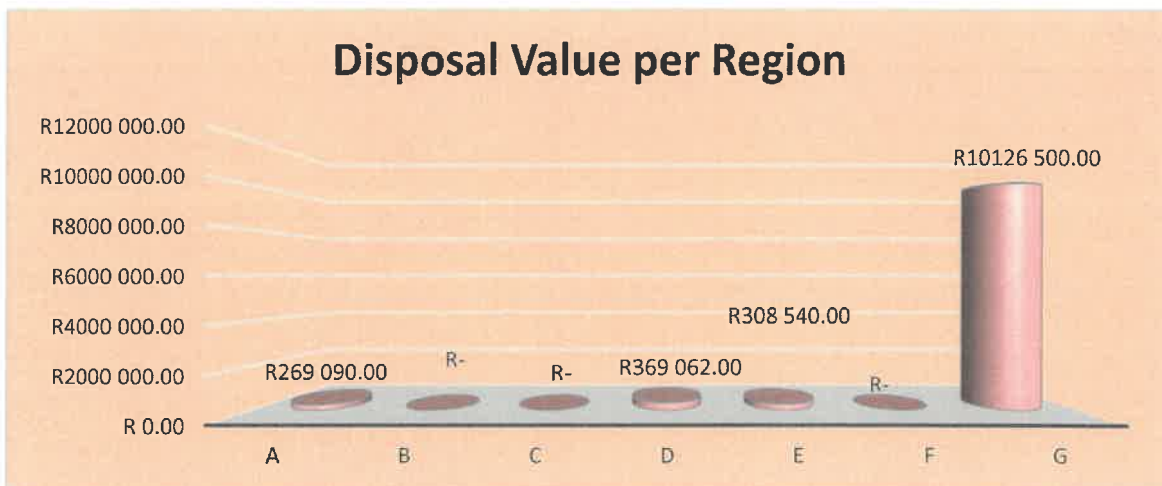


Figure 4: Disposal Value per Region - Rand Value

Net Movements

This section provides indication of the impact of the movements on the value of the Asset Register. The reporting period shows a negative net movement of –R5 843 682.00, which translates to a decrease of -0.06% of the entire portfolio as outlined on the table below.

ASSET REGISTER MOVEMENTS IN VALUE			
Month	Opening Balance	Movement	Closing Balance
20-Apr	R 9 243 899 990.44	R-5 526 520.00	R9 238 373 470.44
20-May	R 9 238 373 470.44	R0.00	R9 238 373 470.44
19-Jun	R9 238 373 470.44	R-317 162.00	R9 238 056 308.44
NET MOVEMENT		R-5 843 682.00	
		-0.06%	

Table 5: Asset Register Movements in value

Section 1.2: Property Management

ACQUISITIONS AND LARGE SERVICE PROVIDER SERVITUDE TRANSACTIONS

LARGE SERVICE PROVIDERS (LSP)

Infrastructure Development is 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, registration documents were submitted to the Deeds Office, however registration was interrupted by the lockdown emanating from the Covid-19 pandemic.

LSP TRANSACTIONS AT VARIOUS STAGES OF COUNCIL APPROVAL

	Property Description	Amount	Commission	Benefit emanating from the Servitude Registration
1	Erf 3166 Lehae	R729 600.00	R182 400.00	Eskom plans to supply electricity to the low-cost housing development situated in the South of Johannesburg in Region G.
2	Ptn 2 Farm Misgund 322 IQ	R760 000.00	R190 000.00	Eskom plans to supply electricity to the low-cost housing development situated in the South of Johannesburg in Region G.
3	Erf 1119 Devland Ext 27	R62 073.00	R15 518.25	Eskom plans to supply electricity to the low-cost housing development situated in the South of Johannesburg in Region D.
4	Remainder of Farm Goudkoppies 317 IQ (Impala Road)	R12 540.00	R3 135.00	Eskom plans to upgrade its infrastructure supplying electricity to the South of Johannesburg's Region F communities.
5	Erf 11448 Pimville	R148 500.00	R37 125.00	Rand Water Board plans to upgrade water pipes to enable the City to continue with its provision

	Property Description	Amount	Commission	Benefit emanating from the Servitude Registration
				of basic services (water and sewer) to the communities in Region D and surrounds.
6	Erf 6486 Orange Farm	R15 000.00	R3 750.00	Rand Water Board plans to lay water pipes to enable the City to provide basic municipal services (water and sewer) to the communities in Region G.
7	Ptn 83 Farm Misgund 322 IQ	R250 000.00	R62 500.00	Rand Water Board plans to upgrade water pipes to enable the City to provide basic municipal services (water and sewer) to the communities in Region G and surrounds.
8	Erf 999 Riverlea	R7 500.00	R1 875.00	The granting of the servitude will enable Transnet to continue with its petroleum storage and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
9	Erf 1747 Mondeor Ext 2	34 000.00	R8 500.00	The granting of the servitude will enable Transnet to continue with its petroleum storage and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
10	Erf 1952 Mondeor	31 000.00	R7 750.00	The granting of the servitude will enable Transnet to continue with its petroleum storage and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
11	Ptn 13 Farm Rietvlei 101 IR	124 950.00	R31 237.50	The granting of the servitude will enable Transnet to continue with its petroleum storage and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
12	Holding 21 Patlynn AH	48 300.00	R12 075.00	The granting of the servitude will enable Transnet to continue with its petroleum storage and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
13	Ptn 79 Farm Eikenhof 323 IQ	26 040.00	R6 510.00	The granting of the servitude will enable Transnet to continue with its petroleum storage and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
14	Ptn 80 Farm Eikenhof 323 IQ	55 020.00	R13 755.00	The granting of the servitude will enable Transnet to continue with its petroleum storage and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
15	Ptn 76 Farm Eikenhof 323 IQ	12 180.00	R3 045.00	The granting of the servitude will enable Transnet to continue with its petroleum storage and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
16	Ptn 1 of Farm Rietvlei 101 IR	18 900.00	R4 725.00	The granting of the servitude will enable Transnet to continue with its petroleum storage and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
17	Erf 1235 Kibler park	R60 000	R15 000.00	The granting of the servitude will enable Transnet to continue with its petroleum storage and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
18	Erf 49 Alan Manor	R3 870	R967.50	The granting of the servitude will enable Transnet to continue with its petroleum storage

	Property Description	Amount	Commission	Benefit emanating from the Servitude Registration
				and maintenance of its pipeline operation resulting in the supply and availability of petrol, diesel, fuel gas, etc.).
	TOTAL	R2 399 473.00	R599 868.25	

ACQUISITION OF PROPERTY

The below mentioned property was acquired during the quarter under review.

NO	PROPERTIES	EXTENT	MARKET VALUE	JPC'S 10% COMMISSION
1.	Holding 40 Unaville AH	4.1382 ha	R1 241 460.00	R124 146.00

MUNICIPAL ACQUISITIONS

During the period under review, the following achievements were made :

A Permission to Occupy and Build Agreement (PTOB) was concluded with the Housing Department, allocating Erf 1345 Rabie Ridge Extension 2, Erf 1075 Rabie Ridge Ext. 1, Erf 2077 Alexandra Extension 26 and Erf 710 Marlboro Gardens for use as a Temporary Relocation Site to accommodate homeless community members during the Covid-19 pandemic outbreak.

Section 1.3: Informal Trading

JPC has embarked on a huge drive to turn around the Informal Trading sector and this is limited to Markets and not street trading. JPC is visioning a City that will develop markets of the future to create Dignified, Clean and Simple World Class Facilities.

INCOME COLLECTION

During the reporting period for the quarter ending June 2020, JPC has collected d 98.5% of revenue in respect of informal trading. The table below depicts the summary of the income collected for the 4th quarter of the 2019/20 financial year.

KPI	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Quarterly target	R1 775 001	R1 775 001	R1 775 007	R1 775 009
Quarterly collected	R2 033 095	R2 105 560	R2 310 262	R548 879
Target	R7 100 0018			
Total achieved	R6 997 796			
Percentage target reached	98.56%			

FORMALIZATION OF APPROXIMATELY 1930 OR MORE LEASES

It was projected that JPC will renew approximately 1930 informal trading leases by the fourth quarter of the 2019/20 financial year. The target has been revised to 300 leases due to Covid-19 business disruption. To date 136 reports have been approved by EAC to enable JPC to enter into lease agreements with Traders. The table below depicts the number of reports per facility and the projected income to be achieved once leases have been concluded:

Section 1.4: Property Development

The Property Development 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. The following are property development projects:

➤ **Jabulani Housing**

The development cost is estimated to be R117million focusing on delivering 1410 Community Residential Units (CRU). The construction only commence mid-June 2020 after the lockdown level 3 was commissioned.

➤ **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 progress to date is as follows:**

- ✓ Completed Housing units: a total of **4045 i.e.**
 - Single residential FLISP – 2360
 - Multi-story Rental units – 457
 - Multi-story RDP units – 1228
- Housing units currently under construction: Total – **1972**

- Single residential FLISP – 588
- Multi-story Rental units – 0
- Multi-story RDP units – 1384

Municipal Precinct Projects:

➤ **Jabulani (COJ Region D OSO)**

The Jabulani OSO has been identified for mixed use development comprising of CoJ Region D offices, 1000(10 000m2) mixed income residential units, 18 000 m² of offices, 5000m² Municipal offices and 5 000m² of retail, Clinic, Library, Informal traders stalls, Public square with an investment value of R1.5 billion.



The project seeks to deliver a vibrant mixed-use development focused on well-framed and connected public spaces. The project will also include the redevelopment of the existing civic buildings and integration of the Jabulani fire stations into the precinct.



➤ **Randburg Civic Precinct (COJ Region B OSO)**

The Randburg Civic Centre Precinct is one of eight precincts identified by the JPC that could be redeveloped to bring about more efficiencies in the manner in which the City of Johannesburg Metropolitan Municipality (COJ) operates. The strategy behind the redevelopment of these precincts is primarily to rationalise and optimise the provision of office accommodation for COJ. It furthermore aims to unlock the potential of these precincts for

property development investments by third party developers.

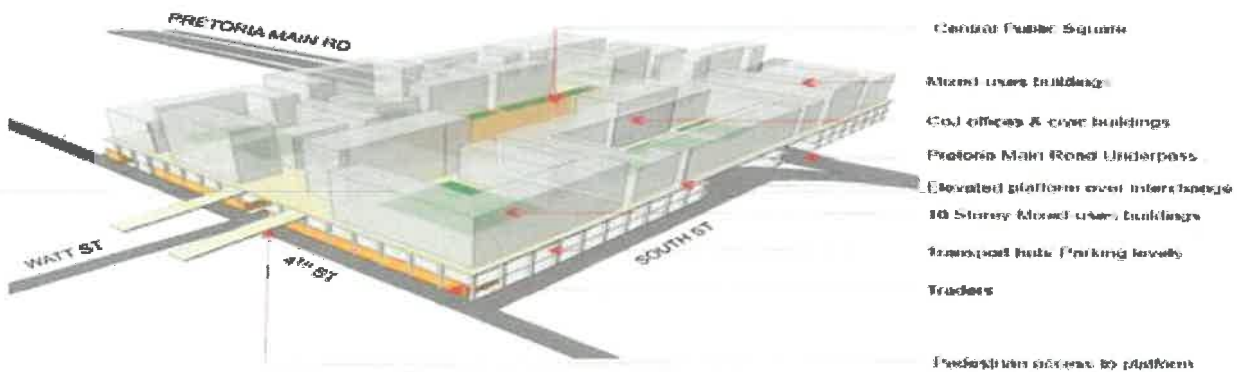
The Precinct is situated within a mixed-use node and will create a projected number of 3 000 jobs and includes a vibrant mixed use development of more than 4 000 mixed income residential units, Retail, Public transport interchange facility, Clinic, Public Library.

The property plan was completed RFP for the development and long-term lease was awarded and contract finalised. The developer is currently finalising preparation works required to ensure that the construction commences in August 2021.

➤ **Watt Street Interchange (COJ Region E OSO)**

The Watt Street Interchange has been identified for mixed-use development comprising of CoJ Region E offices, 9000m² retail, 20 00m² regional office, 15 000m² residential apartment block plus new public square.

The development seeks to capitalise on the City’s investment in a major bus interchange on the property in support of the Corridors of Freedom. The new interchange is being developed by the JDA to accommodate BRT and regional busses. on the expected to above the bus terminus maximising the above-ground space into regional offices and high density residential units in support of linking communities as part of the Corridors of Freedom strategy of the City.



To date the property plan was completed, rezoning approval obtained, bulk contributions paid. The bidding & awarding process will commence in the beginning of next financial year.

➤ **Turffontein Civic Precinct**

The property consists mostly of vacant land adjacent to the Rand Stadium and Pioneer Park. The site is also in close proximity of the Turffontein Race Course and Wemmer Pan and owned by the City of Johannesburg in Region F. Vehicular access to the site can be obtained from the N17 Freeway, Mooi and Diagonal Street out of the Johannesburg CBD and Wemmer Pan Road. The site measures approximately 4.7 hectares and falls within the Wemmer Pan UDF.



The project seeks to deliver a vibrant mixed-use development focused on well-framed and connected public spaces, with a public square as its centerpiece. The project further seeks to create investment opportunities in a depressed environment that will stimulate the Turffontein area and surrounding neighbourhoods.

To date the property plan, public participation process has been completed and report on outcome on the public participation process and Section 14/2 to be submitted for approval.

➤ **Midrand Precinct OSO**

This vibrant mixed-use development project is located within proximity of major business nodes and variety of commercial activity i.e. Midrand adjacent to the Grand Central airport, the Midrand Gautrain Station and Gallagher Convention Centre.

The properties within the precinct are zoned, Institutional, Municipal, Business, Agricultural, Existing Roads and Special. To date the property plan & public participation process completed while approval for Section 14/2 has been obtained. The bidding & awarding process will commence in the beginning of next financial year.



➤ **Soweto Gateway**



The site lies in the far eastern part of Soweto and situated in Region D. West of the site is the Chris Hani Baragwaneth Hospital. It is situated along the N1 with great visibility.

It is a hot spot for high value infrastructure development. The site is approximately 30,529ha.

The development is a mixed use, which will include 3366 mixed income residential units, public open spaces, retail, commercial, light industrial, educational spaces, medical facilities, Hotel/conference centre and community facilities. The anticipated development cost is R3.2billion.

The township establishment application was submitted to COJ Planning for approval. The tenders received have been adjudicated by the Bid Evaluation Committee and a report will be submitted to EAC for the approval in the first quarter of the coming financial year.



➤ **Riverside View Phase 2**

The development is located in Diepsloot and measures 270Ha. The development includes 10 414 Mixed income residential units, 2 Primary and Secondary Schools, Parks, walkways, Institutional Centre, Business sites as well as Recreational facilities at development cost of at R2 billion over 5 years. 2010 Social/Rental units completed and 2000 units under construction. Construction of 204 unites completed.

➤ **Southern Farms**

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 2 902 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.



JPC has been engaging with CoJ Development Planning in an attempt to finalise and approve The Precinct Plan, the extension of the urban boundary and the inclusion of this into the Spatial Development Framework. The Developer has submitted the revised Precinct Plan/ reports and other supporting documentation required by the Planning Department and the process of considering the plans currently.

➤ **Victoria Extension 4**

The Bid Evaluation report was submitted to EAC and was referred back to the bid evaluation committee to address certain compliance related issued. The amended report is to be presented to EAC in January 2020.

➤ **Mooki Street Precinct**

A number of activities with high pedestrian mobility between Metro Rail Station and both BRT stations characterizes the Precinct. The objective of the development includes the following:

- A mixed-use precinct development to create both job ad economic opportunities and address the previous apartheid spatial planning practice while stimulating private development.
- Develop a pedestrian civic spine along Mooki Street linking social facilities.
- Densify the area by providing walk-ups.
- Provide soft landscaping, tree lined boulevard, lighting and street furniture.
- Create safe zone around the prescient area not only in terms of pedestrian access but also in terms of promoting public safety.

The Property Plan was completed, section 14 (2) obtained and the land parcels within the precinct will be released in a phased approach.

Section 1.5: Facilities Management

Current Situation

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.

Planned Priority Projects: Public Safety

No repair and maintenance or CAPEX projects undertaken in the 4th Quarter of the 2019-2020 Financial year due to the Public Safety department not settling amounts owed to JPC for work done in the previous financial years.

