

**CITY OF JOBURG**  
**PROPERTY COMPANY SOC LTD**  
**THIRD QUARTER REPORT**  
**2019/2020**

Registration No: 2000/017147/07



**Company Information**

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<b>Bankers:</b>	Standard Bank South Africa
<b>Auditors:</b>	Auditor-General of South Africa
<b>Company Secretary</b>	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

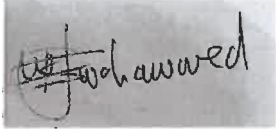
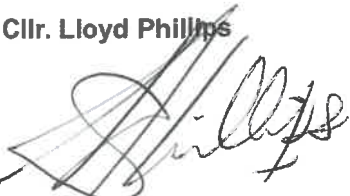
Company values are the ethical foundation of JPC and are therefore fundamental to JPC's success. Such values are not just important but crucial to the overall ascendancy of JPC. The values adopted by JPC are:

- 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 Third Quarter of the 2019/2020 Financial Year.

<p><b>Mr Imraan Bhamjee</b></p>  <p>Signature Chief Financial Officer</p>	<p>_____</p> <p>Date of approval</p>
<p><b>Ms Helen Botes</b></p> <p><small>Helen Botes      2019-08-14 10:23:00 AM</small></p>  <p>Signature Chief Executive Officer</p>	<p>_____</p> <p>Date of approval</p>
<p><b>Mr Caswell Rampheri</b></p>  <p>Signature Chairperson of Board</p>	<p>_____</p> <p>Date of approval</p>
<p><b>Cllr. Lloyd Phillips</b></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

<b>ACRONYMS AND ABBREVIATIONS</b>			
<b>Acronym/ abbreviation</b>	<b>Name/phrase</b>	<b>Acronym/ abbreviation</b>	<b>Name/phrase</b>
CSU	Client Servicing Unit	MSA	Municipal Systems Act, 2003
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
ICT	Information and Communication Technology	SHE	Safety, Health and Environment



<b>ACRONYMS AND ABBREVIATIONS</b>			
<b>Acronym/ abbreviation</b>	<b>Name/phrase</b>	<b>Acronym/ abbreviation</b>	<b>Name/phrase</b>
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
IMPSA	Institute of Municipal People Practitioners of Southern Africa	WSP	Workplace Skills Plan
		YTD	<b>Year-To-Date</b>

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## Section 1: Foreword by the Chairperson



It is my pleasure to present the Third Quarter Report of the Company, on behalf of the newly appointed Board. I wish to congratulate the newly appointed members and the reappointed NED of the Board during the third quarter of the financial year 2019/2020.

The Board is privileged to have been appointed to the stewardship of City of Joburg Property Company SOC LTD. Given the first-month period of the Board's tenure, I can confidently say the Board is ready to commence with fulfilling its role and responsibilities and will support the CEO and the Executive team in implementing JPC's strategic objectives.

The newly appointed Board has undergone its induction which was well attended. The Shareholder's expectations were well articulated at the induction, in response thereto the Board has pledged to preserve shareholder value and to adhere to the governance requirements whilst driving championing service delivery for the residents of the CoJ. The Board commits itself to ensuring that management addresses the findings and recommendations of internal and external audit function.

JPC anticipates that it will still be able to maintain its profitability trajectory for the financial year as facilitation fees for the Inner City and Orange Grove rejuvenation projects materialise in the current quarter. The board aims to drive the implementation of financial turnaround strategy together with management as part of improving JPC's financial sustainability.

The Company's report comes at a time when there is an unprecedented level of uncertainty as a result of covid-19 and an economic recession in the country. The Company has prepared a response plan to this pandemic and has amongst others, undertaken a drive to conduct deep cleaning of its facilities, whilst also working on finding mechanisms to support its clients such as informal traders.

On behalf of the Board, I wish thank management for their relentless pursuit of excellence and getting the Board up to speed, notwithstanding the current social distancing challenges.

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**Caswell Rampheri**  
**Board Chairperson**

## Section 2: Chief Executive Officer's Review



I am proud to table JPC's third quarter report for the 2019/20 financial year. The company derives its mandate from the City of Johannesburg (COJ), whose mission and vision are aligned to the Integrated Developments Plan (IDP) and the Growth Development Strategy (GDS 2040). In bolstering its strategic objectives, JPC will respond to the Government of Local Unity Mayoral priorities by paying substantial attention to the following initiatives that relate to the following:

- Management of Informal trading facilities,
- Outdoor Advertising,
- Office Space Optimisation
- Renewal of Property Leases, and management of properties
- Financial Sustainability
- Inner City Revitalisation Programme, and
- Property Development Projects through Mega projects such as Southern Farms, Office Space optimization Project, the Inner Cite revitalization project and the student accommodation development projects in Orange Grove and Houghton.
- Good Corporate Governance
- Stimulating Township economy through property development transaction such as Soweto Gateway.

The quarter under review has seen the appointment of a new Board following the Shareholders' Annual General Meeting (AGM) which was held in March 2020.

Under the guidance of the CoJ Governance Department the Board induction was held on the 7<sup>th</sup> of April which approved the appointment of all sub-board committees with key focus as outlined in their terms of reference and will provide strategic direction to ensure the implementation and conclusion of the following in line with the mandate of the Government of Local Unity and the key Mayoral priorities:

- The implementation of the financial strategy as part of improving JPC s' financial position.
- Focused approach on outdoor Advertising
- Implementation of mega projects
- Assimilated revitalization of the Inner City



- The improvement of the state of COJ facilities and the bad buildings occupied by both COJ employees and private sector.
- The monitoring of the transformation agenda within the property sector in order to reflect all South African demographics which aims to enhance SMME development with a focus on creating job opportunities for women and youth.

JPC managed to achieve 75% of targets set out in Business Plan due at 31st March 2020. Notable achievements include a R1.86 Billion Investment attraction and R247 million investment spend on projects as well as the acquisition of 6 properties. JPC also realized a profit of R3.3 million for the first three quarters of 2020 which is attributable to expenditure management in previous quarters and secured the R160 million operational budget required to appoint cleaning staff to work an 8 hour day shifts as well as covering all benefits due to these employees.

The Quarter under review also saw the appointment of a Panel of independent internal auditors and probity advisors. The internal audit function reports to the Audit and Risk and Board Committee and this is a critical step in ensuring that the internal audit function of the company remains independent and assists JPC to sustain its unqualified audit status.

A significant achievement during quarter 3 relates to the reduction of the intercompany debt which relates to monies owed to JPC for work done with regards to repairs and maintenance on behalf of City Departments and Municipal Entities. This amount has been reduced to R142.2 million, a total reduction of 300 million from what was owed at 30<sup>th</sup> of June 2019. This was made possible through the proactive and robust engagements with all CoJ Department heads and CEO's, which addressed all issues, which delayed the recoupment of amounts previously owed.