Planned Priority Projects: Community Development

Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
Lord Khanyile Recreation Centre.	Refurbish Offices, attend to electrical system, plumbing, painting	R 2 306 658.63	0%	40% works completed – 60% expected to be completed by 30/6/2020
Kanana Sports Ground	Refurbish ablutions and prepare grounds	R 1 629 712.63	R 685 648.24	50% works completed – 100% expected to be completed by 30/6/2020
Halfway House Library	Refurbish Offices, attend to electrical system, plumbing, painting	R 754 705.80	R 528 294.06	80% works completed – 100% expected to be completed by 30/6/2020
Parkhurst Recreation Centre	Painting, electrical, plumbing and roof repairs	R 3 219 516.95	R1 104 374.78	20% works completed – 80% expected to be completed by 30/6/2020
Westdene Recreation Centre	Repairs to electrical, plumbing and painting	R 3 749 714.51	0%	5% works completed – 80% expected to be completed by 30/6/2020
Blackheath Library	Repairs to electrical, plumbing and painting	R 394 219.04	R 197 109.52	10% works completed – 100% expected to

Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
				be completed by 30/6/2020
Emmarentia Library	Repairs to electrical. Plumbing and painting	R 510 650.89	0%	15% works completed – 100% expected to be completed by 30/6/2020
Olivedale Library	Repairs to electrical, plumbing and painting	R 1 508 170.65	R1 006 200.00	40% works completed – 90% expected to be completed by 30/6/2020
Diepkloof Zone 1 Tennis Courts	Refurbishments of courts, ablutions, repairs to electrical and plumbing and painting	R 2 456 289.03	R1 759 245.10	70% works completed – 100% expected to be completed by 30/6/2020
Ikhwezi Youth Club	Repairs to electrical, plumbing and painting	R 1 635 555.45	R1 285 599.92	80% works completed – 100% expected to be completed by 30/6/2020
Hector Pieterse Museum	Repairs to electrical. Plumbing and painting	R 2 755 786.75	R1 762 403.56	85% works completed – 95% expected to be completed by 30/6/2020
Phiri Library	Repairs to electrical, plumbing and painting	R 1 364 406.00	R1 223 053.03	100% works completed
Pimville Recreation Centre	Repairs to electrical, plumbing and painting	R 4 039 562.36	R1 304 626.09	20% works completed – 50% expected to be completed by 30/6/2020
Alexandra Stadium	Repairs to ablutions, electrical, plumbing and painting	R 3 327 761.43	R1 696 479.72	65% works completed – 90% expected to be completed by 30/6/2020
Bertha Solomon Recreation Centre	Repairs to electrical, plumbing and painting and minor refurbishment	R 3 308 351.94	R1 434 533.83	70% works completed – 90% expected to be completed by 30/6/2020
Bez Valley Caravan Park	Repairs to ablution, electrical. Plumbing and painting	R 2 635 965.21	R1 774 058.08	70% works completed – 90% expected to be

Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
				completed by 30/6/2020
Glenanda Library	Repairs to electrical, plumbing and painting	R 1 050 718.71	R 540 323.42	10% works completed – 90% expected to be completed by 30/6/2020
22 Solomon Street LIS HO (Balance of works)	Repairs to roof, air cons, electrical and plumbing	R 1 536 510.00	R1 362 654.76	100% works completed
Yeoville Recreation Centre	Repairs to electrical, plumbing and painting and minor refurbishment	R 2 071 985.48	R1 450 389.83	80% works completed – 20% expected to be completed by 30/6/2020
Ennerdale Ext 1 Library	Repairs to electrical, plumbing and painting	R 584 340.03	R 525 906.03	100% works completed
Lenasia Ext 1 Library	Repairs to electrical, plumbing and painting	R 938 365.44	R 837 386 .04	100% works completed
Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
Orange Farm Library	Repairs to electrical, plumbing and painting	R 1 286 755.64	R1 158 080.08	100% works completed
Lenasia South Tennis Courts	Repairs to electrical, plumbing, painting and refurbish courts	R 3 199 749.93	R2 159 831.21	40% works completed – 60% expected to be completed by 30/6/2020

Planned Priority Projects: Social Development

Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
Rabie Ridge Skills Centre	Repairs to electrical system, plumbing, painting	R 11 813.57	100%	Completed
Bophelong Skills Centre	Repairs to electrical system, plumbing, painting	R 12 835.56	100%	Completed
Diepsloot Skills Centre	Repairs to electrical system, plumbing, painting	R 5 527.50	100%	Completed

Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
Cosmo City Skills Centre	Repairs to electrical system, plumbing, painting	R 54 209.19	100%	Completed
Dan Street Shelter	Repairs to electrical system, plumbing, painting	R 193 958.71	100%	100% completion at 30 June 2020
Golden Harvest Rehab Centre	Repairs to electrical system, plumbing, painting	R 212 840.74	100%	100% completion at 30 June 2020
Tladi Skill Centre	Repairs to electrical system, plumbing, painting	R 52 998.30	100%	Completed
Tladi Drug Treatment Centre	Repairs to electrical system, plumbing, painting	R 33 914.65	100%	Completed
Phiri Elders Day Care Centre	Repairs to electrical system, plumbing, painting	R 70 011.34	100%	Completed
Yetta Nethan ECD Training Facility	Repairs to electrical system, plumbing, painting	R 245 653.26	100%	100% completion at 30 June 2020
Jabavu Techno Hub	Repairs to electrical system, plumbing, painting	R 34 355.23	100%	Completed
Pimville Skills Centre	Repairs to electrical system, plumbing, painting	R 57 727.22	100%	Completed
South Hills Skills Centre	Repairs to electrical system, plumbing, painting	R 16 121.23	100%	Completed
Bellavista Techno Hub Centre	Repairs to electrical system, plumbing, painting	R 63 151.00	100%	Completed
Viakfontein	Repairs to electrical system, plumbing, painting	R 217 476.54	100%	100% completion at 30 June 2020
Fine Town	Repairs to electrical system, plumbing, painting	R 317 487.33	100%	100% completion at 30 June 2020
Windsor	Installation of Homeless Shelter Phase 1	R 997 476.40	100% completion at 30 June 2020	

Planned Priority Projects: Housing

Temporary Emergency Accommodation

Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
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Jeppestown	Designs and Development of Temporary Emergency Accommodations (TEA)	R7 million	100%	100% of the work is completed
Moffat View	Designs and Developments of Temporary Emergency Accommodations (TEA)	R13 million	100%	100% of the work is completed

The only two projects implemented thus far were the Temporary Emergency Accommodations, which according to the User Department’s Directorates, (Public Housing Programme Support) PHPS and Inner City

Planned Priority Projects: Economic Department

Repairs & Maintenance 2019/2020

JPC received an allocated budget of **R4 149 255.57** for provision of repairs and maintenance services for DED facilities and to be utilised as per signed planned maintenance plan by DED.

Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
Joburg Market	Establishing Opportunity Centres	R 2,216,772.62	R 1,773,418.10	100% of the work is completed
Eldorado Park Multi-Purpose Centre	Establishing Opportunity Centres	R 1,932,482.95	R 1,352,738,07	100% of the work is completed
Sandton Tourism	Refurbishment	R 1,755,393.94	R 1,755,393.94	100% of the work is completed
Jorissen Offices	Refurbishment	R 1,906,888.22	R 1,906,888.22	100% of the work is completed

Planned Priority Projects: Joburg Market

On 17 May 2019: JPC was appointed by Joburg Market for Repairs & Maintenance and any other works on an as when required.

Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
Joburg Market	Repairs & Maintenance of cashier cubicles	R968 431.12	100%	100% of the work is completed
Joburg Market	Repairs & Maintenance civil works potholes	R530 316.15	100%	100% of the work is completed

Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
Joburg Market	Maintenance of Platform walls(Plastering, filling of cracks, preparing and painting platforms(Hall 3-9)	R1 853 731.00	100%	100% of the work is completed
Joburg Market	Upgrade and Restoration of Civil Engineering infrastructure and road marking	R633 542.00	80%	80% of the work is done. Due to the National Lockdown Regulations, the processes were delayed
Joburg Market	Maintenance of staircases, handrails, angle iron and platform walls(hall 3-9)	R1 969 993.00	100%	100% of the work is completed
Joburg Market	Mechanical Works: Repair non-working Freon gas cold rooms (90-91), pressure test ammonia pipes leaks tests, repair and service Ammonia cold rooms (room 81-87), repair and reseal cold room doors on Freon gas cold room, repair service compressors, motors and fans in the cold rooms listed above and servicing of coils, cleaning and replacement of components parts in the coils and louvers.	R4 000 000.00	100%	100% of the work is completed

Planned Priority Projects: Metro Bus

Framework order received worth R3 385 849.82				
Project Name	Scopes/Descriptions of Works	Cost	Budget Expenditure	Progress
Roddepoort Depot Perimeter Boundary Wall	Repairs and Maintenance	R2 179 579.40	R2 179 579.40	100% complete
Civic Centre Metro Bus Customer Service Centre	Repairs and Maintenance	R1 206 270.42	R1 206 270.42	100% complete

Section 1.6: Outdoor Advertising Portfolio

Summary of progress on the implementation of the Masterplan

Revenue Target

The revenue collected from outdoor advertising leases is about 55.2% below target. The reason for none achievement of the revenue target from outdoor advertising leases is mainly due to, among other things, the following:

- The new 2018 Outdoor Advertising By laws was set aside and declared as unconstitutional and invalid by the High Court on the 18 February 2020 and the City is required to revisit the public participation process in terms of applicable law and as outlined in the judgement;
- The volume of illegality in the City has increased substantially over the years thus having an negative impact on the value of outdoor advertising;
- A number of advertising contracts that have lapsed where the City is no longer collecting any revenue pending approval of sites already awarded by EAC by the City's Department of Development Planning and Council to give effect to 36 transitional agreements, and
- The national lockdown due to Covid-19 has resulted in high vacancy rates as advertisers withdrew their advertising budgets due to a decline of out of home movements by consumers of outdoor advertisements.

Progress Regarding Implementation of the Masterplan

JPC achieved the revised annual target of 30% of the implementation of the masterplan in the third quarter of the year under review. As per the implementation plan for the masterplan, the following achievements pertains:

a) Public Notice (10% of the Masterplan)

- Following the determination of a Transitional Period by Council on 14 March 2019, JPC facilitated the issuing of a 60 day notice to urge all property and media owners to declare to the City all their advertising assets erected on any land to determine their compliance.
- The aim of the notice is to oversee a fair, accountable, inclusive and transparent participation by the industry as a whole subject to full disclosure of existing advertising assets to the City
- The Department of Development Planning (DDP) reported that fifty-four (54) media and property owners declared about 19 965 advertising signs comprising of street furniture installation, street poles, billboards and signs erected or attached to various assets across all land.

b) The Transitional Period: Portfolio review and restructuring (10% of the Masterplan)

- JPC achieved 5% for obtaining EAC awards for ten (10) media companies with various advertising formats on CoJ's sites, two of which being for advertising at various taxi ranks managed by JPC.
- The contracts are subject to approval by Council for the use of CoJ's sites as required in terms of applicable law and the Executive Director: Development Planning of CoJ in terms of the 2009 outdoor advertising by laws.
- In this regard and to give effect to Council resolution regarding setting up of an interim mechanism, an Ad Hoc Committee was set up comprising mainly of JPC's staff and a Legal representative, CoJ DDP, CoJ Group Legal Advisor, JRA, Building Control Officer, etc.
- This Committee has been approved by the City Manager as recommended by both the ED: DDP and CEO: JPC and will undertake due diligence and assess all declarations received and to recommend to the ED: DDP to grant approvals or exemption in terms of the 2009 By-laws as resolved by Council on the 14 March 2019. Unfortunately, the work of the Committee is yet to take place as this was placed on hold following declaration of a national disaster of the Covid-19 pandemic by national government hence the delay in finalizing contracts awarded.

c) Stakeholder Management Plan (10% of the Masterplan)

- JPC achieved 5% relating to the development and implementation of a media plan or strategy and the following deliverables pertains:
 - Media strategy or plan approved by the CEO for implementation effective January 2020.
 - Meetings were held with Taxi Associations (Minutes attached as evidence)
 - Media statement have been circulated to various media houses.

A number of activities relating to the plan were postponed due to the lockdown in response to Covid- 19 pandemic. Very few media releases were issued particularly as the pandemic became the most topical and newsworthy matter since the declaration of the national lockdown.

d) New Business Development (10% of the Masterplan)

- JPC achieved 5% of the target relating to development of a Street Furniture Programme that was approved by Council resolution of the 14 March 2019. The Terms of Reference were approved by the Accounting Officer (CEO: JPC) in terms of SCM for Goods and Services.
- Secondly another 5% was achieved for the approval of terms of reference for the development of a financial model for the masterplan

Both tenders could not be issued mainly due to the national lockdown by national government in response to the Covid-19 pandemic and National Treasury directives.

Current Challenges & Mitigation

The new 2018 outdoor advertising By-laws were set aside by the High Court in February 2020. The court judgement was scathing on the lack of adequate public participation. The City, in finalizing the By-laws for promulgation, did not take into consideration comments received from various parties in finalizing the By-law for Council's approval hence it was interdicted on the day of promulgation and therefore suspended by an order of court.

The City has an option to appeal, but this may take long and, at the end, the By-law may still require to be amended in any event. In order to mitigate the need to go through yet another protracted legal battle, the City, after consultation with Counsel and CoJ Group Legal, opted to initiate the review the By-laws through a public engagement process as outlined in the judgement.

In light of the challenges of the 2009 By-laws, the Planning Department will submit a report to the next Council meeting to, *inter alia*, seek approval of a moratorium on new applications and to the City to undertake public participation to ensure approval of the masterplan as a policy framework that will determine the By law review process.

To ensure that the envisaged by-law attain the required balance between the City being able to regulate the sector as its constitutional imperative and facilitating economic development and transformation, the City will appoint a legal team to guide the entire drafting process and to ensure that all applicable law are considered as well.

Section 1.7: Inner City Property Development Projects

The Inner City rejuvenation programme has been established with the intention of building an inclusive society with an enhanced quality of life for the residents of the Inner City. To-date, no less than 147 properties (grouped into 38 development opportunities) have been awarded, mostly to 100% black, women-owned and managed companies, each with Level 1 BBB-EE accreditation. Moreover, the total Project Investment Value is forecasted at R30bn creating approximately 12 136 jobs and equally empowering and creating strategic work packages to meet the 30 % Transformation/SMME target, a monumental milestone for the City of Joburg.

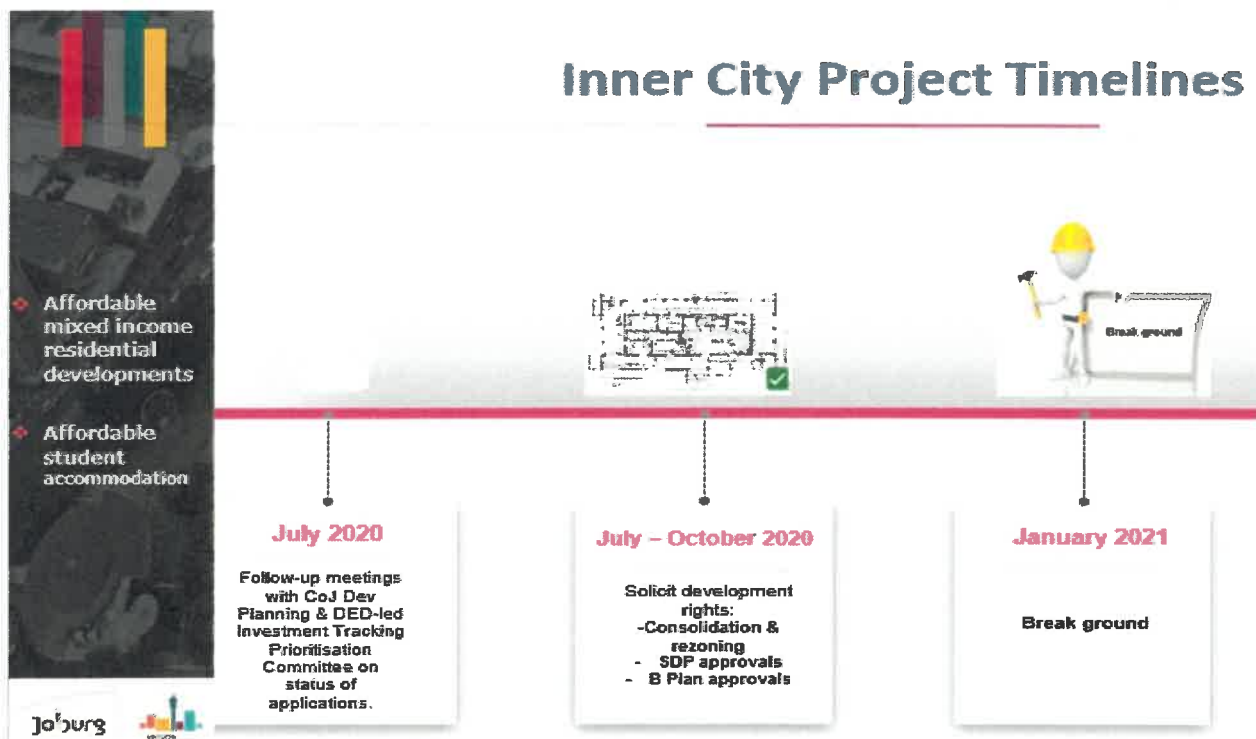
Phase One and Two

The fourth quarter of the 2019/20 financial year got off to an invigorating start as JPC continued to engage developers, City Departments (i.e. CoJ Development Planning, Housing, JRA, et al) and Ward Councillors, to ensure the seamless execution of all Inner City Project Programmes. Quarter 4, however, was also not without its own challenges; in particular, unforeseen delays have been experienced because of the

nationwide Lockdown, declared by President Ramaphosa, following the recent widespread outbreak of the Covid-19 virus.

As we slowly emerge from Covid-19 Lockdown restrictions it is becoming clear that developers are facing difficulty with their applications, as all CoJ Departments (mainly Planning) have remained closed since 27 March 2019, causing a considerable delay in the ability of Professional Teams to follow-up on applications or kick-start any processes which may require Public Participation.

Upon the receiving news on the Lockdown, all Development Teams were urged to continue to direct their efforts towards ensuring that, where possible, we prepare for post Lockdown period, so that all development projects can progress seamlessly. JPC highlighted that extensions to Project Programmes would only be allowed in line with/for the duration of the Lockdown period. Moreover, JPC, through the DED-led Investment Tracking Prioritisation Committee has been in communication with Developers and CoJ Development Planning, to ensure that applications progress accordingly and are ultimately approved. Despite the challenges and lengthy delays experienced over the last 3 months, below is a proposed schedule indicating when developments may break ground:



Phase 3: Re-Advertised City Owned Properties

The second quarter of the 2019/20 financial year saw the re-advertisement of 10 Developments consisting of 20 city-owned properties for development into Mixed-use Affordable Accommodation and/or Affordable

Student Accommodation. The tender for the aforementioned developments closed in Quarter 3 (6 March 2020). Moreover, it was projected and reported in quarter 3 that, the evaluation process for the aforementioned would be concluded and the developments awarded by quarter 4 of the 2019/20 financial year.

However, significant delays have also been encountered in this particular Phase of the Inner City Rejuvenation Programme, due to Covid-19 outbreak and the subsequent Lockdown restrictions. Thus, the post-lockdown schedule should be noted as follows:

Schedule	
Activities	Date
Tender Close	6 March 2020
Pre-screening	13 May 2020
Bid Adjudication	13 May 2020
EAC	July 2020
Award	August 2020

Phase 4 & 5: Acquisition of Privately Owned Properties

187 privately owned properties have been identified in the Inner City and earmarked for possible acquisition, moreover, a block-by-block approach is outlined as a suitable strategy to undertake development within the city, ultimately creating a safer city and building cohesive communities.

Shortly before the national Lockdown was declared, the Inner City team to assess the overall condition of the properties conducted site visits. These site visits will continue once the Lockdown restrictions are removed.





Furthermore, it is envisaged that a report will be compiled and tabled to the City's committees for approval, below is the provisional schedule:

Schedule for Report submissions	
Committee Meeting	Date
Economic Growth Technical Cluster	October 2020
Economic Growth Sub Mayoral	October 2020
Mayoral	November 2020
Section 79	November 2020
Council	February 2020

Development of Affordable Student Accommodation

Over recent years, there has been an unprecedented growth in the demand for free higher education and equally for Affordable Student Accommodation. In November 2017, Council took a resolution regarding Affordable Student Accommodation and the City has since committed to refurbish at least 10% of all bad buildings converting them into livable, quality, affordable Student Accommodation.

Since the inception of the Inner City Rejuvenation Programme 12, developments consisting of various properties have been awarded for the development of Affordable Student Accommodation. Since award, all developers have been engaged and are in the process of obtaining development rights for their respective developments. Furthermore, developers are also in the process of obtaining Letters of interest from the Universities of Johannesburg and Witwatersrand (amongst other stakeholders) for accreditation of the proposed student accommodation facilities.