In the period under review, 43 appointments to various positions in the entity were concluded. These position were identified as strategically critical positions and were advertised both internally and externally. The internal positions filled gave employees an opportunity for career growth and development.

Our Capex spent for the third quarter is currently at 46% of the total budget. Based on the commitments made and the service providers currently concluding the work we will achieve 100% CAPEX spend by year end.

The quarter also saw a state of disaster announced by the President with regards to the COVID-19 pandemic to which JPC had to play a leading role to eliminate the risk of the virus on our facilities and ensure facilities are available to house the homeless during the lockdown and to identify facilities and land for temporary clinics throughout all the regions of the city. JPC has remained functional during this lockdown as steps were proactively

taken to ensure all essential staff remain productive while safely working from their homes and also embarked on sanitizing initiatives at its informal trading facilities within the transport hub such as Bree Taxi Rank, Yeoville Transport Facilities, and Midrand etc. The pandemic will have far reaching implications on the economy and the city as a whole. The coming months will require JPC and the City to assess the risks the Virus poses in it achieving its business objectives and how these will be effected, together with what mitigation action will be required to sustain its business and provide services to the community. Furthermore, JPC under the guidance of the city will implement measures to mitigate the risk posed by possible extension of the lockdown in respect of achievement of its targets and financial sustainability.

The forthcoming quarter, JPC's focus will continue to be on;

- The attraction of investment on COJ property and revenue generation.
- Improving JPC liquidity and the reduction of the R142.2 million intercompany debt
- Conclusion and awarding of all property management leases which have been approved by council, placed on public tender and to be awarded by the EAC.
- Release of properties with regards to Inner City regeneration.
- Further implementation of the Outdoor advertising Master plan as per Council approval.
- Revitalisation of transport nodes using municipal offices as a catalyst for development and the promotion of green buildings by the implementation of the office space optimization project.
- Maintaining and cleaning of informal trading facilities and Taxi ranks
- Stimulating development in the South through Mega projects such as Southern Farms.

In conclusion, I am confident with the progress we have made thus far, JPC will realise its strategic mandate and objectives that were set for the year. We can only achieve this through our ambition to the ongoing collaborative efforts of the Board of Directors, Management Team and JPC employees.

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**Helen Botes**  
**Chief Executive Officer**

### Section 3: Chief Financial Officer's Review



The midterm budget review concluded at the end of February 2020 and the final approved budgets have been evaluated and discussed at length with the COJ. The core of JPC's funding is to be derived from the subsidy that the entity currently receives and through internal recoveries for repairs and maintenance (R&M) and cleaning services across the COJ. The significant amendments to the budget during the midterm review were an increase in the employee costs budget of R160 million for the insourcing of cleaning as well as security. The employee costs for cleaning and security are funded through internal recoveries from the COJ departments and MOEs with R160 million being allocated to internal recoveries, as well as another R30 million for cleaning supplies and consumables. However, the subsidy was reduced by R20 million requiring a review and reduction of operational expenditure that the subsidy funds. The budget for JPC: Portfolio was unchanged during the 2019 midterm budget review.

JPC achieved a profit of R3.3 million for the first three quarters of 2020. The profit is attributable to expenditure management in previous quarters, however, expenditure on R&M is anticipated to increase through to the conclusion of the financial year. Profitability in quarter three was significantly reduced by the employee costs of insourced cleaners being transferred to JPC in March, the accounting of salaries reduced profits by +/-R50 million. JPC will recover the employee costs in quarter four per the funding arrangement with the COJ. 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 rejuvenation projects materialise in quarter four upon the completion of the projects adjudication and awarding. Savings in excess of R10 million are anticipated in the budget for interest expenditure on the overdraft as the overdraft has been in decline since the start of quarter three.

The cash position of the entity resides at negative R172.3 million; this is due to the recovery of outstanding intercompany and related party debtors during the first two quarters. Year-on-year, the improvement in the cash position is excess of R140 million and the improvement is further illustrated on the statement of cashflows as cash inflows from operating activities by the conclusion of quarter three is a healthy R91.5 million despite settling R150 millions of June 2019 accruals in previous quarters.

JPC has a current ratio of 0.77:1 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 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 facilitation fees and a rise in commission from the Portfolio will see JPC have enough cash to completely reverse the overdraft. 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 0.99:1 against the norm of 2:1 and is factually insolvent, whereby the financial statements indicate that there are insufficient assets to cover all liabilities. The 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. Due to the budget only being transferred in March, JPC could only account for the expenditure in this reporting period and did not have sufficient time to recover any costs related to cleaning services; however, this will be rectified in the last quarter of the 2020 financial year. Savings in other expenditure items have been the initiative of management to improve profitability and solvency. JPC anticipates to continue its trend of profitability from 2018/19 and move closer to a stable financial position by financial year end.

Currently 46% of the overall Capex budget of R110 million has been spent. Other projects are currently execution phases, however, the completion of these projects are likely to be affected by the three week national lockdown. In quarter four prioritisation is to be placed on the completion of all capital projects being completed and accrued for.

During the financial year SARS conducted a VAT audit for the 2015 and 2017 financial years. SARS re-assessed 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 as a result of the reassessment. A means to object the finding is currently under review by Rain Chartered Accountants, JPC's tax consultants. Further to this JPC is currently enquiring with SARS about obtaining a special ruling that will align to the accounting practices prescribed in GRAP 109 (Accounting by principals and agents) and the tax practices of JPC to prevent further reassessments for JPC with regards to COJ expenditure.

During the 2018/19 financial year, JPC has incurred R7 114 868 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 R5 981 892 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.

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 under utilised, 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 R13 593 541 for the YTD.

No additional deviations have been incurred in the third quarter of 2019/20 and those reported are a continuation of deviations previously disclosed.

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

Going forward into quarter four, emphasis will be placed on significantly improving the financial position of the entity and performing the final preparations for the 2019/20 annual audit by the Auditor General.

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**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 500 permanent and temporary employees based at the head office and depots who execute the strategy of the organisation. There is also an additional 1223 cleaners that were insourced and as a result, the total staff members for JPC is 1723. JPC derives its mandate from a signed service delivery agreement with its sole shareholder, the COJ. The core functions of JPC are as follows:

### 1. 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, especially where property could be used for land reform, Black Economic Empowerment, alleviation of poverty, sport, health care, safety, security, clean environment, roads, infrastructure, SMME empowerment and the creation of jobs. The Core functions of the Unit include:

- ✓ Leases and Sales (Social Property Portfolio)
- ✓ Municipal Acquisitions
- ✓ Transactional and Contract 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, such as JHI, Broll and Attaq, JPC is not only focused on the bottom line (profit-driven), but also has to fulfil the social, economic and empowerment mandates of the municipality, using its portfolio.