Below is a high-level overview of the outcomes to be achieved through the provision of Affordable Student Accommodation:



Section 1.8: Marketing & Communications

JPC Projects on Social Media

Social media flighted the Johannesburg International Transport Interchange (JITI) video that was completed last quarter has been made available on social media. This explains the proposed travel hub and the deliverables that it will bring as a game changer to the transport industry.

The cleaning of public facilities were the most prominent stories on the social media pages and garnered the positive publicity required. The second phase of the Fordsburg Square also garnered the most comments this quarter. Outdoor Advertising attracted the same interest it does throughout the year.

The amount of publicity generated dipped during this quarter, as there was a requirement to be sensitive to the Covid-19 pandemic as well.

Platform	June 30 Status
Facebook	4,971 Friends
Twitter	3,944 Followers
Instagram	318 Followers
LinkedIn	291 LinkedIn Contacts

Media Queries

Two media queries were received during the quarter; however, these were misdirected to the JPC. The JPC directed to the relevant departments. Examples of these queries were about bad buildings in the Inner City. These are queries previously handled by the Group Forensic Intelligence Services (GFIS) and Housing Departments.

The base of followers reading our messages continues to grow organically. The communication approach of the three stages to the City’s communication was implemented

- ✓ The Response – creating awareness communications around COVID19,
- ✓ Recovery Phase - the second phase where numbers of all who have recovered returning
- ✓ Thriving to communicate the expected service level deliverables.

Service delivery was communicated; however, empathy was key in the content messaging. The media coverage was a reflection of the period when the pandemic broke out and is consistent with many City departments and entities.

	April 2020	May 2020	June 2020
Number of Media Clips	22	1	9
AVE's in Rands	644,239	160,200	148 712
Topics Covered	Cleaning Taxi Ranks Orange Grove Developing Payment Protests	Outdoor Advertising under Covid-19	Greenside Project Solarisation Site Metro Link

The majority of the coverage was online with the exception of May, which was based exclusively on television interview that was broadcast on Newsroom, channel 405 DSTV.

Corporate Social Investment

Corporate Social Investment initiatives remain on hold during the Lockdown period, as the sanitary pads cannot be distributed until schools can receive visitors and when a suitable date is identified by the MMC’s Office.

The Mandela Day team have already started knitting blankets to give to a needy cause on Mandela Day on Saturday 18 July. This is the third year of the JPC staff knitting squares to enable the project. Staff contribute for the wool and this promotes the active giving by staff members. There will be charitable community activities on the day, but this knitting project starts months in advance to allow the blanket to be ready in time.

Section 1.9: Business Intelligence and Information Technology Unit (IT)

IT PANEL OF PROFESSIONALS

A panel arrangement is essentially a safe procurement alternative route, it will provide JPC IT department with an approved shortlist of service providers to select from when it needs to purchase or require a service.

Panel arrangements can be an efficient and smart solution to procurement, especially when certain categories of relevant goods or services are purchased frequently.

The panel of JPC IT service providers (POP12/2020) contains two companies, Dimension Data and Syntegricom which were **appointed** by means of competitive bidding processes to supply and deliver IT infrastructure (Hardware and Software) for a period of three (03) years, as and when required which includes:-

- ❖ **IT User Hardware Infrastructure**
 - Laptops for JPC users
 - Laptops for JPC Executives
 - Desktops for all JPC users
 - Tablets
- ❖ **IT Server Hardware Infrastructure**
 - Refresh of the entire Server, SAN and Virtualized environment, including all Hardware and Software components, latest generation hardware and central storage, built on a virtualization platform including backup and replication technology, the upgrade/refresh of the environment, which will provide a foundation for offsite replication into DR facilities.
- ❖ **IT Infrastructure for Smart Buildings**
- ❖ **IT Networking**
- ❖ **Applications and development**
- ❖ **IT Security and Infrastructure**
- ❖ **IT Consumables**
- ❖ **IT Wide area network (WAN) connectivity and Infrastructure**

IT BUSINESS CONTINUITY CONTINGENCY PLAN ACTIVATED DURING THE OUTBREAK OF COVID-19 PANDEMIC

A pandemic such as the Covid-19 outbreak challenges existing IT Business Continuity Management (BCM) initiatives at any organization. Covid-19 is causing a humanitarian crisis of global proportions, with hundreds of thousands of lives disrupted.

JPC Management under the guidance of The CEO formulated a Pandemic Response Plan (“PRP”), which among other things, includes:

- A pandemic crisis management team encompassing executive leadership across JPC (e.g. Legal, Finance, Property Portfolio, etc.);
- The CEO wanted to enhance a clear, honest, empathetic and simple approach to communication as the Covid-19 situation evolves.

IT Department had to configure All JPC Laptop User's to Work From Home (WFH), that have been identified and granted permission to WFH during the period of the outbreak of Covid-19, enabled mobility users with 3G cards, Skype and Virtual Private Network (VPN) access. 94 Laptop users were configured and many more were added.

WIRELESS (200MB) LINK INSTALLED FROM FORUM 2 TO FORUM 1

As part of preparations and readiness to anticipate the relocation of JPC business premises from Forum 2 to Forum 1 which can mean additional space, extra resources, happier staff etc. An IT relocation plan needed to be initiated as to aid in a seamless move that has as little impact on the daily function of JPC and the staff as possible, with no unscheduled downtime. A point-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.

WEBSITE HOSTING

Shemitah Pty Ltd has been awarded the hosting of the JPC website for a period of 6 months starting from 1 April to September 2020.

INTERNAL INFORMATION TECHNOLOGY GOVERNANCE ISSUES

JPC IT Internal Audit focused on the following Areas/ Auditable spheres:-

Number	Focus Areas/ Auditable spheres for period under review	Document /policy required
1	IT Governance	Latest Approved and signed <ul style="list-style-type: none"> ✓ IT Governance Policy Framework ✓ IT Strategic plan ✓ IT Steering Committee's terms of reference ✓ IT structures (Committees) ✓ Risk Management Policy and Framework ✓ Service level agreement (2018/19) ✓ Minutes of steering committee meetings (2018/19) ✓ Financial information covering IT expenses ✓ Lead schedule/financial information for systems that are being implemented during the financial year under review ✓ IT risk assessment report ✓ IT organogram ✓ CV for the information security officer/CIO/ IT manager latest CV

2	User Account Management	<ul style="list-style-type: none"> ✓ User Account Management Policy and procedures ✓ List of new users ✓ List of amendments/ modifications of user accounts ✓ list of terminated users/suspended/disabled (2018/19) ✓ Password Standards ✓ List of Password Resets (Forgotten or Irretrievable Passwords) ✓ User Identity Management ✓ Logs of Periodic Review of User Profiles/Access
3	Service Continuity	<ul style="list-style-type: none"> ✓ IT Disaster recovery plan ✓ Disaster recovery test reports ✓ Data Backup and Retention Strategy/ Policy ✓ Schedule for taking and logging backups ✓ Schedule for testing of backups ✓ Data Backup and Media Monitoring Records ✓ Offsite Storage of Backups and Retrieval records ✓ Internal data Backup and database Restoration records
4	Security Management	<ul style="list-style-type: none"> ✓ Information Security Policy ✓ Screenshot of Antivirus software ✓ List of all patches applied during the year ✓ Screenshots of passwords configuration settings ✓ Logs of security breaches/incidents ✓ Approved Firewall policies/framework ✓ Firewall ruleset ✓ Change management process of Firewall ✓ Logs of Firewall administrative activities ✓ Logs of traffic passing through Firewall ✓ Patch Management Procedures ✓ Antivirus Management Procedures
5	Physical and Environment	<ul style="list-style-type: none"> ✓ Physical and Environmental policies and procedures ✓ Access register to server room

PABX REPAIRS/REPLACEMENT

PABX System is a telephone network that is commonly used by call centres and other organizations that allows single access numbers to offer multiple lines to outside callers while providing a range of external lines to internal callers and staff. JPC IT has a management tool that IT uses to manage and administrate the usage of telecommunication of the entire organization and minimize the over usage of telephone privileges. All telecommunications can be centrally administered through a Rampage, which is an application that works hand-in-hand with the PABX.

In order for the system to run on both servers again, repairs are required in the form of reloading the VCX Enterprise Version 9.5.13 on the primary VCX server. Even though the repairs to the system have been provisioned, there is no support and maintenance.

JPC IT would require 271 user licenses including SLA to use on the new PABX, and current phone hardware compatibility would need to be analyzed before implementation. If the current phone hardware were not compatible, JPC IT would require 271 compatible phones. The cost for 271 user licenses is R3 91999 980.00 and Service Level agreement (SLA) R3 980 000.00 excluding vat.

Section 1.10: Client Relations Management

Due to Covid-19 and to give effect to the risk based approach Client Business Operations, as a support department, rendered services to core departments working from home from level 5 to date. Extensive training and adjustment was required to render services remotely at short notice and to find innovative ways to ensure optimal performance, which continues. As lockdown eases and the economy opens for business the number of enquiries has started to increase though with the current increase in infections requires strict adherence to the risk based approach. Units providing remote services comprised:

- Client Servicing via email and telephone with no walk in clients permitted from lockdown until further notice;
- Case Management;
- Business Operations; and
- Marketing and Communications.

To support core departments and to render critical services to essential service workers within JPC core CBO rendered on site services as required from time to time efficiently.

Stakeholder Engagements

Engaging with and building relationships with stakeholders is key to the performance of JPC and that ensures that stakeholders needs are met and that JPC continues to provide business solutions to enhance its sustainability. Stakeholders include the employees, external stakeholders, MOE's and COJ departments all with different expectations and views of JPC's service offerings that we need to manage and respond.

Commitment to stakeholder engagement:

- Encourage active involvement;
- Understanding and responding to stakeholder needs and concerns with considered and timely responses;
- Evaluating and improving engagements with stakeholders;

- Continuous improvement on how the company operates and deals with stakeholders; and
- Collaborative solutions.

Due to the lockdown, no stakeholder engagements were held during the 4th quarter and no site inspections were undertaken. However, no physical meetings were held various WhatsApp groups and informal networks were created, especially during level 5 of lockdown, throughout the City. The Stakeholder Consultants were able to identify and communicate critical information of interventions happening within the City that potentially affected JPC, which could be escalated and resolved where, required.

The Case Management Unit attend to the core business requirements to improve on service delivery and facilitate horizontal and vertical communication with all stakeholders through being the conduit between client servicing and the property practitioners. This is achieved through providing essential administrative services to key property processes and facilitating the regional and ward Councillor Forums.

Processes, systems and staff training will be the focal area within the Client Business Operations value chain to meet the evolving business needs.

Business Operations

During the period under review, Business Operations focused on providing an efficient and robust remote committee system.

The impact of Covid-19 should be measured over two quarters as this has interrupted most activities planned for the third (3rd) and fourth (4th) quarters. In order to see the extent of the impact of Covid-19 on the strategic committees detailed below is a schedule of meetings per the year planner and an indicator of whether said meeting convened.

Scheduling and preparation for meetings requires strict planning and preparation as well as resource allocation and the continuous agenda changes and cancellation of meetings consumes much required management resources but is an occupational hazard.

CBO is tasked to ensure that JPC reports submitted are tabled, matters arising attended to and that the minutes accurately reflect decisions taken on our reports. Managing the internal and external stakeholders is of paramount importance.

April 2020			May 2020			June 2020	
Meeting Name	Date of Meeting	Meeting Held YES / NO	Date of Meeting	Meeting Held YES / NO	Date of Meeting	Meeting Held YES / NO	
Transactions Committee	14 April 2020	Yes	Meeting not scheduled for this month	N/A	Meeting not scheduled for this month	N/A	
Technical Committee	16 April 2020	No	4 May 2020	Yes	02 June 2020	Yes	
Sub Mayoral Committee	22 April 2020	No	11 May 2020	Yes	10 June	Yes	
Mayoral Committee	02 April 2020	No	11 May 2020	No	12 June 2020	Yes	
S79 Economic Development Council	08 April 2020	No	08 May 2020	No	23 June 2020	Yes	
Council	23 April 2020	No	Not scheduled for this month	N/A	11 June 2020	Yes	
Petitions Standing Committee	14 April 2020	No	06 May 2020	No	19 June 2020	No	

Ward based regional profiles outlining the key focus areas for the seven regions (A to G) have been compiled and packaged to reflect current information on the JPC such as the strategic objectives, core departments, processes, regional portfolio and current projects. The booklets were designed to assist the regions and external stakeholders and forge stronger relations with those we serve. Once normal business activities resume it is intended that these booklets will be refined and serve as a tool for regional roadshows.

Regional Profiling activities during April to June 2020 are as follows:

a) JPC Hygiene Project: A collective 18 facilities were deep cleaned and sanitized across City during an intensive JPC Hygiene Project from April 1 to April 22, 2020. While the City observed lockdown regulations and continued to work from home, JPC's essential services teams decluttered cleaned and carried out repair work in the various regions. The table below reflects the cleaning operations that were undertaken.

Date	Facility	Region	Work Done
1 April – 8 April 2020	Sandton Public Transport Interchange Taxi Rank	E	Deep-cleaning
1 April – 10 April 2020	Metro Centre	F	Decluttering, deep-cleaning, sanitizing
1 April – 22 April 2020	Midrand Transport Facility	A	Deep-cleaning
1 April – 9 April 2020	Yeoville Transport Facility	F	Deep-cleaning
7 – 21 April 2020	Randburg Taxi Rank & Informal Trading Market	B	Decluttering, deep-cleaning, plumbing & sanitizing
8 – 16 April 2020	Metro Mall, Block B	F	Deep-cleaning
14 April 2020	Metro Mall, Block A	F	Deep-cleaning
14 April 2020	Fordsburg Market	F	Deep-cleaning
14 – 15 April 2020	Jeppe Taxi Rank	F	Deep-cleaning
14 April 2020	Westgate Facility	C	Deep-cleaning
15 April 2020	Carr Street Holding Area	F	Deep-cleaning
16 April 2020	Lenasia Taxi Rank	G	Deep-cleaning
16 – 21 April 2020	Rosebank Taxi Rank	B	Repair work, deep-cleaning
17 April 2020	Fleet Africa	F	Deep-cleaning
20 April 2020	Dobsonville Taxi Rank	D	Deep-cleaning
21- 22 April 2020	Florida Taxi Rank	C	Deep-cleaning
21 April 2020	Diepkloof Ebhareni Taxi Rank	D	Deep-cleaning
21 – 22 April 2020	Trump Taxi Rank	F	Deep-cleaning

b) JPC Corporate Buildings Clean-Up: City-owned buildings across the seven regions were deep cleaned and sanitized during May 2020. Teams were dispatched to ensure that buildings were safe and clean for employees as they returned to work under level 3.

Deep cleaning and sanitizing was undertaken at the following facilities

Date	Facility	Region	Activity
5 May 2020	Eureka House	F	Deep-cleaning and sanitizing
5 May 2020	Roodepoort Town Hall	C	Deep-cleaning
5 May 2020	Newtown Building	F	Deep-cleaning
5 May 2020	Roodepoort City Hall	C	Deep-cleaning
5 May 2020	Jorrisen Place	F	Deep-cleaning
Various	Depots – Klipspruit, Avalon, Hamburg, Langlaagte, Alexandra	D, G, C, B, E	Deep-cleaning
5 May 2020	Jabulani Civic Centre	D	Deep-cleaning
5 May 2020	Teljoy Building	A	Deep-cleaning
5 May 2020	Dobsonville	D	Deep-cleaning
5 May 2020	Thuso House	F	Deep-cleaning
6 May 2020	CJ Cronje Building	F	Deep-cleaning
6 May 2020	ACA Krans Building	B	Deep-cleaning
6 May 2020	Meadowlands	D	Deep-cleaning
6 May 2020	8th Avenue Alexandra	E	Deep-cleaning and disinfecting
7 May 2020	Roodepoort City Hall – Gym	C	Deep-cleaning
8 May 2020	Samancor House	F	Deep-cleaning and sanitizing
19 May	Sandton Public Transport Interchange Taxi Rank	E	Sweeping, general cleaning, electrical work
20 May 2020	Pan Africa	E	Deep-cleaning
20 May 2020	Bree Street Taxi Rank	F	Deep-cleaning

Property Information Centre

JPC currently utilises the services of Document Warehouse to store JPC's documents offsite as required by the archives act. During the next few months a tender will be advertised requesting interest from recognised, accredited and registered service providers for the provision of an off-site document management system and storage service for a period of 36 (thirty-six) months as the current contact has expired. It is envisaged that the service provider will also be required to identify and provide destruction of obsolete documentation within the prescripts of the Archive Act.

Client Services

Client Services Unit (CSU) attended to zero walk-in clients for Quarter 4 due to the measures taken in the prevention of the spreading of Covid-19 JPC offices were closed due to the National lockdown from 26 March 2020. Client's enquiries were attended to working remotely telephonically and by email. Client Services Unit (CSU) attended to 2876 walk-in clients for the full financial year.

Category	Service	Q1	Q2	Q3	Q4	YTD	% of Transactions
		Total Walk In Clients	Total Walk In Clients	Total Walk In Clients	Total Walk In Clients	Total Walk In Clients	
A	Follow-Up Enquiries	166	117	137	0	420	14.60%
B	New Enquiries	1020	611	813	0	2444	84.98%
C	Ward Councillors	6	4	2	0	12	0.42%
	Total	1192	732	952	0	2876	100.00%

CSU attended to and closed immediately zero (1,152 YTD) enquiries relating to general property information, zoning and ownership due to the reason mentioned above. 3 (95 YTD) enquiries were escalated to Asset Management for analysis in terms of viability in line with the land strategy and RSDF of the City.

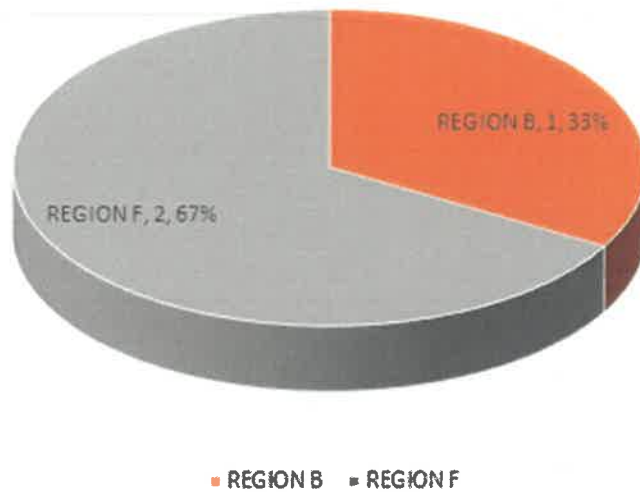
The escalations are due to indications that the particular land parcel or building queried is encumbered in some way or another. These include matters wherein a caveat exists on a particular property and/or there is some information on hand that suggests that there were potential transactions and/or complexities, which require resolution by either a COJ entity or department or another sphere of government before JPC can transact. In some instances even though the outcome of such assessment is negative for the client in that JPC may not transact by way of circulating for comments it enables JPC to resolve encumbrances which are largely legacy related. Table 1 & Table 2 below are an analysis of the demand for properties and use across the regions for the 4th Quarter.

Table 1: Regional Breakdown of three Escalations to Asset Management & Regional Managers by Type (Potential Availability Analysis and Transactions) for Q4

Enquiry Type	Region A	Region B	Region C	Region D	Region E	Region F	Region G	Grand Total
Commercial: Business	0	0	0	0	0	1	0	1
Commercial: Encroachment	0	0	0	0	0	1	0	1
Commercial: Road Closure/Security Reserve	0	1	0	0	0	0	0	1
Grand Total	0	1	0	0	0	2	0	3

Table 2: Regional Breakdown of three Escalations to Asset Management & Regional Managers (Potential Availability Analysis) for Q4

Regional breakdown of 3 escalations to Asset Management & Regional Managers - Q4



JPC Performance Service Standards

Client Business Operations (CBO) 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.

JPC Service Standards Performance

Client Business Operations (CBO) 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.

KPI	Core Business	Service standard	Target	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Full Year		Variance %	JPC Comment
				Total	Actual	Total	Actual	Total	Actual	Total	Actual	Total	Actual		
KPI 1.1	Response in acknowledgement of requests, enquiries and complaints	Within 1 day of logged call	1 day	874	874	594	594	888	888	331	331	2687	2687	0	
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	3 days	874	874	594	594	888	888	331	331	2687	2687	0	
KPI 1.3	The performance of emergency work for JPC managed facilities	Within 1 day of logged call	1 day	95	95	131	131	132	132	93	93	451	451	0	
KPI 1.4	Performance of minor works on facilities managed by JPC	Within 2 days of logged call	2 days	208	208	129	129	106	106	23	23	466	466	0	
KPI 1.5	Performance of major works on facilities managed by JPC	Within 5 days of logged call	5 days	5	5	11	11	1	1	20	20	37	37	0	
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	6 months	0	0	0	0	0	0	0	0	0	0	0	
KPI 1.7	Tender placed after Council approval and CoJ Executive Adjudication Committee	Within 4 months of CoJ Executive Adjudication Committee approval	3 months	0	0	17	17	0	0	0	0	17	17	0	
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	10 days	0	0	0	0	0	0	0	0	0	0	0	

KPI	Core Business	Service standard	Target	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Full Year		Variance %	JPC Comment
				Total	Actual	Total	Actual	Total	Actual	Total	Actual	Total	Actual		
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 *	Quarterly	48	48	48	48	48	48	48	48	192	192	0	
KPI 1.10	Response to general enquiries at client services counter	Within 24 hours of logged call	24 hours	399	399	264	264	489	489	0	0	1152	1152	0	
KPI 1.11	Response to enquiries regarding transactions in pipeline	Within 24 hours of logged call	24 hours	743	743	551	551	822	822	318	318	2434	2434	0	
KPI 1.12	Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application	30 days	15/41 = 37%	15/41 = 37%	19/26 = 73%	19/26 = 73%	25/25 = 100%	25/25 = 100%	3 of 3 = 100%	3 of 3 = 100%	62 of 95 = 65%	62 of 95 = 65%	35%	Some enquiries require in-depth investigations, interrogation, and dependencies on COJ departments, entities, site visits or other spheres of government which result in delays in turnaround times

*16 corporate buildings x 3 months per quarter

Section 1.11: Property Intelligence

The Property Intelligence and Regulatory Compliance Unit’s deliverables have been stifled by the Covid-19 epidemic in that movement and ordinary work ethos had to be regulated to manage and control the spread of the virus.

This has affected the department profusely because one of the core functions of this unit requires property site visits to ensure that first-hand information is gathered followed by the necessary engagements and enforcement facilitations, which in terms of the Regulations are not regarded as part of essential services. Therefore, the department has not been able to:

- Conduct Intelligence interventions meant to improve the security related risks within the JPC managed properties and facilities.
- The monitoring of the lease contractual obligations to ensure compliance specifically in relation to the use of the leased properties and to facilitate the recoveries of the outstanding rentals.
- Investigations and other interventions on the illegal and unlawful activities within the premises and facilitate enforcement by the law enforcement agencies.
- Investigate and inspect properties earmarked for acquisition in support of the land strategy implementation.

Property Verification

Abandoned Factories

The status on these matters have remained the same in terms of property verification. Eight (08) seem to be abandoned and this view is because the owners are either untraceable and owners are deceased. The investigations are still underway on these eight matters. Furthermore, JPC is still to engage five (5) factory owners who have shown an interest in the sale negotiations.

Attached below is the spreadsheet of the matters as per the narrative above

Legend

	City owned one (1)
	Possibly Abandoned Eight (8)
	Not abandoned (7), of which (5) owners are willing to negotiate for acquisition , two (2)are still to be engaged
	Not abandoned twenty (20)
	In progress Two (02)
	Of the 37 properties, one (1) property Portion 6 of Erf 1074 Rabie Ridge Extension 1 falls out due to wrong property description.

FOURTH QUARTER REPORT 2019/20



No.	Region	No. of Factories	Potential Yield	Size m ²	Zoning	Municipal Values	Rates & Taxes Owning	Colour Legend
1	Region A	2	137 Units	2998	Special	R3 018 000.00	R 702 879.38	
2				3309	No Zoning	-null-	R-	
5	Region C	1	77 Units	6125	Industrial 1	R11 419 000.00	R 2 417 911.15	
6				4583	Industrial 1	R6 490 000.00	R481 173.26	
7	Region D	5	562 Units	2923	Industrial 1	R2 700 000.00	R21 960.09	
8				2830	Industrial 1	R2 610 000.00	R137 898.72	
9				6102	Industrial 1	R4 560 000.00	R11 201.23	
10				4955	Industrial 1	R3 080 000.00	R6 199.61	
11				1694	Business 1	R1 245 000.00		
12				2284	Business 1	R5 048 000.00	R400 724.57	
13				2072	Business 1	R1 200 000.00	R338 291.00	
14	Region E	16	883 Units	1586	Business 1	R1 220 000.00	R198 542.14	
15				2775	Industrial 1	R2 977 000.00	R409 455.07	
16				2505	Business 1	R488 000.00	R-	
17				706	Business 1	R166 000.00	R2 132.54	
18				2460	Business 1	R3 997 000.00	R455 706.42	
				1428	Business 1	R297 000.00	R149 654.12	

No	Region	No. of Factories	Potential Yield	Size m ²	Zoning	Municipal Values	Rates & Taxes Owning	Colour Legend
19				2657	Business 1	R1 200 000.00	R47 166.27	
20				8740	Industrial 1	R2 557 000.00	R255 060.58	
21				2357	Industrial 1	R3 113 000.00	R108 208.85	
22				4803	Industrial 1	R4 770 000.00	R2 803 100.41	
23				1486	Residential 1	R1 300 000.00	R106 999.72	
24				1487	Residential 1	R1 380 000.00	R204 673.92	
25				1487	Residential 1	R3 094 000.00	R3 974 184.08	
26				463	Business 2	R2 797 000.00	R5 002.35	
27				480	Business 1	R611 000.00	R381 480.00	
28				1253	Industrial 1	R4 300 000.00	R-	
29	Region F	8	231 Units	495	Industrial 1	R1 040 000.00	R3 941.93	
30				495	Industrial 1	R906 000.00	R240 966.88	
31				2845	Industrial 1	R9 034 000.00	R794 436.59	
32				1624	Industrial 1	R0.00	R1 056 490.64	
33				835	Industrial 1	R0.00	R69 411.49	
34	Region G	5	283 Units	2021	Industrial 1	R1 250 000.00	R422 961.51	
35				4043	Industrial 1	R227 000.00	R65 986.84	

FOURTH QUARTER REPORT 2019/20



a world class African city

No.	Region	No. of Factories	Potential Yield	Size m ²	Zoning	Municipal Values	Rates & Taxes Owning	Colour Legend
36				1283	Special	R1 993 000.00	R4 517.89	
37				2021	Industrial 1	R111 000.00	R4 521.14	
38				1403	Special	R2 890 000.00	-R859.36	

CBO & Property Management Hotspots

The Department has conducted onsite inspections and engaged the relevant lessee on the four (4) Region G hot spot matters. Of the four hot spot properties, two of them have no lease agreements in place.

Erf 11709 Meadowlands: The team went on site and found a fully-fledged and operational Early Childhood Development centre to which the occupier has no lease. The centre have been operational for over 40 years and investigations have shown that there has been intention to have a lease in place however ,the Johannesburg City Parks and Zoo (JCPZ) have indicated the intention to build/create a park during or about 2013/2014 when the matter was circulated by JPC which to date has not taken place. The decision was to suggest that the initial process be revisited, have the property re circulated or have the property considered for repurposing. This option is currently being discussed with the relevant JPC departments.

Regulatory Compliance

The unit is currently working on the Framework that would provide the overall plan as guided by the relevant pieces of legislations on the roll out of the department's mandate in supporting the JPC core departments. The framework is also aimed in ensuring that compliance with relevant policies and procedures is not compromised. This will support JPC's risk management and mitigation plans. The status on the following properties whereby contravention of the lease agreements has been established and engagements held to ensure recoveries on outstanding rental monies remains due to issues articulated in paragraph 3 above.

Properties without lease agreements

Erf 6932 Orange Farm: Upon onsite inspection ,the department found that the occupier of ERF 6932 ORANGE FARM alleges to have some form of documentation that legitimise the occupation , however the occupier was not onsite to provide those documents. Investigations are continuing.

Erf 6166 Kanana Park: At a property the circumstances are such that the illegal occupants have approached the JPC seek guidance on legitimising the occupation, the department can attest to the said occupiers coming to the JPC offices to follow up on the progress of their application, however the information of their application cannot be found on the system.

Properties with lease agreements

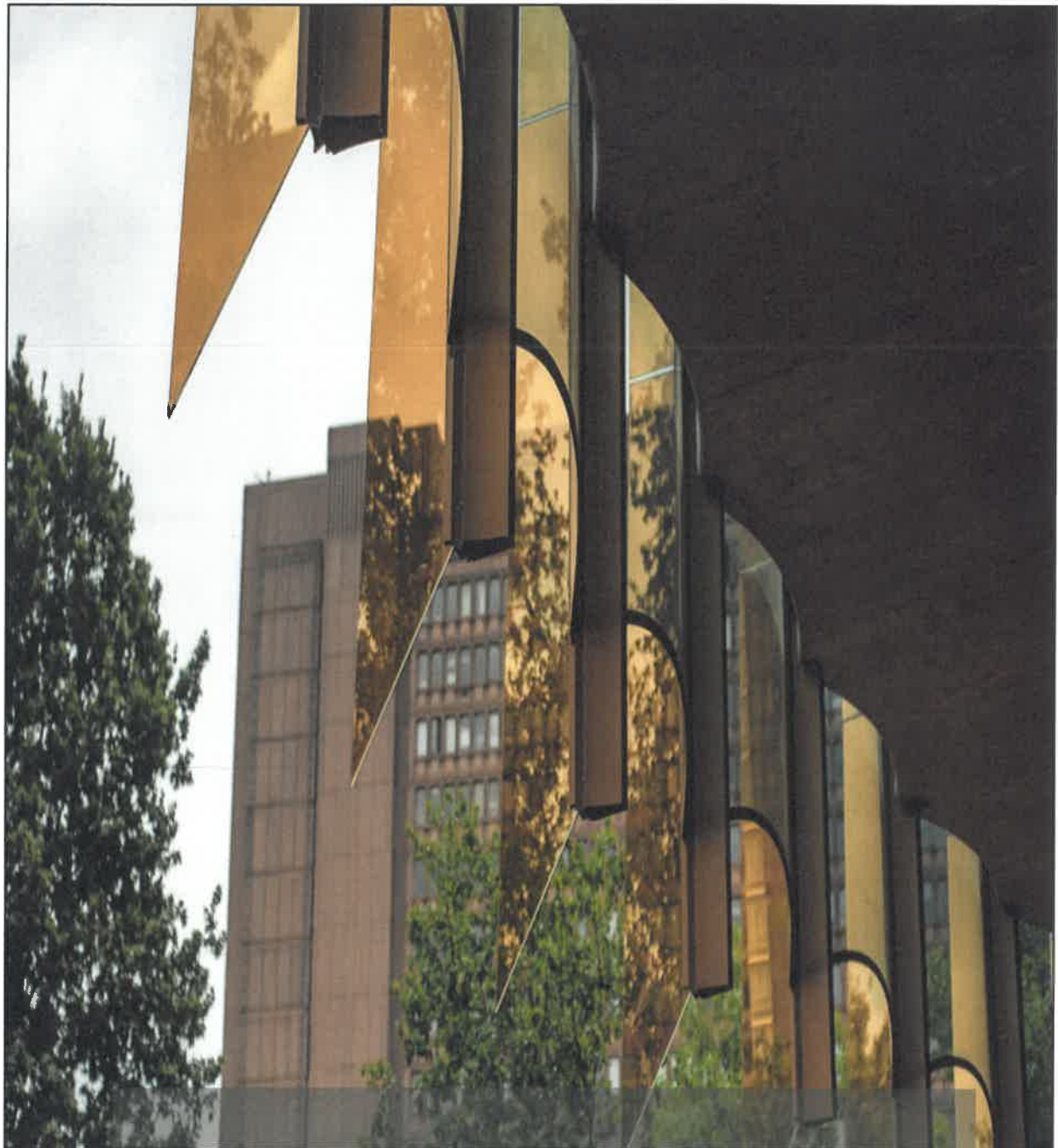
Erf 5084 Orange Farm Ext. 2: The department conducted an onsite inspection and arranged an engagement session with the lessee to address the issue of non-payment of rental that is due to the JPC. The lessee was in arrears of R71 572.23 and has reneged from the contract for over 36 months.

The exercise was fruitful in that the lessee has honoured the first part of the agreement of the repayment terms, which started at the end of February, and the department will continue to monitor.

Erf 2896 Orange Farm: The department conducted an onsite inspection and arranged an engagement session with the lessee to address the issue of non-payment of rental that is due to the JPC. The lessee has not paid the rentals due for over 36 months and is currently in arrears of R52 425.91. This is subsequent to the matter being previous handed over to external attorneys to collect outstanding arrears to which the lessee reneged from that initial agreement. The recent engagement was fruitful in that the lessee has honoured the first repayment plan at the end of February in terms of the agreement, and a lump sum payment of R33 000 was expected end of June 2020.

Below is the schedule of the above-mentioned matters

PROPERTY DESCRIPTION	STATUS
ERF 6932 ORANGE FARM	Client has made a total of R8000 towards the debt, which stands at R55 308.30 as at 24/02/2020. Status has not changed as at 30 June 2020. Legal to serve clients with an eviction notice.
ERF 5084 ORANGE FARM EXT. 2	The lessee has honoured the initial payment arrangements; no other further payment has been recorded as at 30 June 2020. Matter to be followed up with the lessee
ERF 2896 ORANGE FARM – TEBOGO HOME	The lessee has honoured the initial payment arrangements; no other further payment has been recorded as at 30 June 2020. Matter to be followed up with the lessee.
ERF 6166 KANANA PARK	The Church have been advised that the property will be placed on tender and engagements with Property management are that they should align the notice period to the tender process, so that by the time the award is made, the Church gears up for vacating.



CHAPTER FOUR: HUMAN RESOURCES & ORGANISATION MANAGEMENT

Section 1: Human Resource and Organisational Management

Strategic Highlights and Achievements for 2019/2020

Revised Human Resources Strategic

Human Capital Management plays a pivotal role in continuously supporting and advising the business on policies, procedures and processes to guide effective and excellent HR practice with the intention to drive the HCM strategic objectives taking into account 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.
- ✓ The HR Strategy serves as a vehicle to facilitate transformation from a human capital perspective and ensure that JPC has a workforce that is fit for purpose and productive.
- ✓ To focus on areas outlined that contribute to the JPC mandate.



HR Strategic Priorities

The envisaged success of the strategic objectives will be achieved through the HR Implementation Plan, embedded in the following key HR aspects.

The following strategic priorities serve as the primary guiding principle for achieving the desired outcomes of HR strategy. The envisaged success of the strategic objectives will be achieved through the HR Implementation Plan focusing on the following:

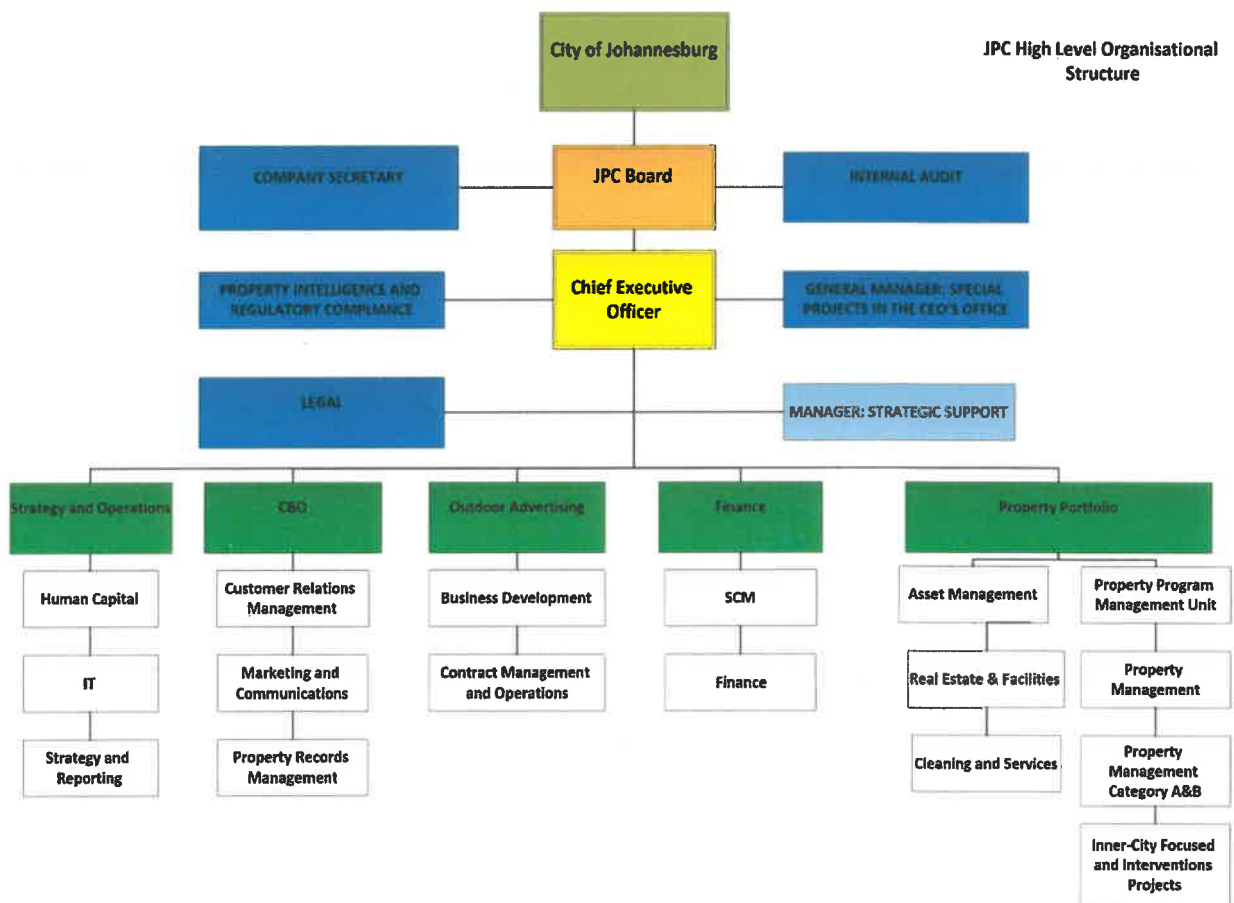
- ✓ Talent Management;
- ✓ Organisational Development;
- ✓ Revised HR Policies;
- ✓ Talent Management;
- ✓ Training and Development;
- ✓ Performance Management and Productivity levels;
- ✓ Skills Audit;

- ✓ Employee Relations to intensify the turn-around times on disciplinary cases;
- ✓ Employee Wellness and
- ✓ SAP Upgrade.