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 settlements
- Priority 4: Sustainable service delivery
- Priority 5: Job opportunity and creation
- Priority 6: Safer city
- Priority 7: Active and engaged citizenry
- Priority 8: Economic development and growth
- Priority 9: Sustainable environmental development
- Priority 10: Smart city

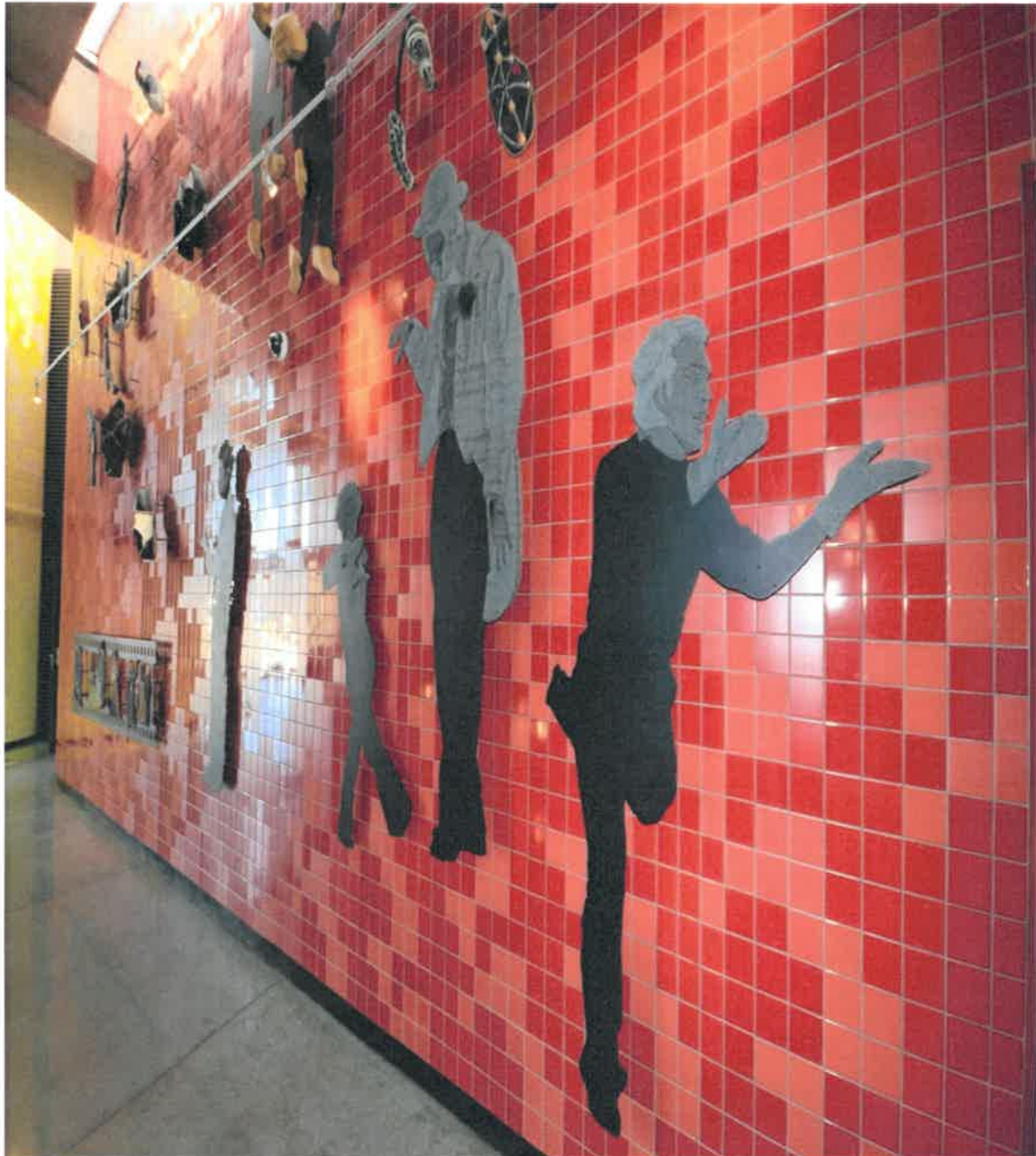
To better coordinate priority programme implementation and manage interdependencies, the City implements a cluster system with four clusters, namely Human and Social Development, Economic Growth, Sustainable Services, and Governance. JPC is part of the Economic Growth Cluster and focusses on the following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

- Priority 1: Good Governance
- Priority 2: Financial sustainability
- Priority 3: Integrated Human Settlements

- Priority 4: Sustainable Service Delivery
- Priority 5: Job opportunity & creation
- Priority 8: Economic development & growth; and
- Priority 10: Smart City

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 pleasant 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.

### Shareholders' Meeting

The Annual Shareholders' Meeting (AGM) was held on 11 March 2020 and it dealt with the issues that are the Annual Shareholder's responsibility as outlined in the Memorandum of Incorporation. Noteworthy was the appointment of Board Members on 11 March.

### Board Composition & Diversity

The Board composition is in compliance with the Memorandum of Incorporation MOI. Based on the changes made to the Board at the AGM held on 11 March 2020, the Board of Directors comprises Mr. C Rampheri (Chairperson), Ms. Y Erasmus, Mr. T Harper, Dr. 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 undertaken 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 examined 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.

### 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 monitors 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 mandate.

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 Committees:

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



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

BOARD	ARC	TSD	REMCO & TSEC
29 January 2020	24 January 2020	27 January 2020	23 January 2020

## Section 2: Board Committees

### Audit and Risk Committee

The Committee now consists of the following members:

- Mr. Trevor Harper ( Chair)
- Ms. Yolandi Erasmus
- Ms. Mpho Mosweu
- Mr. Big boy Kekana
- Mr. Patrick Makape

The Committee met on once during the period under review to consider matters in line with its approved delegation. These matters included:

- Annual Audit Work Plan 2019/20
- Recommendation of the Audit report to Board

### Transactions and Service Delivery Committee

The Committee now consists of the following members:

- Mr. Sepheu Masemola ( Chair)
- Mr. Ismael Hendricks
- Ms. Yolandi Erasmus
- Mr. Moeketsi Rabodila
- Ms. Khanya Sithebe
- Mr. Vernon Ward

The Committee considers all property transactions, which makes recommendations to the Board and/or the Shareholder. The Committee with delegated powers from the Board deal effectively with certain operational issues relating to the Property Portfolio of the City. The Committee met once during the period under review.

### Remuneration and Human Resources Committee (REMCO), Transformation, Social and Ethics Committee (SEC)

The Committee now consists of the following members:

- Mr. Vernon Ward (Chair)
- Ms. Khanya Sithebe
- Ms. Abigail Ramakoaba
- Mr. Tau Masemola

The purpose of the Committee is to monitor the Company's activities having regard to any relevant legislation, other legal requirements or prevailing codes of best practice. It looks into the social and economic development including the Company's standing in terms of the goals and purposes, good corporate citizenship, the environment, health and public safety, consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws, labour and employment. The Committee met once during the period under review. The committee is also responsible for approving HR policies, the CEO scorecard.