ORGANISATIONAL DEVELOPMENT/STRUCTURAL CHANGES

The JPC mandate has increased by virtue of inheriting 1232 insourced cleaners who are now catered for in the organizational structure and this also increased the organization’s staff complement. As from the inception of employment of cleaners through a process of insourcing on 01st September 2019 the 1232 cleaners as per their employment contract worked a 4 hours and changed to 8 hour shift pattern as a result of the Covid-19 pandemic with effect from 17th March 2020. This shift was implemented based on available budget coming from contracted cleaning expenditure.

An additional budget was approved for the implementation of a full 8 hour shift for cleaning staff effective from 01st April 2020. The structure below is a reflection of the JPC high level structure including the cleaning services:



PROGRESS TO DATE

An Insourcing Project Task team has been established to deal with the state of readiness for the transition of cleaners to JPC and the main purpose is to alleviate any form of anxiety from the cleaners. The following initiatives have been executed to ensure smooth transition:

- ✓ A meeting has been held which involved, Organised Labour (SAMWU and IMATU), Management and Human Capital Management.
- ✓ Operating budget was approved and transferred to JPC at Budget Meeting 27th March 2020.
- ✓ Alignment of cleaners into a JPC structure and implementation from 4 hours to an 8 hours working shift.
- ✓ Appointment of GM's Senior Managers and other Managers to ensure smooth running of the cleaning department and meeting the JPC mandate.
- ✓ Upgrade on the SAP system – Migration towards automated HR system with Employee Self Service as part of Fixing the basics The City of Johannesburg (CoJ), has taken a strategic decision to leverage its investment in SAP solutions by implementing a consolidated and centralized Information, Communication & Technology (ICT) Strategy for the entire City of Johannesburg. The Business Transformation Programme focused on building a common municipal business solution that adopts common business processes, applications, systems and technologies. This is in line with municipal regulations to address its consolidated operating platform vision. This “Common Operating Platform” will be enabled by SAP technology Solutions and aims to adopt the latest next generation Enterprise Resource Planning products.
- ✓ **The project is driven by the City, there are SAP Change Champions from JPC, the project has progressed, and awaiting confirmation dates for training of each HR discipline.**
- ✓ There are vacancies that have been advertised internally and externally, in light of the distancing challenges relating to CORONAVIRUS, this epidemic has robustly given JPC an undertaking to carefully review its operations with this pandemic. The recruitment process has been halted until the lockdown period is over and will proceed accordingly.
- ✓ A JPC Covid-19 Task Team has been established to conduct a risk assessment and to formulate a sound policy position on measures to mitigate or eliminate the transmission of the virus in the workplace. This gives effect to the minimum measures required by the Directive Covid-19 Occupational Health and Safety Measures in the Workplaces Covid-19 (C19 OHS), 2020.

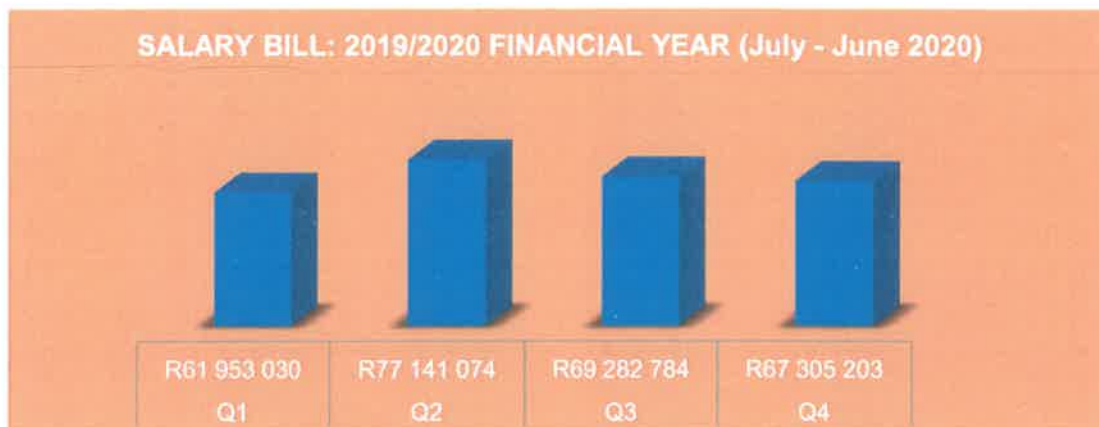
Section 2: Employee Remuneration & Cost Including Executives

The remuneration expenses reported for this period under review (April-June 2020) are based on an all-inclusive package for all employees:

SALARY BILL: MID-TERM FOR 2019/2020 (APRIL - JUNE 2020)	
MONTH	AMOUNT
Apr-20	R22 323 839
May-20	R22 553 927
Jun-20	R22 427 437
Total	R67 305 203

The table above indicates the monthly salary bill inclusive of the following transactions that emerged:

- ✓ The overall salary bill for the third quarter review (Apr - Jun 2020) amounts to **R 67 305 203**.
- ✓ The transactions mainly consisted of the final payments due to terminations, hiring of new employees in the organisation and finalisation of all payroll disputes for financial year-end.



- ✓ The graph above demonstrates an increase in the salary bill in Quarter 2 due to 13th Cheques payments that were done in November.
- ✓ In Quarter 3, internal employees were appointed into higher positions following a recruitment process, tax-year-end final payroll reconciliations, and the final payments made with regards to all the terminations realized.
- ✓ In Quarter 4 there were newly appointed employees into the organisation following a recruitment process.

Fourth Quarter Overtime Costs

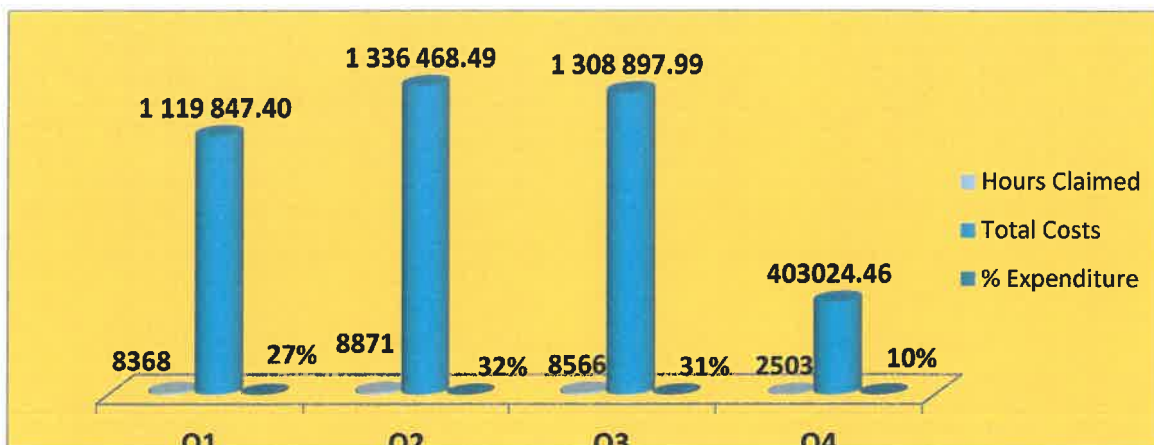
Overtime expenditure is consistent and is because of services rendered to the public by JPC in respect of public convenience facilities. JPC will continue to manage and maintain the expenses as minimal as possible.

The table below indicates Q4 overtime expenses: **(April to June 2020)**. It shows the overtime costs incurred from April to June 2020, the total staff required to work overtime and number of hours claimed for overtime worked. The total budget spend on overtime in this quarter equates to **R 403 024 worked** by an average of **90** employees on a monthly basis. The public convenience facilities’ operating model requires that employees work over the weekend thus resulting in overtime expenses and in meeting the business requirements of service delivery.

Overtime Bill: Q4 2019/2020 (Apr - Jun 2020)			
MONTH	Total Staff Working Overtime	Total Hours Claimed	Overtime Financial Impact
20-Apr	0	0	-
20-May	88	2305	361 790.09
20-June	9	198	41 234.37
TOTALS	97	2503	403 024.46

The graph below displays the quarterly amounts paid in respect of the overtime costs. It shows a significant cost reduction from in quarter 4 (April to June 2020). The reduction is due to the worldwide Covid-19 pandemic, which saw the country locked down from 26 March 2020. No overtime was paid in April, as timesheets were not submitted because only essential service employees were allowed to report for duty.

The country then gradually moved out of an extreme level of lockdown to open the economy in an act to balance human lives and the economy. With the gradual opening of the country, public facilities needed maintenance and so employees were again required to work overtime though it was still under strict monitoring as employees who are 60 and above have been advised to continue working from home as per government regulations.



Section 3: Key Vacancies

Human Capital Management in consultation with Management identified key critical positions that have been advertised to be filled within core business areas in line with the Talent Acquisition policy. This will ensure that critical capacity gaps are filled and business priority deliverables are achieved. The organisation contributes to the youth development initiatives such as Internships and Learner ships programmes. The focus on mentoring and coaching programmes is a priority in line with the internship initiatives.

In the period under review, the Human Capital Management function embarked on a recruitment drive to fill critical vacant positions. Thirty eight (38) positions were advertised both internally and externally to attract the desired talent, only two positions were finalised and the remaining thirty six (36) are still in various stages of the recruitment process though remarkable progress had been made.

Twenty One (21) of these positions are targeted for internal (JPC) candidates only and therefore have minimal impact on the budget, as the impact is a difference between the incumbent’s salary and minimum of the new role’s salary scale. Staff motivation and enhancement of talent development will be realised, as internal interview process will be considered as per the JPC Talent Acquisition policy.

In light of the CORONAVIRUS pandemic and the national lockdown regulations, JPC had to halt the recruitment process of all these critical vacancies. Line departments reviewed their business strategic and operational needs in terms of filling the critical vacancies that were already in the pipeline, taking into account the new way of work, which is being paved by the Coronavirus pandemic outbreak.

The table below indicates the number of positions advertised per department and the whether position was advertised internally or externally.

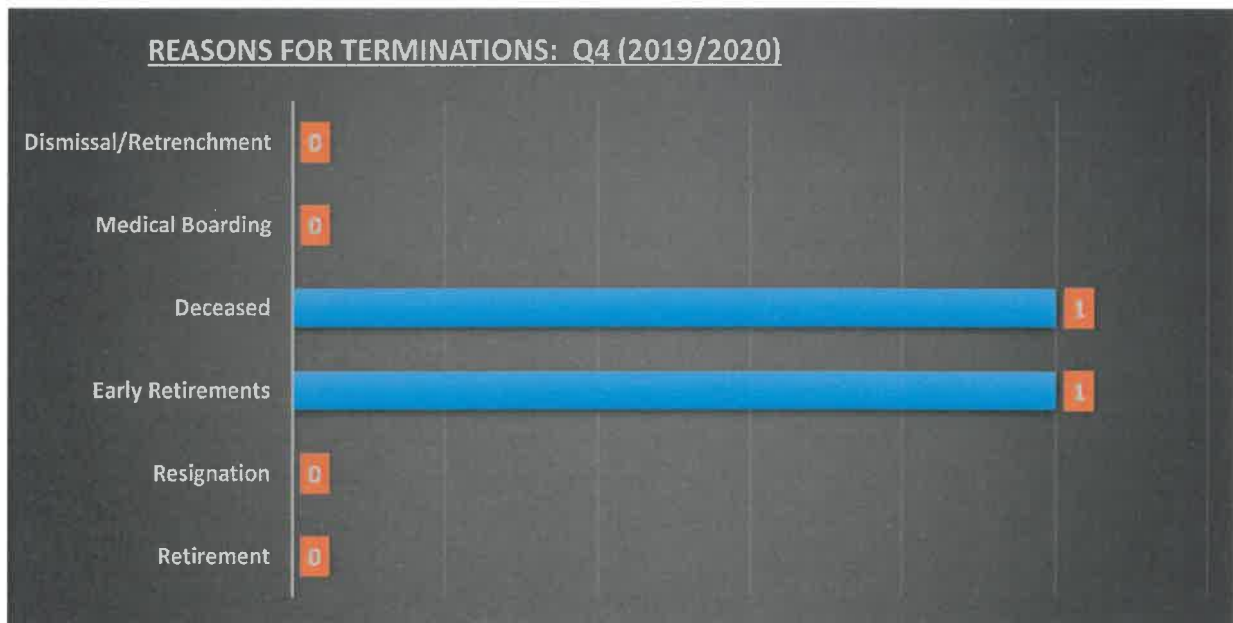
Department	Position	Salary Level	No. of positions	Advert
Property Portfolio	Building Manager: Corporate Buildings	6	4	Internal
Property Portfolio	OHASA, Compliance and PPEs Manager	6	1	Internal
Property Portfolio	Assistant Building Managers	7	7	Internal
Property Portfolio	Assistant Manager: Condition Assessment and Monitoring	7	2	Internal
Property Portfolio	Assistant Manager: Fleet Operations	7	1	Internal
Property Portfolio	Assistant Manager: PC Cleaning & Operations	7	6	Internal
Finance	General Manager: Supply Chain Management	4	1	Internal/External
Finance	General Manager: Financial Management	4	1	Internal/External
Property Portfolio	Assistant Manager: Asset Sweating, Valuations, Research & Benchmarking	7	1	Internal/External
Strategic Services	Corporate Head of Human Capital	5	1	Internal/External
Strategic Services	Corporate Manager: Risk and Compliance	6	1	Internal/External
Strategic Services	Corporate Manager: Transactions and Operations	6	1	Internal/External
Strategic Services	Corporate Training, PMS and Recruitment Practitioner	7	1	Internal/External
Strategic Services	Corporate Employee Relations & Wellness Practitioner	7	1	Internal/External
Client Operations	Business Assistant Manager: Business Operations	7	2	Internal/External
Client Operations	Business Assistant Manager: Case Management	7	1	Internal/External
Property Portfolio	Artisan: Electrician	8	3	Internal/External
Strategic Services	Corporate Assistant Manager: Monitoring, Evaluation and Reporting	7	1	Internal/External

Staff Movements:

Terminations: It is reported during the fourth quarter review (April – June 2020), two (2) terminations were actioned.

Occupational Levels	MALE				FEMALE				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	Totals
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and mid-management	0	0	0	0	0	0	0	0	0	0	0
Junior. Management, Superintendents and Skilled Technical	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled / Administration	2	0	0	0	0	0	0	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
Total Permanent Staff	2	0	0	0	0	0	0	0	0	0	2
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	2	0	0	0	0	0	0	0	0	0	2

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

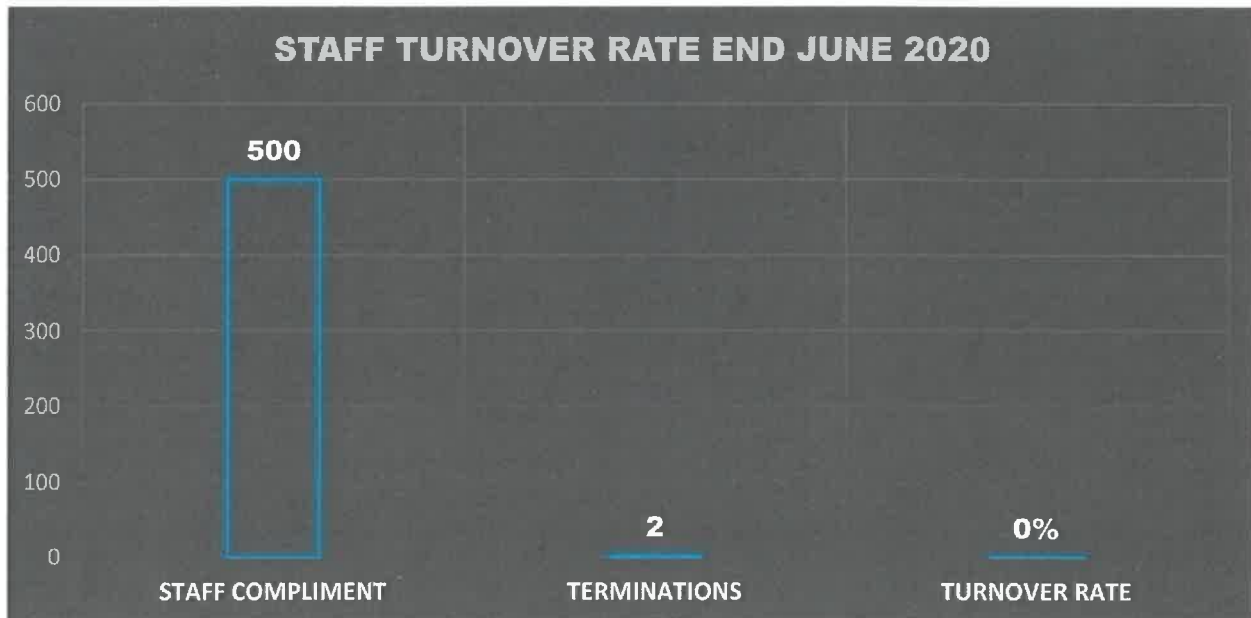


The diagram above indicates the reason for terminations realised during this period under review (Apr-June 2020).

- **Early Retirement:** One (1) employee retired early, in terms of the pension fund rules. This indicates that employees are feeling the strain, burned out in their current role and most of these employees are ageing and sickly to continue and work.
- **Deceased:** One (1) employee passed away in this period.
- **Resignation:** No Employees resigned in this period.
- **Retrenchment:** No employees were due for retirement in this period
- **Medical Boarding:** No employees were due for retirement in this period

The impact of termination rate realised contributes to the under capacitation within key business areas and a way forward has been carved wherein the business has advertised the most critical positions in this quarter.

Staff Turnover for this period under review: (April – June 2020)



The graph above shows staff turnover of 0% which is the rate JPC is an improvement from previous period as there wer two terminations that were replaced by two appointments

This is indicative that JPC is fair and consistent when it comes to compensation benefits available for their employees.

Section 4: Employment Equity

The total JPC EE demographics including newly appointed employees is (500) permanent staff complement as at 30th June 2020.

Occupational Levels	MALE				FEMALE				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	2	0	1	1	0	1	0	0	0	0	5
Senior Management	9	0	0	0	7	1	0	0	0	0	17
Professionally qualified and mid-management	20	0	5	4	23	2	2	6	0	0	62
Jun. Management, Superintendents and Skilled Technical	96	6	6	9	74	16	2	1	1	0	211
Semi-skilled / Administration	10	0	0	0	78	7	1	1	0	0	97
Unskilled and defined decision making	44	2	0	1	47	14	0	0	0	0	108
Total Permanent Staff	181	8	12	15	229	41	5	8	1	0	500
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	181	8	12	15	229	41	5	8	1	0	500

The above demographics are also indicative of progress made with the recent appointment of females at senior management and at GM level. It is important to realise this milestone as it marks progress of equity in the workplace, ensuring that women are fairly represented in leadership roles and can maximize the organization's potential to make a meaningful contribution to the sustainability and growth of JPC.

The Employment Equity and Skills Development committee will conduct the qualitative and quantitative analysis of the all-inclusive workforce, EE targets, racial representation, gender to develop the new EE Action Plan and identify barriers that impede on the implementation plan to achieve the set targets and People living with Disabilities.

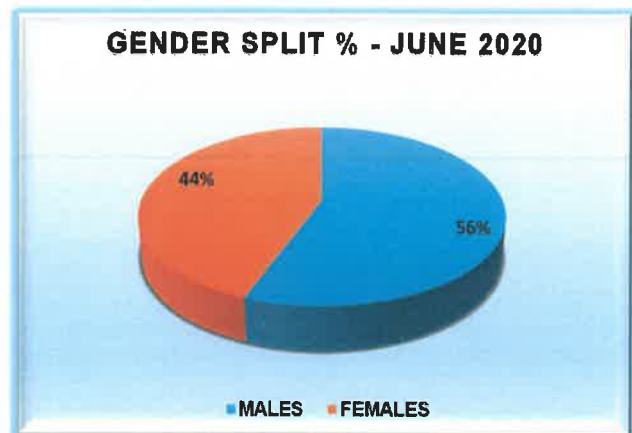
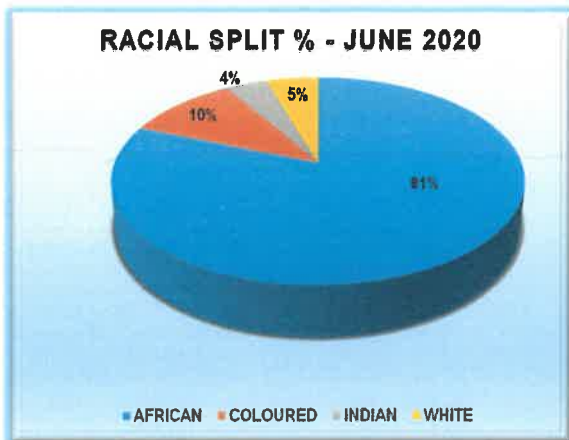
Establishment of the Employment Equity and Skills Development Committee

The process of electing the new Employment Equity and Skills Development (EESD) Committee commenced and was reviewed in consultation with management and organised Labour. The proposal was that an awareness initiative should be conducted on Employment Equity Act and its role in the workplace. This process has since been postponed to adhere to the national direction in terms health measures to curb the spread of the CORONA pandemic.

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

Racial and Gender Split per population groups as well as the gap analysis against EAP targets as at March 2020

	MALE %	FEMALE %	TOTAL %
Africans	45.3	35.7	81.0
Coloureds	1.3	1.3	2.6
Indians	1.9	1.0	2.9
Whites	7.4	6.1	13.5
Disability			2%



The above table depicts a significant change on gender representations because of appointments of females in GM and Senior Manager Levels.

Section 5: Skills Development

Training Implemented Plan for period under review

In light of the Covid-19, pandemic and ensuring the safety of employees in adhering to the lockdown regulations, there was no training conducted. New learning solutions that will allow remote learning and smaller groups setup with virtual learning assistance like Zoom/ Skype and TEAMS platforms or eLearning are being explored. These platforms are easy to access and manageable and will assist JPC to implement training that was postponed when lockdown measures were implemented in March 2020.

Partnerships with Accredited services providers and other organ of state institutions have been formed to identify and provide programmes or courses available online. This will enable JPC to enroll a larger number of employees at a minimum cost and time. In order to effectively implement the planned interventions, a mixed mode learning methods should be adopted to accommodate employees in all occupational levels. The mixed mode will include:

E learning

Open eLearning public service related programmes offered by National School of Governance. As a result, that some of the Administrators, Area Supervisors and Superintendents not having access to personal computers, a desktop should be set up and dedicated for eLearning each in their work area for employees perform their learning exercises. The table below depicts the targeted employees and estimated number to enroll.

Programmes	Targeted Beneficiaries	No. of beneficiaries
Writing for Government	General & Senior Managers , Middle and Assistant Managers, Operations Managers and Regional Supervisors/Superintendents	136
Ethics in the Public Service (Compulsory course)	General & Senior Managers , Middle and Assistant Managers, Operations Managers and Supervisors/Superintendents, Administrators	238
Introduction to Financial Management and Budgeting	Finance Officials, EXCO, General & Senior Managers , Middle and Assistant Managers and Operations Managers	136
Generally Recognised Accounting Practice (GRAP)	Executive Managers, Finance and Supply Chain Managers and Procurement Officers	46
Introduction to Leading Change Introduction to Strategic Planning and Management	Chief Executive Officer, Executive Managers, General Managers, Senior Managers, Managers and Assistant Managers	114
Policy and Procedure on Incapacity Leave and Ill-Health Retirement	HR Staff , All Managers and Assistant Managers in line of managing staff	56
Total Number of beneficiaries		726

Smaller Groups Set Up

The following interventions were already scheduled and commenced in March 2020 however due to the national lockdown they were postponed. As planned, these interventions can still be implemented by end of the financial year (May/June) and if not possible, some of the training will be conducted online to promote social distancing.

Description	Timelines	Targeted No.
Municipal Finance Management Programme	May/June 2020 to October 2020	16
Performance Management system	May /June 2020	15
Diversity Management	May /June 2020	20
Coaching Skills for Managers	May/June 2020	20
Number of beneficiaries		71

The above programmes were implemented to achieve the following objectives:

- Capacitate newly appointed and existing General, Senior and Middle management team to understand the **performance management process** and principles guiding the planning, expertise managing and evaluation of performance management system in order to achieve the strategic priorities.
- Training targeted employees who plays an influential leading role to **collaborate with management in promoting equal opportunities for all employees at all levels** and leverage from the a diverse workforce in terms of gender, ethnicity and culture thus building inclusive and harmonious work environment that strives to promote tolerance , acceptance and understanding of differences in the workplace.
- **Coaching** is one of interventions that provides a **value-added experience to enhance employee performance**, formal learning programmes such as the learnership programmes and experience based-programmes such as the Internship Programme. JPC is hosting a number of graduates to provided work based experience and it is expected that line managers/mentors are equip provide proper coaching to ensure that interns gain relevant knowledge and experience.

Online/Virtual

Employees who do not have access to computers and internet will be divided into smaller groups to attend training through a virtual platform, skype or zoom in one of the larger JPC boardrooms.

✓ Executive Development Programme

JPC, in collaboration with Wits Enterprise is developing an executive development programme. The proposed training solutions are aimed at empowering Executive, General, and Senior Managers beneficiaries in their current positions as well as prepare a generation of employees for future higher-level management responsibility. In order to achieve this, beneficiaries of the proposed solutions will be divided into different strata with tailor-made solutions aligned to their educational background, current position and responsibilities.

1. Management and Leadership (provide ten proven competencies that managers need for effective people management) training for over two weeks. The total cost is negotiable based on the number of delegates to be enrolled.

Programme Name	Targeted Employees	No.
Management and Leadership in the Built Environment	<i>EXCO, GM's, SNR and MIDDLE MANAGERS</i>	29
		29

2. A second set of training programs will be property programmes targeted at middle and Assistant Managers in technical roles without the requisite technical training in Real Estate and Facilities Management. Employees who work in property, asset management and facilities management roles will start with foundational short courses. This part will be clustered into Property, Asset and Facilities Management. Employees who previously enrolled in some of the foundational programmes will be exempted on such. Discussions will be initiated with Wits Programme Coordinator to explore options of mode of learning and the cost thereof.
3. Once the above programmes have been completed, all of the property and asset management workers will be transitioned onto the Certified Property Manager (CPM) program. The program has three components:
 - An education component through an approved degree or the IREM courses
 - Passing a set of examinations in Ethics and Management Plan Assessment as well as the CPM exam
 - An approved portfolio of evidence demonstrating experience in commercial property and asset management (3 years)

These programmes are currently being redesigned to be offered online and through virtual platforms and will be offered in the new financial year once approved.

Benefits E-Learning to JPC organization and employees

- ✓ JPC will be able to provide capacity-building interventions at a lower cost.
- ✓ An unlimited number of employees can be accommodated to e-learning platform
- ✓ Employees will have access to learning opportunities irrespective of time and place during the Covid-19 lockdown and going forward.
- ✓ Employees enroll and learn remotely and not in a group.
- ✓ Employees are skilled-up without having to leave home or the work-place which give more time to work than travelling between lecture and work.

Learner ships and Graduates Internship Programme

In light of the Covid-19 pandemic and its possible impact on the workplace, and a way of implementing precautionary measures to prevent and minimise the contracting and spreading of the virus among its workforce, and maintain good social distance, the JPC management has taken a decision that Interns must

remain at home on standby effective 23rd March 2020. Some of the Interns have been recalled as and when there is a need to provide administrative assistance. The rest of the interns remain at home and will only be back at work fully during level 2.

Internship Remedy Implementation plan was submitted to Services SETA end of April 2020 as part of helping Interns catch up with their development.

Section 6: Performance Management

Performance contracting for the CEO and directs reports have been finalised 2019/2020 financial year. The cascading of the scorecards targets for the next level, senior managers finalised in January 2020.

Section 7: EMPLOYEE RELATIONS

Disciplinary Matters and Outcomes

One (1) employee facing charges relating to a misconduct and the disciplinary hearing is in progress. One (1) employee’s suspension has been lifted and issued with a final written warning as an outcome of the disciplinary meeting.

Case Description	Outcome
Dishonesty and absenteeism	The case has not been yet been finalised.
Dereliction of duties	Final Written Warning

Disputes

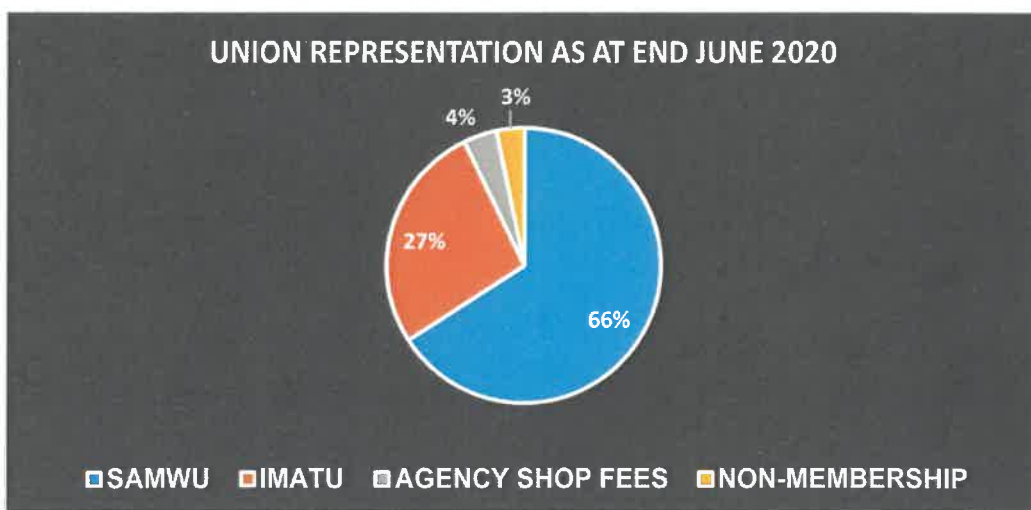
Case Description	Outcome
Labour Court Review Application	Labour Court judgement in favour of JPC
Urgent Court Application for contempt of Court	The matter was resolved between the parties and the Court made no order as to costs
Unfair Labour Practice	Conciliation was set down on 23 March 2020. Awaiting date of arbitration.
2 Referrals of unfair dismissal	Arbitrations are set down for 31 July and 5 August 2020 respectively.

Only 2 matters have been referred to the external dispute resolution mechanism at SALGBC and the outcome is indicated above. The Labour Court found in favour of JPC in the review application.

Section 8: Union Representation

JPC is highly unionised thus requires a structured, stabilised and sound labour relationship with organised labour to ensure a harmonious working environment.

The union representation and membership graph above shows that from a staff compliment of 500 permanent, 66% belongs to SAMWU, 27% belongs to IMATU and 4% fall within the Agency shop fees. The remaining 3% does not belong to a union; however mostly consist of temporary employees.



Section 9: Leave and Productivity Management

Leave Provision: Mid-Term period (April to June 2020)

The leave liability amount based on the annual leave balances as at end June 2020 amounts to R 54 859 947. The leave liability amount indicates a slight increase in comparison to the previous quarters. The increase relates to:

- ✓ Appointment of new employees that have joined the organisation in April 2020 and their leave has to be accrued for.
- ✓ Employees not having to utilise their annual leave days due to being able to work from home, which came about because of corona virus epidemic.

The table below illustrates the monthly leave liability amounts: (April - June 2020)

Q4 Leave Provision: Apr - Jun 2020		
MONTH	LEAVE DAYS	AMOUNT
20-Apr	6 912	16 423 708
20-May	7 799	18 141 178
20-Jun	8723	20 295 060
Total	23 434	54 859 947

Leave Encashment for Fourth Quarter: (Apr to June 2020)

The leave encashment applications were implemented in line with the principle that, “**An employee is only allowed to sell once within a financial year up to a maximum of 10 days**” as per the Leave policy provision. In addition, prior to the encashment application an employee is required to utilise their 16-days compulsory leave to ensure adherence and compliance with legislative requirements.

Leave Encashment: 2019/2020 Financial Year (Jul 2019 - Jun 2020)		
Quarterly	Days Encashment	Financial Impact
Q1	July to September - 651	R1 072 729.00
Q2	October to November - 951	R1 291 228.63
Q3	January to March - 591	R1 102 191.19
Q4	April to June - 63	R154 382.76
Totals	Number of Days: 2256	R3 620 531.58

The table above indicates a substantive decrease in the quarterly leave encashment during the fourth quarter review. Employees' encashed a number of 63 non-compulsory days at a total cost of **R154 382.76**.

Absenteeism: Fourth Quarter Review period (April – June 2020)

DEPARTMENT	PERIOD	Number of Staff taken Sick leave	Total Sick Days Taken	% Absenteeism
Office of the CEO	April – May 2020	0	0	0.00%
Finance & SCM	April – May 2021	0	0	0.00%
Information Technology	April – May 2022	0	0	0.00%
Client Business Operations	April – May 2023	1	4	1.63%
Corporate Services	April – May 2024	0	0	0.00%
Outdoor Advertising	April – May 2025	0	0	0.00%
Portfolio Management	April – May 2026	0	0	0.00%
TOTALS	Mid-term	1	4	1.63%

The above table illustrates the absenteeism rate per department. There was a decrease from previous quarter, due to the corona virus pandemic where working from home was introduced. This serves as a reflection that there are great advantages with the new “normal” way of work as there is a drastic decrease in employees utilising sick leave. Wellness interventions are still key focus area to ensure that employees are working in a healthy and productive environment when required to go into their place of work.

Section 10: Wellness**EMPLOYEE WELLNESS**

The JPC contract with the Employee Assistance Programme (EAP) service provider expired during the third quarter and a new contract for an EAP service provider has been concluded. The need for an EAP is integral considering the urgency in the Covid-19 outbreak and the anxiety it may have on employees.

The newly appointed EAP service provider will be expected to also assist those employees experiencing severe stress or mental health issues triggered by virus fears. Employees have been receiving communication, services used by employees of the Group COJ to create awareness in mitigating the spread of the virus.

Workplace health and safety, which has an effect on employee wellness, is under the microscopic view with the outbreak of the Corona Virus. Various awareness communications and posters have been distributed to employees regarding health and safety. Occupational health ambassadors have undergone awareness training and line managers are being continuously being encouraged to attend awareness webinars on how to deal with the pandemic in the workplace.