### 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: 31 <sup>st</sup> March 2020			
Name of Director	Meetings Attended YTD	Other Meetings YTD	Emoluments
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	6	R215 652

YTD Directors Payments: 31 <sup>st</sup> March 2020			
Name of Director	Meetings Attended YTD	Other Meetings YTD	Emoluments
Mr L Qina	9	3	R99 130
Mr M Rabodila	9	10	R226 087
<b>Totals</b>			<b>R1 176 413</b>

### Independent Audit & Risk Committee Members

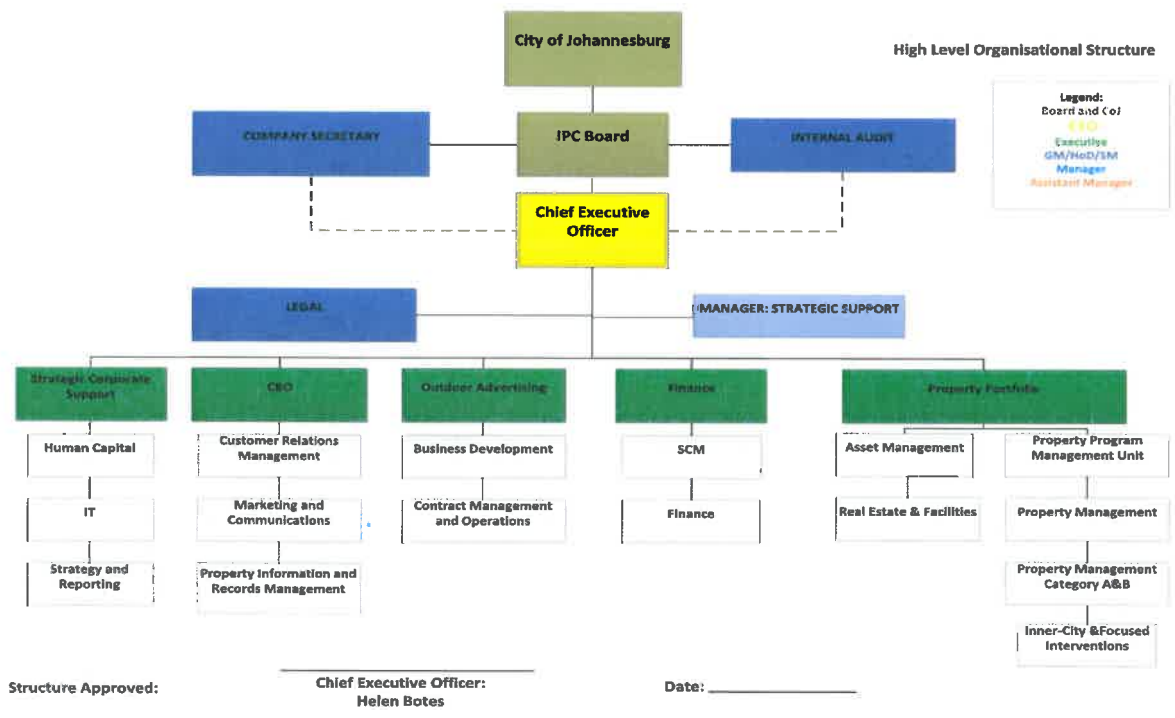
YTD Directors Payments		
Name of Independent Audit Committee Member	Meetings Attended YTD	Emoluments
Mr G Dunnington	6	R36 522
Ms S Mzizi	6	R31 304
Mr Z Samsam	7	R67 826
<b>Totals</b>		<b>R135 652</b>

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

YTD EXECUTIVE SALARIES AS AT 31 MARCH 2020							
Name	BASIC SALARY	TRAVEL ALLOWANCE	LEAVE PAY	PERFORMANCE BONUS/13TH CHEQUE	GRATUITIES	COMPANY CONTRI.	TOTAL
Botes HM	1 685 432	166 667	119 603	348 842	-	24 062	2 344 606
Matthews CL	(31 503)	-	-	-	-	10 558	(20 945)
Ramoetlo MD	264 231	-	-	-	-	32 048	296 279
Makhunga MM	900 009	64 000	-	221 617	-	209 065	1 394 691
Mokataka T	869 475	-	-	99 180	-	190 363	1 159 018
Padayachee K	264 128	30 000	102 147	-	300 000	57 169	753 445
Mbethhe ES	1 042 649	30 074	47 607	99 180	-	224 551	1 444 061
Mtungwa SZ	1 173 181	-	-	298 156	-	263 226	1 734 563
Sardianos F	1 172 754	-	-	298 156	-	263 163	1 734 073
Bhamjee I	1 126 531	56 000	-	298 155	-	245 257	1 725 943
<b>Totals</b>	<b>8 466 887</b>	<b>346 741</b>	<b>269 357</b>	<b>1 663 287</b>	<b>300 000</b>	<b>1 519 462</b>	<b>12 565 732</b>



Section 4: High Level Structure



## 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 3

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		1. JPC will start paying new staff once budget is allocated by COJ. 2. 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		1. 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. 2. The CoJ OHASA team to be part of the team doing the assessment 4 Follow-up to be made on commitments made by entities and departments on OHASA issues.	1 - 6: June 2020	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			
						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.		
3	Inadequate maintenance of property	High 17	High 17	High 17		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		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		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 financial year. JPC anticipates that it



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			
								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.

**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.
2	Inability to generate revenue	Management should continue implementing additional actions towards generating revenue, ultimately eliminating the risk of reckless trading.

**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.

The Company secretary was appointed in the period under review and commences in the third quarter.