A JPC Covid-19 Task Team has been established which concluded a risk assessment and formulated a sound policy position on measures to mitigate or eliminate the transmission of the virus in the workplace. This gives effect to the minimum measures required by the Directive Covid-19 Occupational Health and Safety Measures in the Workplaces Covid-19 (C19 OHS), 2020. Two occupational health and safety nurses were appointed on a fixed term basis to service JPC employees and a Covid-19 compliance officer has been delegated in order to ensure that the following Healthy and Safety measures continue to be applied:

- Social and physical distancing measures such as work space planning, employee rotation system, staggered working hours and shift systems;
- Sanitising and disinfecting the workplace and ensuring that this will be done continuously;
- Symptom screening which is in place at the entrance of the building and being conducted by the occupational health and safety nurses;
- Correct use of PPE including cloth masks which have been allocated to all employees who have returned to work; and
- Ventilation System

Section 11: Employee Benefits

The table below indicates the pension funds membership distribution as at end June 2020:

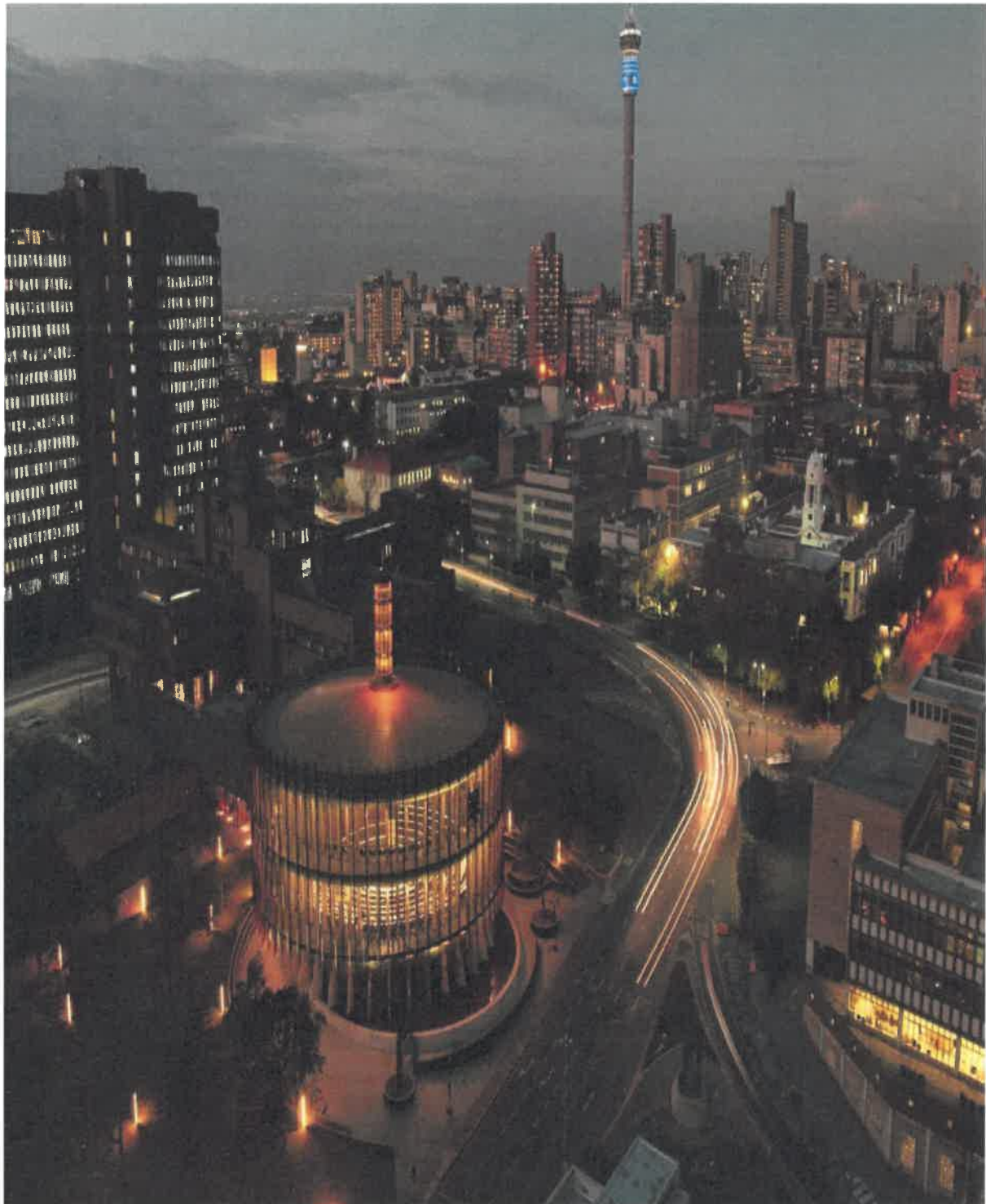
PENSION FUND MEMBERSHIP	TOTAL	REMARKS
EJoburg Retirement Fund	432	Defined Contributions
City of Joburg Pension Fund	53	Defined Benefits
Municipal Employee Pension Fund	7	Defined Contributions
Municipal Gratuity Pension Fund	6	Defined Contributions
Joint Municipal Workers Pension Fund	1	Defined Benefits
Non-Membership	1	Not compulsory
TOTAL	500	

The table 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 and temporary employees. *In terms of the salary and wage collective agreement, the pension fund condition ordinarily increases by virtue of the salary increase of 6.5% and related linked benefits.*

The Accredited Medical Aid Schemes membership distribution as at end June 2020 is as follows:

MEDICAL AID SCHEME	MEMBERSHIP
BONITAS	127
DISCOVERY	17
HOSMED	56
KEYHEALTH	6
LA HEALTH	112
SAMWUMED	59
TOTAL MEMBERSHIP	377

The table above specifies the accredited medical aid schemes and membership distribution to each scheme as at the end of June 2020. 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 492.35** for 2019/2020 financial year.



CHAPTER FIVE: FINANCIAL PERFORMANCE

Section 1: Statement of Financial Position & High-Level Notes

	Note	2020	2019	Variance
Assets				
Current assets		399 800 316	451 752 097	-51 951 781
Cash and cash equivalents	1	2 000	2 000	-
Receivables from exchange transactions	2	387 708 726	440 839 280	-51 130 555
Loans to shareholders	3	11 785 726	10 660 919	1 124 807
Receivables from non-exchange transactions	4	2 939	53 475	-50 536
Prepayments	5	300 926	196 423	104 503
Non-current assets		76 841 920	86 287 120	-898 306
Property, plant and equipment	6	21 874 975	30 073 871	-8 198 896
Intangible assets	7	14 033 748	14 193 617	-159 869
Prepayment	8	24 447	212 576	-188 129
Deposits	9	182 092	173 897	8 195
Deferred Tax Asset	10	33 868 431	34 939 738	-1 071 307
Current tax receivable	11	6 858 227	6 693 421	164 806
Total Assets		476 642 236	538 039 217	-52 850 087
Liabilities				
Current Liabilities		402 716 634	539 815 777	-137 099 143
Payables from exchange transactions	12	51 003 340	176 940 870	-125 937 530
Finance lease obligation	13	4 183 102	7 400 956	-3 217 854
Loans from shareholders	14	335 617 384	344 892 230	-9 274 846
Provisions	15	-1	2 412 991	-2 412 992
Operating lease liability	16	11 912 809	8 168 730	3 744 079
Non-Current Liabilities		1 375 120	5 554 222	-4 179 102
Finance lease obligation	13	547 120	4 730 222	-4 183 102
Employee benefit obligation	17	828 000	824 000	4 000
Total liabilities		404 091 754	545 369 999	-141 278 245
Net Assets		72 550 481	-7 330 782	79 881 264
Share Capital	18	5 142 721	5 142 721	-
Accumulated Surplus/(Deficit)	19	67 407 760	-12 473 503	79 881 263
Total Net Assets / (Liabilities)		72 550 481	-7 330 783	79 881 264

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.
3. Represents the COJ: Portfolio loan account with JPC.
4. Staff debtors relate to personnel that have signed an acknowledgement of debt. During April, the Board approved the write off for delinquent staff debtors.
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. For the 2019/20 financial year, the useful life of fixed assets has been extended due to their good condition. The year-on-year reduction in depreciation expense reflects this change in useful life.
7. Intangible assets comprise of computer software that has been procured and internally generated. No impairment is required for the 2019/20 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 Baragwaneth 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.
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 sweeping account and administration of the payroll.
15. Relates to provision for EXCO bonuses for the 2018/19 financial year. The provision was utilised during the February 2020 reporting month and will be calculated prior to the final submission of the 2020 AFS.
16. GRAP 13 adjustment for the straight lining of operating leases over the lease duration of office accommodation buildings.

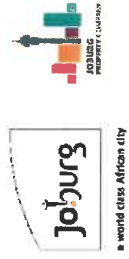
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17. Provision on Post-retirement Medical Aid raised based on 2018/19 actuarial valuation report in respect of personnel that qualify for the benefit.
 18. There are no changes to the share capital of JPC in the current financial year.
 19. The accumulated surpluses and losses from previous and current financial year.

STATEMENT OF FINANCIAL PERFORMANCE FOR JPC FOR THE PERIOD ENDED 30 JUNE 2020

	Note	Year-to-date			Annual
		Actual	Budget	Variance	Budget
Revenue					
Revenue from non-exchange transactions		575 071 000	658 636 000	83 565 000	658 636 000
COJMM - Subsidies received	1	575 071 000	658 636 000	83 565 000	658 636 000
Revenue from exchange transactions		120 454 165	243 825 000	123 370 835	243 825 000
Internal Recoveries	2	70 558 490	192 580 000	122 021 510	192 580 000
Commission on Portfolio Rentals	3	19 336 036	21 433 484	2 097 447	21 433 484
Commission on Outdoor Advertising	4	10 820 905	11 698 517	877 612	11 698 517
Assets Under Management Fees	5	7 000 000	7 000 000	0	7 000 000
Facilitation Fees - Inner City	6	-	266 602	266 602	266 602
Facilitation fees	7	1 856 455	266 602	-1 589 853	266 602
Ad hoc Fees	8	302 482	-	-302 482	-
Cell Mast	9	10 579 797	10 579 797	-0	10 579 797
Other income		247 075	345 000	97 925	345 000
Interest received	10	247 075	345 000	97 925	345 000
Total Revenue		695 772 240	902 806 000	207 033 760	902 806 000
Expenditure					
Board of directors fees and expenses	11	1 664 296	1 524 000	-140 296	1 524 000
Office operational expenses	12	189 697 938	275 498 765	85 800 826	275 498 765
Contracted expenses	13	30 180 374	90 873 000	60 692 626	90 873 000
Cleaning materials	14	5 674 638	30 209 000	24 534 362	30 209 000
Repairs & Maintenance	15	9 068 017	87 855 000	78 786 983	87 855 000
Salaries	16	355 821 669	382 184 258	26 362 589	382 184 258
Travel	17	153 395	528 045	374 650	528 045
Interest Paid	18	13 102 224	20 700 000	7 597 776	20 700 000
Depreciation	19	9 341 037	13 433 932	4 092 895	13 433 932
Loss on disposal of assets	20	5 582	-	-5 582	-
Total expenditure		614 709 171	902 806 000	288 096 829	902 806 000
(Deficit)/surplus before taxation		81 063 069	0	-81 063 069	0
Taxation		-	-	-	-
Net (Deficit)/Surplus		81 063 069	0	-81 063 069	0

Notes:

1. Subsidy provided to JPC for the 2019/20 financial year. The subsidy was revised and approved on 22 June 2020 to assist the COJ in its endeavour to combat Covid-19.
2. Internal recoveries relates to management fees for the insourcing of cleaning services, R&M, and CAPEX projects undertaken on behalf of the COJ and its departments.
3. The COJ Rental Collection Commission, Servitudes and Rates & Taxes is 9.79% 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 7.5% below the budget; this is in alignment with collections in Portfolio.
5. Relates to Asset under Management fee for the administration of the COJ's assets.
6. Relates to Facilitation Fees for the Inner City rejuvenation. For the YTD no transactions have transpired.
7. Relates to development facilitation fees. Transactions are currently under evaluation. However, due to the economic downturn from the Covid-19 pandemic it is improbable that any further transactions will transpire by financial year-end.
8. Ad hoc fees relate to services provided by JPC to City Power and Johannesburg Water for property acquisitions.
9. Cell Mast is in line with the contract signed between JPC and Altivex.
10. Interest received relates to interest earned on the refund due from SARS for income taxes as well as interest that had accrued in the trust account of an attorney for the acquisition of a property.
11. Directors' emoluments and expenditure is 9.21% above the budget. This is in line with the number of meetings scheduled for the YTD.
12. Operational expenditure is 31.14% below the YTD budget. Cost management measures have been implemented to manage expenditure.
13. Contracted expenditure is 66.79% below the budget. The budget was increased during the Covid-19 adjustment budget submission to incorporate security expenditure at corporate buildings.
14. During the midterm review, the budget was increased to allow the acquisition of cleaning materials in the fourth quarter.
15. Repairs & Maintenance is 89.68% below the YTD budget. This will increase towards the conclusion of the final AFS as accruals are raised for completed works.
16. Salary expenditure is 6.90% below the budget. The budget was adjusted during midterm to account for the employee costs related to insourced cleaning personnel.
17. Travel is 70.95% below the budget as travel is limited to operational requirements.
18. Interest on the overdraft is 36.70% below the allocated budget as cash collections have improved resulting in reduced/stagnant interest charges.
19. Depreciation is 30.47% below the budget. This is in line with the fixed asset register.
20. Only two assets were disposed in the 2020 financial year.



	NOTE REF	ACTUAL June-20	ACTUAL June-19	VARIANCE
ASSETS				
NON-CURRENT ASSETS				
Prepayment - Outdoor Advertising commission - JPC	9	-	-	-
CURRENT ASSETS				
Trade and other receivables		262 843 141	304 390 653	(41 547 512)
Debtors - Rentals	1	131 856 478	147 590 693	(15 734 215)
Doubtful Debts - Move Provision	1	(47 655 156)	(47 655 156)	-
Debtors - Other: COJ	2	8 282 775	7 903 647	379 128
Debtors - Land Sales	3	281 993	303 172	(21 179)
COJ Portfolio - VAT Claim/Payable Account	4	6 869 666	7 395 806	-
COJ Departments Debtors	5	12 970 844	-	12 970 844
JPC Portfolio Loan Account	16	17 118 362	-	17 118 362
Capital Expenditure: Current Year	10	30 412 006	118 852 490	(88 440 484)
Capital Expenditure: Prior Year	10	102 706 172	70 000 000	32 706 172
Cash and cash equivalents		92 025 321	39 508 815	52 516 505
STD/ABSA COJ Loan Account - Bank Sweeping	6	-	-	-
STD/ ABSA Bank: JRA Portfolio Account	7	72 261 177	20 881 600	51 379 577
STD/ABSA Bank - Tenant Deposit Account	8	19 764 143	18 627 215	1 136 928
		354 868 462	343 899 468	10 968 994



**EQUITY AND LIABILITIES
EARNINGS AND RESERVES**

	73 327 088	46 247 564	27 079 523
Retained Income - Prior Year	16 785 625	(37 968 006)	54 753 631
Current Period Surplus/(Deficit)	56 541 463	84 215 570	(27 674 107)
To End Prior Month Surplus/(Deficit)	50 911 576	64 510 170	(13 598 594)
Current Month Surplus/(Deficit)	5 629 886	19 705 400	(14 075 513)
	73 327 088	46 247 564	27 079 523

CAPITAL AND RESERVES

	-	-	-
Prepaid Income - Outdoor Advertising	-	-	-

CURRENT LIABILITIES

Trade and Other Payables	281 541 374	297 651 904	(16 110 530)
STB COJ Loan Account - Bank Sweeping	255 206 086	201 035 154	54 170 931
COJ Portfolio - VAT Claim/Payable Account	-	-	(50 112 664)
Accruals	-	50 112 664	(630 397)
Receipts In Advance - Rentals	12 357 464	12 987 861	(2 847 209)
Deposits Received: Tenants	11 538 828	14 386 037	(12 987 861)
JPC Portfolio Loan Account	-	16 468 234	(14 330 968)
Property Portfolio Loan: MOE's	55 069	169 433	179 249
Prepaid - Deposit received on land sales	348 683	457 276	1 486 732
Creditor (Solar Street Names)	1 944 008	1 944 008	(1 852 770)
Creditor (Khulu Outdoor)	91 237	91 237	-
Unallocated Debtor Receipts	-	-	-
	354 868 462	343 899 468	10 968 994

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.
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 incurred and not yet paid from the COJ to date is R30 412006. An amount of R102 706 172 still has to be paid from the CoJ for the financial year ended 30 June 2019. The budget allocated for the year amounts to R160 080 000.00 for the year 2019/2020.
13. This item reflects Accruals raised as at 30 June 2019 yet 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, 16 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.
22. Unallocated receipts received in the JPC Portfolio Bank Account, amounts cannot be allocated due to insufficient information for example lease agreements, unclear transaction description.