## 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](mailto: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

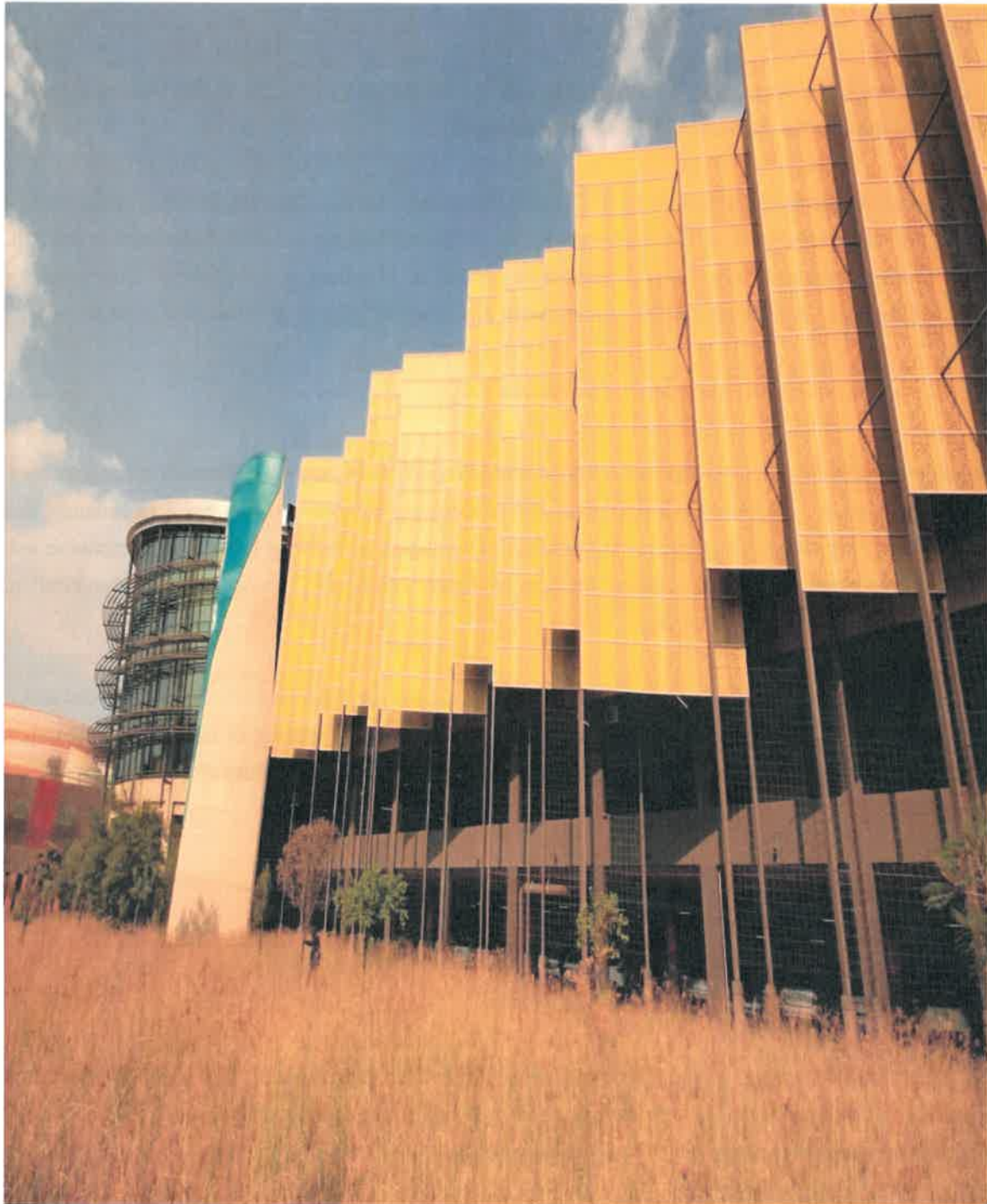
The board is responsible for ensuring that the Johannesburg Property Company complies with applicable laws, regulations, guidelines and standards in accordance with its identified compliance universe. The company has a Compliance Risk Framework, which guides the process of managing compliance risks.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

JPC has submitted the declaration of interests (DOI) report to Group compliance which indicates that all employees completed the declaration of interest forms. In the next quarter, JPC will focus on ensuring that the newly approved Board members submit required declarations of interest.



## CHAPTER THREE: SERVICE DELIVERY AND PERFORMANCE



**Section 1: Overall Company Performance**

**Highlights and Lowlights**

JPC has 21 Key Performance Indicators outlined in the approved 2019/20 Business plan and contributes one KPI with regard to City s’ SDBIP.

Highlights	Challenges for the third quarter
<ul style="list-style-type: none"> <li>➤ Construction Spend in respect Property Development Projects amounts to <b>R247.4 million</b></li> <li>➤ Investment attraction of R1.86 Billion relating to the awarding of the Randburg Civic Centre redevelopment in line with the City’s Office space Optimization programme. These projects will lead to a facilitation fee amounting to <b>R27.9 million.</b></li> <li>➤ In the period under review the JPC filled forty-three (43) strategic vacancies which some were advertised and externally that were identified as critical vacancies to be filled.</li> <li>➤ Intercompany debtors have decreased from R442 million at 30 June 2019 to <b>R142 million</b> in the third quarter. A decrease of <b>R300 million.</b></li> <li>➤ EAC approved the awarding of ten (10) media companies whose outdoor advertising leases, which lapsed due to effluxion of time as part of the Outdoor Advertising Transitional plan.</li> </ul>	<p>The new outdoor advertising By-laws, was set aside by the High Court in February 2020. The court judgement was scathing on the lack of adequate public participation as it may seem that the City did not take into consideration comments received from various parties in finalizing the By law for Council’s approval. The implications of the court judgement is that JPC has to review its outdoor advertising masterplan while implementing measures set out in the Outdoor Advertising Transitional period. Decanting of properties and provision of Temporary Emergency Accommodation (TEA)</p>
<p><b>Priorities and focus areas for the rest of financial year:</b></p> <ul style="list-style-type: none"> <li>Informal trading</li> <li>Outdoor Advertising</li> <li>Office Space Optimisation</li> <li>Inner City Regeneration Programme</li> <li>Property Development Projects</li> <li>Stakeholder Management</li> <li>Conclusion of Projects provide for under the Capex Budget</li> </ul>	

The JPC scorecard for Third Quarter ending 31st March 2020 reflects that the entity achieved 65% (15 of 20 targets due), and 35% (5 of 20) of its targets are not achieved with a total number of one (1) target not currently due.

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

### 1.1. R2.5billion Investment attraction / business facilitation within CoJ boundaries based on signed contract.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	R200 million attraction	R400 million attraction	R950 million attraction	R950 million attraction	R2.5 billion attraction
<b>Actual</b>	R 443 Million	-	R1.86 Billion	-	R2.3 Billion

**Target Exceeded:** As a result of the awarding of the Randburg Civic Centre redevelopment in line with the City's Office Space Optimisation programme.

### 1.2. R800 million Investment attraction on projects within CoJ boundaries based on construction value on the ground.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	R100 million investment spend on projects	R200 million investment spend on projects	R200 million investment spend on projects	R300 million investment spend on projects	R800 million investment spend on projects
<b>Actual</b>	R217 Million investment spend on projects	R172 Million investment spend on projects	R247 Million investment spend	-	R636 Million investment spend on projects

**Target Exceeded:** Construction spend in respect of Property Development Projects

**1.3. Job opportunities created**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	200 Job Opportunities Created	400 Job Opportunities Created	600 Job Opportunities Created	800 Job Opportunities Created	2 000 Job Opportunities Created
<b>Actual</b>	200 jobs opportunities Created	130 Job Opportunities Created	2 907 Job Opportunities Created	-	3 237 jobs opportunities Created

**Target Exceeded:** Due to the repairs and maintenance work conducted by the Facilities Management Unit and projects implemented in the Property Development Unit.

**1.4. 2930 SMMEs supported through property transactions**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	100 SMME's supported	200 SMME's supported	1315 SMME's supported	1315 SMME's supported	2 930 SMME's supported
<b>Actual</b>	8 SMMEs supported	28 SMMEs supported	1 334 SMMEs supported	-	1370 SMMEs supported

**Target Exceeded:** This KPI is linked to renewal of informal trading stalls and stores and at this stage the lease renewal reports are in process of being submitted to the Executive Adjudication Committee in line with Municipal Asset Transfer Regulations of 2008. We are expecting most of the leases to be finalised in the fourth quarter.