NOTE REF	ACTUAL YTD 2019/2020	BUDGET YTD 2019/2020	VARIANCE YTD	VARIANCE %	APPROVED SPEC ADJ. BUDGET 2019/2020
INCOME / BILLINGS					
1	82 181 937	75 000 000	7 181 937	9.6%	75 000 000
2	3 211 483	3 341 100	-129 617	-3.9%	3 341 100
3	54 171	1 228 000	-1 173 829	-95.6%	1 228 000
4	-	-	-	0.0%	-
5	47 976 402	60 000 000	-12 023 598	-20.0%	60 000 000
6	-	-	-	0.0%	-
TOTAL INCOME	133 423 993	139 569 100	-6 145 107	-4.40%	139 569 100.00



NOTE REF	ACTUAL		BUDGET		VARIANCE		VARIANCE		APPROVED SPEC ADJ.	
	YTD 2019/2020	YTD 2019/2020	YTD 2019/2020	YTD 2019/2020	YTD	%	YTD	%	BUDGET 2019/2020	BUDGET 2019/2020
EXPENDITURE										
7a	4 356 576	7 393 000	7 393 000	3 036 424	3 036 424	41.1%	7 393 000	41.1%	7 393 000	7 393 000
7b	7 237 937	10 540 000	10 540 000	3 302 063	3 302 063	31.3%	10 540 000	31.3%	10 540 000	10 540 000
7c	2 117 840	4 496 000	4 496 000	2 378 160	2 378 160	52.9%	4 496 000	52.9%	4 496 000	4 496 000
7d	1 313 724	1 445 000	1 445 000	131 276	131 276	9.1%	1 445 000	9.1%	1 445 000	1 445 000
8a	6 112 798	51 258 000	51 258 000	45 145	45 145	88.1%	51 258 000	88.1%	51 258 000	51 258 000
8b	-	11 676 000	11 676 000	11 676	11 676	100.0%	11 676 000	100.0%	11 676 000	11 676 000
8c	94 955	604 000	604 000	509 045	509 045	84.3%	604 000	84.3%	604 000	604 000
9	-	2 003 000	2 003 000	2 003 000	2 003 000	100.0%	2 003 000	100.0%	2 003 000	2 003 000
10	701 839	4 743 000	4 743 000	4 041 161	4 041 161	85.2%	4 743 000	85.2%	4 743 000	4 743 000
11	-	5 250 000	5 250 000	5 250 000	5 250 000	100.0%	5 250 000	100.0%	5 250 000	5 250 000
12	1 868 931	3 486 000	3 486 000	1 617 069	1 617 069	46.4%	3 486 000	46.4%	3 486 000	3 486 000
13	-	-	-	-	-	0.0%	-	0.0%	-	-
14	-	-	-	-	-	0.0%	-	0.0%	-	-
15	36 082	40 132 000	40 132 000	4 049 032	4 049 032	10.1%	40 132 000	10.1%	40 132 000	40 132 000
16	968	42 215 000	42 215 000	42 215	42 215	100.0%	42 215 000	100.0%	42 215 000	42 215 000
17	-	39 194 000	39 194 000	37 221	37 221	95.0%	39 194 000	95.0%	39 194 000	39 194 000
18	1 972 540	501 000	501 000	460	460	100.0%	501 000	100.0%	501 000	501 000
19	-	40 000 000	40 000 000	501 000	501 000	62.4%	40 000 000	62.4%	40 000 000	40 000 000
	15 022 421	24 977 579	24 977 579	24 977 579	24 977 579	70.98%	24 977 579	70.98%	24 977 579	24 977 579
TOTAL EXPENDITURE	76 882 530	264 936 000	264 936 000	188 053 470	188 053 470	70.98%	264 936 000	70.98%	264 936 000	264 936 000
SURPLUS / (DEFICIT)	56 541 463	(125 366 900)	(125 366 900)	181 908 363	181 908 363	145.1%	(125 366 900)	145.1%	(125 366 900)	(125 366 900)

Notes:

1. COJ Rentals: The overall revenue anticipated from the rentals collection is 9.6% below the targeted YTD 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 6% below the targeted YTD budget. Interest charged on vacated properties reversed because of the lease audit and continuous site inspections.
3. Other income is derived from servitude rights and income billed for services rendered on behalf of COJ Department. Income derived from servitude is 99.5% below YTD budget.
4. No Bad Debts recovered in the financial year 2019/20 FY.
5. Income derived from outdoor advertising and promotions, 20% below YTD 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 Gains or loss on Disposal of Assets in the 2019/20 FY
- 7a. Contacted Services: Business Advisory PM indicates a saving of 41% against YTD budget. These are Portfolio Fixed costs and overall contracted services.
- 7b. Contacted Services: Business Advisory Research indicates a saving of 31% against YTD budget. These are Portfolio Fixed costs and overall contracted services.
- 7c. Contracted Services: Business Valuator indicates a saving of 52.9% against YTD budget. This is in line with the current valuations requested based on properties to be released on tender and reports still to be submitted to council.
- 7d. Contracted services: Cleaning - expenditure incurred on the provision of cleaning services indicates a saving of 9.1% against YTD budget. Statutory increments yet to be implemented as per government gazette.
- 8a. Repairs and maintenance of buildings indicates a saving of 58% against YTD budget. The expenditure relates to the maintenance of the council owned buildings, properties to maximise profitability through a maintenance plan repairs, and maintenance is in line with spending plans.
- 8b. No expenditure recorded in the 2019/20 FY.
- 8c. Repairs and maintenance of Lifts indicates a saving of 85.2% against YTD budget. The expenditure relates to the maintenance of the council owned buildings, properties to maximise profitability through a maintenance plan repairs, and maintenance is in line with spending plans.
9. No expenditure recorded in the 2019/20 FY.

10. General Expenses: Electricity supply- expenditure incurred municipal charges indicates a saving of 85.2% against YTD budget.
11. No expenditure recorded in the 2019/20 FY.
12. Advertising, Publicity and Marketing- expenditure incurred municipal charges indicates a saving of 46.4% against YTD budget.
13. No expenditure recorded in the 2019/20 FY.
14. No expenditure recorded in the 2019/20 FY.
15. Internal Recoveries: JPC Commission indicates a saving of 10.1% against YTD 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.

16. No expenditure recorded in the 2019/20 FY.
17. No expenditure recorded in the 2019/20 FY.
18. No expenditure recorded in the 2019/20 FY.
19. Expenditure relating to the deep cleaning and sanitisation of all informal trading facilities and public transport facilities as a result of the Covid pandemic, indicates a saving of 64,2% against YTD budget.

Section 3: Cash Flow Statement

STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30 JUNE 2020

	Note	2020	2019
Cash flows from operating activities			
Rendering of services		187 183 255	250 809 274
Subsidies		561 523 000	509 336 000
Interest Income		74 074	-
		748 780 329	760 145 274
Payments			
Employee costs		-358 230 994	-278 750 917
Suppliers		-358 554 065	-303 087 944
Finance costs		-12 451 438	-31 321 849
Taxes on surpluses		-	6 271 594
		-729 236 497	-606 889 116
Net cash flows from operating activities		19 543 831	153 256 158
Cash flows from investing activities			
Purchase of PPE		-946 863	-1 674 711
Proceeds/(Loss) on disposal of PPE		-	-
Purchase of intangible assets		-35 076	-325 289
Payment of deposits		-	-
Net cash flows from investing activities		-981 940	-2 000 000
Cash flows from financing activities			
Net movement of shareholders loan		-11 160 938	-144 722 870
Finance lease payments		-7 400 954	-6 533 288
Net cash flows from financing activities		-18 561 892	-151 256 158
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 01 July 2019		2 000	2 000
Cash and cash equivalents at 30 June 2020		2 000	2 000

Section 4: Capital Projects & Expenditure

Project No	JSIP No	Details	External Loans 2019 / 2020	Quarter 1 Actuals	Quarter 2 Actuals	Quarter 3 Actuals	Quarter 4 Actuals	YTD Actuals	Variance	%
1	2669	Computer Equipment - New Computer Upgrades	1 000 000.00	-	-	335 340	644 468	979 808	20 192	98%
2	4142	Erf 43-46 Victoria Ext 3(Paterson Park Node) VICTORIA EXT.3 E Regional	11 000 000.00	8 192 782	1 574 264	-	279 500	10 046 546	953 454	91%
3	2290	FMMU - Public Conveniences New Public toilets JOHANNESBURG	5 000 000.00	-	343 234	3 564 250	1 092 516	5 000 000	-	100%
4	6358	Metro mall Taxi Rank Shop Revitalisation and Waste Management Area Redesign	25 000 000.00	-	-	5 028 484	16 756 037	21 784 521	3 215 479	87%
5	4184	Office Space Optimisation Program New Precinct Redevelopment JOHANNESBURG F City Wide	25 000 000.00	1 035 909	359 432	3 270 761	20 333 898	25 000 000	-	100%
6	2284	Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex JOHANNESBURG F Ward	10 000 000.00	-	-	-	6 024 885	6 024 885	3 975 115	60%
7	2507	Sandown Extension 49 Erf 575RE Renewal Building Alterations SANDOWN EXT.49 E	30 000 000.00	-	-	-	-	-	30 000 000	0%
8	2632	Upgrading of the Hillbrow Public Transport Facility and taxi rank upgrade JOHANNESBURG F Ward	-	-	-	595 250	484 750	1 080 000	-	100%
9	4180	Watt Street Inter-change New Housing Development WYNBERG E Regional	2 000 000.00	-	1 739 130	260 870	-	2 000 000	-	100%
10	23427	Secure taxi and informal trading facilities in response to Covid-19	50 000 000.00	-	-	-	-	-	50 000 000	0%
TOTAL			159 000 000.00	9 228 691	4 016 060	13 054 955	45 616 054	71 915 761	88 164 239	45%

Section 5: Ratios Analysis

PART A - JPC

LIQUIDITY RATIO

JPC is currently owed R387.8 million from trade and intercompany debtors with cash collections in excess of R748 million being achieved for the financial year. JPC has a current ratio of 0.99:1 as compared to the norm of 1:1, the ratio remains stagnant around this benchmark as cash was utilised in the first two quarters to settle accruals from the June 2019 financial year-end and to account for employee costs related to the insourcing of cleaning. The result of which is the sweeping account currently reflecting as negative R184 million. It is improbable nor prudent for JPC to consider settling intercompany creditors and loans until the cash position of the entity has stabilised. However, the cash position is improving as collections have increased during the 2019/20 financial year with the influx of intercompany and related party receipts. 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 of 1 827 days 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 facilitation fees. The debtors' collection ratio for intercompany and related party debtors is 188 days. The decline in 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.

SOLVENCY RATIO

JPC has a solvency ratio of 1.18:1 against the norm of 2:1 and is factually solvent, whereby the financial statements indicate that there are sufficient assets to cover all liabilities. The change in solvency in this quarter is due to the transfer of budget and subsequent accounting for salary expenditure related to the insourcing of cleaning services for the COJ.

The employee costs are funded through a recovery model, whereby JPC is to recover its costs for materials and salaries from the COJ's departments that are being serviced. Due to the budget only being transferred in March, JPC could only account for the expenditure in this reporting quarter.

COST COVERAGE RATIO

Due to the negative cash flow of JPC, the cost coverage ratio is negative 3.65:1. 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. Cash has also been used to pay for accruals related to the 2018/19 financial year. Year-on-year the ratio has declined from negative 3.07:1 for the similar reporting period in 2019.

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 0.93:1 as compared to the norm of 2:1, with a negative cash flow of R255.2 million for the period under review as compared to a negative cash flow of R201million for the same period in the 2018/19 financial year. Intercompany debtors currently owe Portfolio R163.2million. This accounts for 46% 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. 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 86%. The collection rate excludes debt owing from other debtors.

SOLVENCY RATIO

CoJ-JPC Portfolio has a solvency ratio of 1.26:1 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 48 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 47.2:1. This is due to a negative sweeping account balance of R255.2million and average monthly expenditure being R5.4million. 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			ESTIMATED AMOUNT	CATEGORY	CORRECTIVE MEASURES		
UNAUTHORISED EXPENDITURE	IRREGULAR EXPENDITURE	FRUITLESS AND WASTEFUL EXPENDITURE			DISCIPLINARY ACTION	CRIMINAL CHARGE	OTHER
None	Yes	None	R10 478 445	Fleet Services	None	N/A	N/A
None	Yes	None	R140 296	Board expenses	None	N/A	N/A
None	None	Yes	R2 689 339	VAT	None	N/A	N/A
None	None	Yes	R24 362 085	Rental	None	N/A	N/A

During the 2018/19 financial year, JPC has incurred R7 114 868 in irregular expenditure on fleet services from AVIS. This is currently under review by the COJ, as per the audit finding incurred during the 2018 annual financial year audit. A new service provider has been appointed by the COJ, however, that contract has also been declared irregular along with AVIS being extended until further notice from the COJ. During the 2019/20 financial year, JPC has incurred a further R10 478 445 in irregular expenditure for the continuation of the fleet service contract from the COJ.

For the 2019/20 financial year, JPC's budget for board meetings and related expenditure exceeded its budget by R140k and will be declared irregular as no additional provision for budget was granted in the final adjustment budget. The number of meetings held during the financial year were greater than the planned schedule for meetings for 2019/20.

During the financial year, SARS conducted a VAT audit for the 2015 and 2017 financial years. SARS reassessed VAT submissions for the period March, April, May and June 2015 periods as well as December 2017 and raised penalties and interest based on their reassessment amounting to R2 689 339. The penalties and interest arose from the transfer of rental contracts to JPC from the COJ during the integration in 2013/14. The contracts are authorised and contracted for on behalf of the COJ but are budgeted for and paid by the JPC. SARS refused to acknowledge the relationship between JPC and the COJ and treats both entities as separate entities as opposed to holding and subsidiary companies. Input VAT deductions for rental invoices have been disallowed because of the reassessment. Rain Chartered Accountants, JPC's tax consultants, submitted objections to SARS on this matter and both objections were declined.

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 R24 362 095 for the YTD.

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

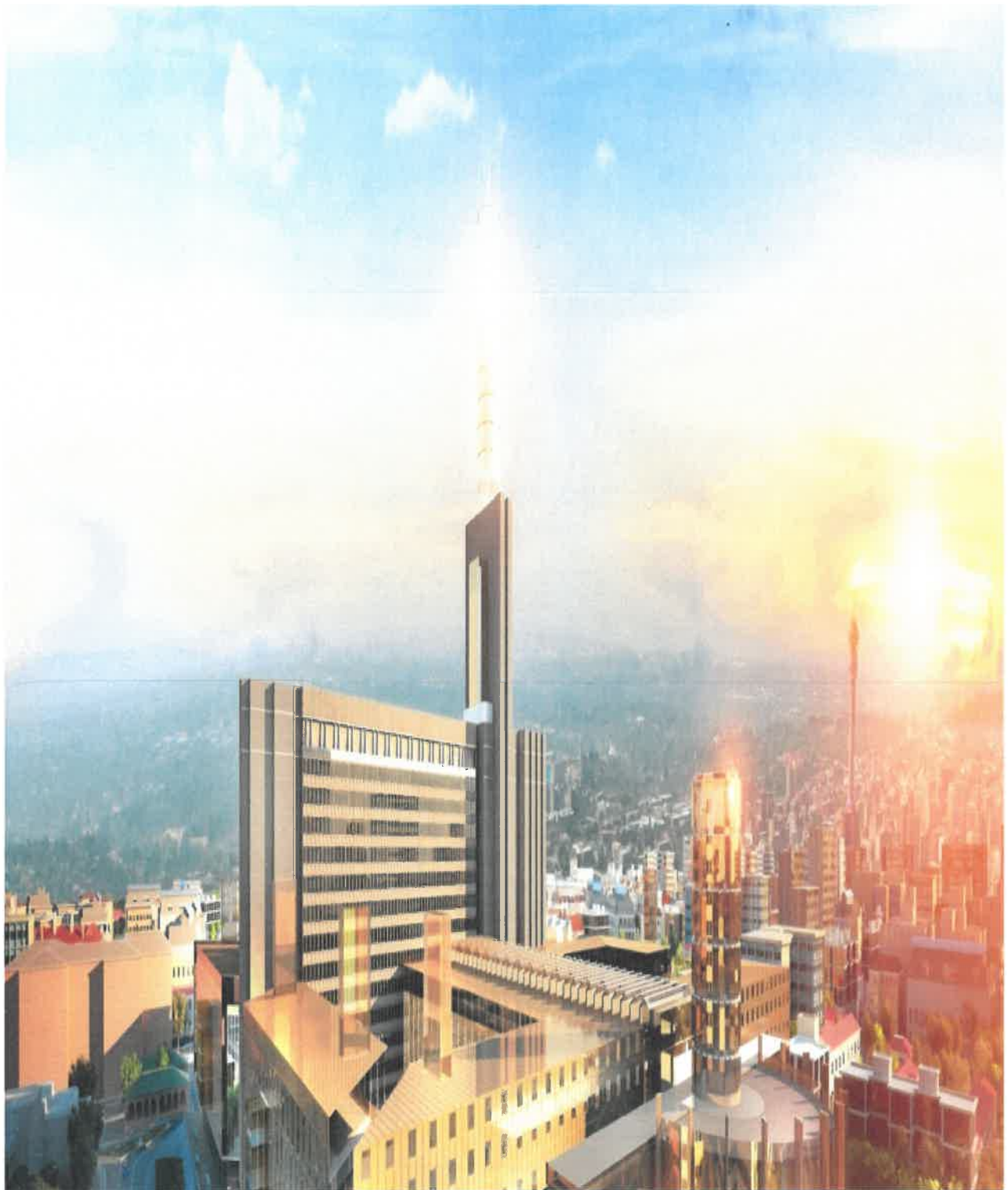
None

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 and 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 SIX: INTERNAL AND EXTERNAL AUDIT FINDINGS

Section 1: Results of Internal Audit

The three year rolling internal audit plan is reviewed and approved annually by the Audit and Risk Committee (ARC) after taking into account both strategic and operation risks of the entity. ARC approved the annual plan during the meeting held on 20 January 2020. JPC successfully established a panel of 15 service providers to assist the General Manager: Internal Audit, execute the full internal audit plan. The Bid Adjudication Committee approved the panel in February 2020.

#	Auditable area	Timing as per plan	Status
1	Audit of Predetermined Objectives (Q1,2,3 and 4)	Quarterly, a month after end of the quarter.	Report issued for Q1, Q2 and Q3. Q4 will be done in August
2	Contract Management	February 2020	Audit at finalization stage.
3	Capital budget spend / commitments	May 2020	Audit at finalization stage.
4	Service Level Standards	Quarterly, a month after end of the quarter.	Audit at finalization stage.
5	Financial statement review	August 2020	Not yet due
6	Use of panel	March 2020	Audit at finalization stage.
7	Supply Chain Management	April 2020	Audit at finalization stage.
8	Anti-Fraud and Corruption	May 2020	Report issued
9	Related parties	July 2020	Audit will commence in August
10	Strategic Human Resources	February 2020	Audits at execution phase
11	Human Resources Management	April 2020	
12	Revenue Management	April 2020	Draft report issued
13	Compliance	March 2020	Audit to be executed in quarter one of 2021 Financial Year
14	Stakeholder Management	February 2020	Audit at execution
15	Information Technology	May 2020	Report issued
16	OHASA Audit	April 2020	Audit to be executed in quarter one of 2021 Financial Year

Section 2: Progress on the Resolution of Internal Findings

All internal audit findings older than 60 days will be included in the Operation Clean Audit (OPCA) report, which will be presented at Executive Committee meeting, ARC and submitted to the City for further scrutiny. JPC does not have any unresolved internal audit finding to include in the OPCA report.

Section 3: Progress on the resolution of External Audit Findings

The Auditor General of South Africa (AGSA) finalised the 2018/19 audit and issued their audit and management report letter on 30 November 2019. 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 2019 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 three instances of non-compliance where key legislation was concerned, as set out in the general notice issued in terms of the Public Audit Act.

The three non-compliance issues identified by AGSA were as follows:

- Material Misstatement in the annual financial statement, which arose from the calculation error on straight lining of operating leases. The issue was resolved prior to finalising of the audit, hence the conclusion on fair presentation as stated above. AGSA audit report issued to JPC indicates a “clean audit” for a third consecutive time.
- Consequence management finding relating to steps not taken to investigate allegations made in a timely manner. This relating to investigations done by Group Forensic Investigation Services (GFIS). National Treasury indicated that there must be an allegation against an employee first, before MFMA section 172(3) is triggered. National Treasury further indicated that there will be a non-compliance with this section until a disciplinary board is formed to investigate financial misconduct.
- Non-compliance with SCM, as one service provider was erroneously not included in the panel. The panel that was rendered irregular by AGSA has been terminated and new panels created.

The dashboard for unresolved external audit findings is as follows

Category	Total as at Nov 2019	Resolved		Unresolved	
		As at June 2020		#	%
		#	%		
Matters affecting the auditor's report	5	4	80%	1	20%
Other Important matters	34	32	94%	2	6%
Administrative matters	1	1	100%	0	0%
Total	40	37	92%	3	8%

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.