**1.5. Payment of valid invoices within 30 days of receipt of the invoice**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	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
<b>Actual</b>	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**

**Ensure pro-poor development that addresses spatial and income inequality and provides meaningful redress**

### 2.1 Number of Asset Management Plans Formulated

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	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
<b>Actual</b>	65 asset management plans concluded	60 asset management plans concluded	103 asset management plans concluded	-	228 asset management plans concluded

**Target Exceeded:** The number of plans increased as a result of property pipelines identified for either lease, sales and development.

### 2.2. Number of properties acquired on behalf of City Departments & Entities

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	Acquisition of 3 properties	Acquisition of 3 properties	Acquisition of 4 properties	Acquisition of 5 properties	15 Properties acquired
<b>Actual</b>	Acquisition of 3 properties	Acquisition of 4 properties	Acquisition of 6 properties	-	Acquisition of 13 properties

**Target Exceeded:** As a result of the number of transaction reports approved in Council, EAC as per City Departments request to acquire privately owned properties for service delivery purposes.

### 2.3. Leasing / Lease Renewal of shops and stalls located at various public transport facilities & traders markets owned by the City

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	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
<b>Actual</b>	-	-	-	-	-

**Target not achieved:** It was projected that JPC will renew approximately 1446 informal trading leases by the third quarter of the 2019/20 financial year. This target has not be achieved, however the reports are in process of being submitted to the Executive Adjudication Committee in line with Municipal Asset Transfer Regulations of 2008. It's expected that most of the leases will be finalised in the fourth quarter.

#### 2.4. Development / Refurbishment of Public Conveniences

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	Nil	25 public conveniences completed	25 public conveniences completed	Nil	50 public conveniences
<b>Actual</b>	-	-	36 public conveniences completed	-	36 public conveniences completed

**Target Exceeded:** Quarterly target achieved, however, work was stopped due to national lockdown – Covid 19.

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	20 properties leased	30 properties leased	30 properties leased	40 properties leased	120 properties leased
<b>Actual</b>	Nil	35 properties leased	55 properties leased	-	90 properties leased

**Target Exceeded:** Due to the number of transactions approved by Council for release for social and economic purposes.

#### 2.6. Number of Inner City properties approved by Council for release to the private sector

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	Nil	20 Inner City properties awarded	40 Inner City properties awarded	40 Inner City properties awarded	100 Inner City properties awarded
<b>Actual</b>	55 Inner City properties awarded	-	-	-	55 Inner City properties awarded

**Target Not Achieved:** Properties to be awarded before 30<sup>th</sup> June 2020, therefore target will be met by year end. There were 10 developments that were advertised and closed on the 6<sup>th</sup> March 2020 which will be evaluated and awarded before year end.

**3 Create a culture of enhanced service delivery with pride**

**3.1. Implement training & development initiatives to address competency gaps**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	70	70	130	100	370 employees trained
<b>Actual</b>	17 employees trained	17 employees trained	204 employees trained	-	238 employees trained

**Target Exceeded:** The Training Master Plan was approved by the Board in Jan 2020. Training interventions conducted in the period (January to March 2020) included Functional/Technical and Managerial competencies in line with organizational compliance training cluster to empower employees to effectively perform their day today operational duties. In light of the social distancing challenges and lockdown of non-essential services emanating from COVID19 pandemic all the training scheduled has been cancelled.

**3.2. Skills Audit Conducted**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	20% completion of skill audit for level seven to nine employees	20% completion of skill audit for seven to nine employees	30% completion of skill audit for seven to nine employees	30% completion of skill audit for seven to nine employees	100% completion of skill audit for level seven to ninety employees
<b>Actual</b>	Nil	Nil	Nil	-	Nil

**Target not achieved:** This KPI is dependent on the City’s Skills Audit Project Plan. The City commenced with the coordination of data on Phase 1 of employees within the scope levels 7 and 8. The roll out within ME’s will commence in July 2020.



### 3.3. Rapid & Efficiency in filling of funded vacancy positions identified as strategic

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	5% of all strategic vacancies filled within 90 days	35% of all strategic vacancies filled within 90 days	30% of all strategic vacancies filled within 90 days	20% of all strategic vacancies filled within 90 days	90% of all strategic vacancies filled within 90 days
<b>Actual</b>	Company Secretary Position filled	Various strategic positions advertised and filled within the reporting period (57)	Various Strategic funded vacancies filled (43)	-	35% of all strategic vacancies filled within 90 days

**Target Achieved:** Critical and strategic funded vacancies were identified and 43 strategic vacancies were filled in the period under review. The recruitment and selection process is currently in progress and the plan is to conclude the process by the end of April 2020 not negating the current circumstances of social distancing challenges and lockdown of non-essential services emanating from COVID19.

### 3.4. 100% of disciplinary cases concluded successfully within 90 days

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	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
<b>Actual</b>	-	-	-	-	-

**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
<b>Target</b>	Nil	Nil	0 % fatalities through effective internal	0 % fatalities through effective internal	0 % fatalities through effective internal a report issued
<b>Actual</b>	0 Fatalities	0 Fatalities	0 Fatalities	-	0 Fatalities

**Target achieved**

4

Enhance our financial sustainability

4.1. Income generated through property transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	R50m income raised from leases and servitudes sales	R50m income raised from leases and servitudes sales	R50m income raised from leases and servitudes sales	R50m income raised from leases and servitudes sales	R200m income raised from leases and servitudes sales
<b>Actual</b>	R28 million raised from leases and sale of servitudes sales	R31 million raised from leases and sale of servitudes sales	R46 million raised from leases and sale of servitudes sales	-	R105 740 940.92 raised from leases and sale of servitudes sales

**Target not achieved:** The target for the current 3 quarters was not achieved. However, sale transactions worth R2 094 750 and leases amounting to R56 458 are at EAC stage and will be realised in the next quarter.

4.2. 45 % Implementation of the outdoor advertising masterplan

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	5% implementation of the Outdoor Advertising masterplan	5% implementation of the Outdoor Advertising masterplan	15% implementation of the Outdoor Advertising masterplan	20% implementation of the Outdoor Advertising masterplan	45% implementation of the Outdoor Advertising masterplan
<b>Actual</b>	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:** This KPI was impacted by the Court judgement that set aside the Outdoor Advertising By-Laws. The quarter target was not achieved however the year to date has been achieved.

**4.3. Spend of allocated CAPEX**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	20% spend on allocated Capex	30% spend on allocated Capex	35% spend on allocated Capex	15% spend on allocated Capex	100% spend on allocated Capex
<b>Actual</b>	8% spend on Capex projects	12% spend on Capex projects	46% spend on Capex projects	-	46% spend on Capex projects

**Target Exceeded:** In the third quarter, all JPC capex budget has been committed and it is envisaged that this KPI will be achieved in the fourth quarter.

**4.4. Audit Opinion**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	Unqualified Audit outcome	Unqualified Audit outcome	Unqualified Audit outcome	Unqualified Audit outcome	Unqualified Audit outcome
<b>Actual</b>	Not Applicable	Unqualified Audit outcome	Not Applicable	Not Applicable	Unqualified Audit outcome

**Target Achieved**

**4.5. Resolution of Auditor General & Internal Audit findings**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
<b>Target</b>	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
<b>Actual</b>	-	-	-	-	-

**Target - Not due for this quarter:** this will only be due in the fourth quarter. JPC has to date resolved 85% of the Audit findings and will resolve the remaining 15% in the 4<sup>th</sup> quarter.

**Section 1.1: Asset Management**

**PORTFOLIO PROFILE**

The portfolio of the City has a total value of R9, 243 billion which comprises of 28 940 properties for the quarterly period ending 31 March 2020. The table below illustrates the high-level summary outlining the quantity and value per region.

Region	Value %	No. of Properties	Sum Of Value
Region A	8%	1760	R 758 572 318.28
Region B	17%	3935	R 1 601 022 080.10
Region C	12%	2349	R 1 117 590 161.38
Region D	10%	6235	R 879 185 239.40
Region E	19%	4795	R 1 728 085 396.18
Region F	16%	4830	R 1 436 161 910.97
Region G	13%	4546	R 1 175 401 438.12
Outside CoJ Boundaries	6%	490	R 547 881 446.01
<b>Grand Total</b>	<b>100%</b>	<b>28940</b>	<b>R 9 243 899 990.00</b>

Table: High Level Portfolio Summary

Region D has the highest number of Council properties at 6 235, followed by Region F, which reflects 4 830 properties, Region E showing 4 795 properties, then by Region G at 4 546 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 1 760. A graphical outline of the portfolio of properties is outlined below.

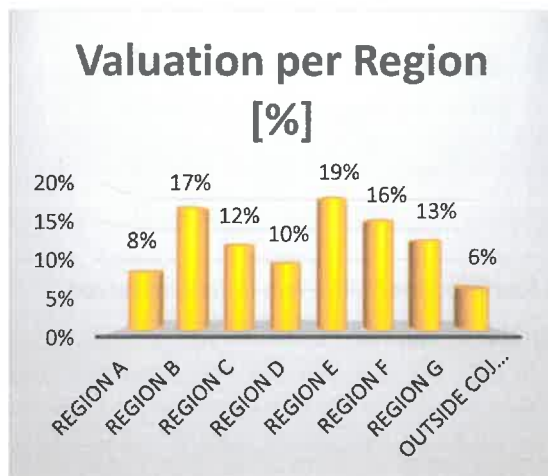


Figure 1: Summary per Region - % Value



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-Jan	20-Feb	20-Mar	Total
Acquisitions	4	37	0	41
Disposals	-87	-32	0	-119
Net Movement	-83	5	0	-78

#### Monthly Movements by Value

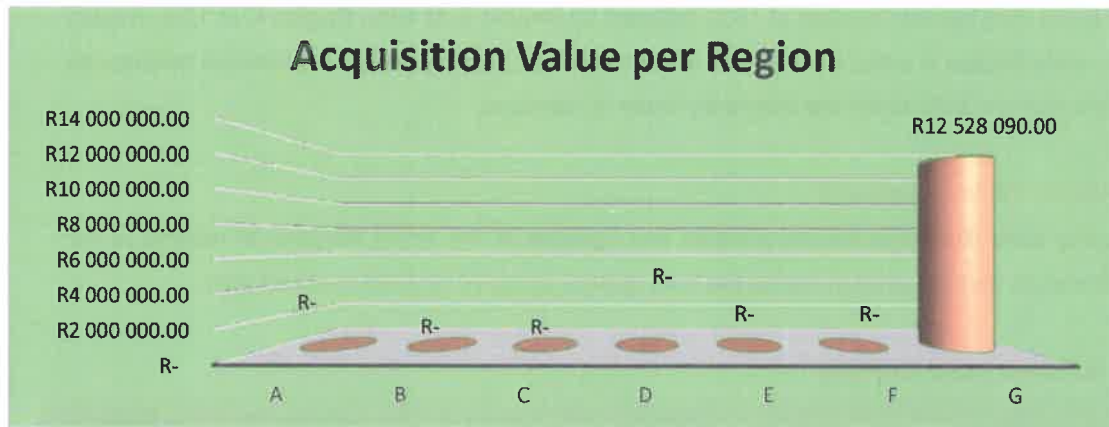
Movement Category	20-Jan	20-Feb	20-Mar	Total
Acquisitions	R6 124 090.00	R6 404 000.00	R0.00	R12 528 090.00
Disposals	-R1 149 991.00	-R224 870.00	R0.00	-R1 374 861.00
Net Movement	R4 974 099.00	R6 179 130.00	R0.00	R11 153 229.00

#### Acquisitions

Forty-one (41) properties to the value of R12 528 090.00 were acquired during the reporting period. All these properties are situated in Region G, they are outlined as follows:

- Thirty-seven (37) properties were devolved by the Gauteng Provincial Government on behalf of Housing to deliver on the City's housing mandate in Vlakfontein Ext 1.
- Four (4) properties were acquired on behalf of Housing in Unaville Agricultural Holdings for an integrated residential development.





### Disposals

One hundred and nineteen (119) properties to the value of R1 374 861.00 were disposed of in the reporting period. These properties are situated in Regions A, B, D, E and F, they are outlined as follows:

✓ **Land Regularisation**

One (1) shop to the value of R2610.00 was transferred to a beneficiary during the 3<sup>rd</sup> quarter as part of the Land Regularisation Programme. One hundred and fifteen (115) properties to the value of R509 251.00 relate to Housing Transfers to beneficiaries as part of the City's service delivery objectives. In addition, three (3) properties in the Inner City to the value of R863 000.00 were sold by JPC on behalf of COJ for the development of affordable housing in the Inner City.

✓ **Sales**

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**

Three (3) properties were sold on behalf of COJ for the purpose of development and provision of affordable housing to the public in the Inner City.

One hundred and fifteen (115) residential properties reported herewith were transferred to beneficiaries during the reporting period. All these properties were transferred as full title properties in fulfilment of the City's housing mandate as prescribed on the Housing Act.

These properties are situated in Regions A, B, D, E, F and D. The regional representation of the movements is outlined on the graph below.



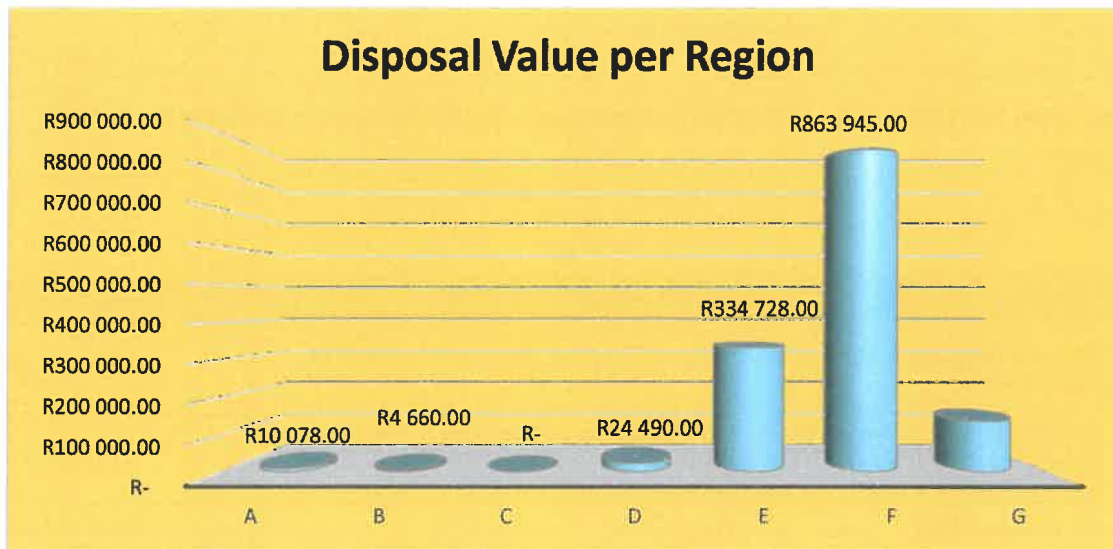


Figure 4: Disposal Value per Region - Rand Value

### Net Movements

This section provides indication of the impact of the movements on the value of the Asset Register. The reporting period shows a positive net movement of R11 153 229.00, which translates to an increase of 0.12% to the entire portfolio as outlined on the table below.

ASSET REGISTER MOVEMENTS IN VALUE			
Month	Opening Balance	Movement	Closing Balance
20-Jan	R 9 232 746 761.44	R4 974 099.00	R 9 237 720 860.44
20-Feb	R 9 237 720 860.44	R6 179 130.00	R 9 243 899 990.44
20-Mar	R9 243 899 990.44	R0.00	R 9 243 899 990.44
<b>NET MOVEMENT</b>		<b>R11 153 229.00</b>	<b>0.12%</b>

Table 5: Asset Register Movements in value

### Section 1.2: Property Management

The objective of the Department is to maximise the use of the City's Property Portfolio for social, economic, infrastructure development and generate revenue for the City. This is achieved through leases, sales, and granting of servitudes on Council owned properties. The Department is also responsible for the acquisition of strategic properties on behalf of Council Entities and Departments for service delivery purposes. The Department further ensures that holding costs for cleaning, security and maintenance are kept to the minimum whilst also mitigating the risk of vandalism and illegal occupation.

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

ENHANCING OUR FINANCIAL SUSTAINABILITY

FINALISED LEASES / SALES / SERVITUDES

The Tables below show the leases, sales and servitudes concluded during the third quarter of the 2019/20 financial year:

SALES

Region	Property Description	Sales
A	Permanent Closure & Transfer of a portion of Diagonal Street Adjacent to Erf 4 Grand Central	R280 000.00
E	Cancellation Of A Servitude Of Right Of Way For Sewer Services & The Simultaneous Registration Of Servitude For Sewer Services Over Consolidated Erf 376 Bramley.	R9 000.00
F	Erf 56 Crown North	R135 000.00
	Erf 748 Elandspark	R1 300 000.00
<b>TOTAL</b>		<b>R1 724 000.00</b>

EXPECTED INCOME

Table below illustrates transactions awaiting the finalisation of agreements with the buyer/lessees

Region	Property Description	Income Per Month	Sale
A	Erf 108 Crowthorn	R0.00	R1 000 000.00
G	Erf 3923 Eldorado Park	R15 000.00	R0.00
	Erf 8465 Orange Farm	R0.00	R833 125.00
	Erf 1432 Orange Farm	R0.00	R717 000.00
	Erf 14569 Orange Farm	R0.00	R220 000.00
<b>TOTAL</b>		<b>R15 000.00</b>	<b>R2 770 125.00</b>

MATTERS AT LEGAL FOR AGREEMENTS TO BE DRAFTED AND FINALISED

Region	Property Description	Sale/ Road Closures	Lease
A	Permanent Closure & Alienation of a Portion of Becker Road	R1 884 000.00	R0.00
	Portion of Hetford Road (Land Swap)	R0.00	R0.00
	PTN 1 & 3 of Erf 4921 Ivory Park	R52 400.00	R0.00
	PTN 2 of Erf 4921 Ivory Park	R18 205.00	R0.00
	PTN 4 of Erf 4921 Ivory Park	R16 250.00	R0.00
	PTN 5 of Erf 4921 Ivory Park	R16 250.00	R0.00
	PTN 6 of Erf 4921 Ivory Park	R16 250.00	R0.00
	PTN 7 of Erf 4921 Ivory Park	R16 745.00	R0.00

Region	Property Description	Sale/ Road Closures	Lease
	PTN 8 of Erf 4921 Ivory Park	R16 250.00	R0.00
	PTN 9 of Erf 4921 Ivory Park	R16 250.00	R0.00
	PTN 10 of Erf 4921 Ivory Park	R16 230.00	R0.00
	PTN 11 of Erf 4921 Ivory Park	R26 535.00	R0.00
	PTN 12 of Erf 4921 Ivory Park	R17 515.00	R0.00
	PTN 14 of Erf 4921 Ivory Park	R14 415.00	R0.00
	PTN 15 of Erf 4921 Ivory Park	R14 080.00	R0.00
	PTN 16 of Erf 4921 Ivory Park	R13 885.00	R0.00
	PTN 17 of Erf 4921 Ivory Park	R13 885.00	R0.00
	PTN 18 of Erf 4921 Ivory Park	R24 565.00	R0.00
	PTN 20 of Erf 4921 Ivory Park	R16 860.00	R0.00
	PTN 21 of Erf 4921 Ivory Park	R1 301 500.00	R0.00
	PTN 22 of Erf 4921 Ivory Park	R13 800.00	R0.00
	PTN 23 of Erf 4921 Ivory Park	R14 280.00	R0.00
	PTN 24 of Erf 4921 Ivory Park	R21 435.00	R0.00
	PTN 25 of Erf 4921 Ivory Park	R21 000.00	R0.00
	PTN 26 of Erf 4921 Ivory Park	R22 850.00	R0.00
	PTN 27 of Erf 4921 Ivory Park	R22 405.00	R0.00
	PTN 28 of Erf 4921 Ivory Park	R22 055.00	R0.00
	PTN 29 of Erf 4921 Ivory Park	R23 550.00	R0.00
	PTN 30 of Erf 4921 Ivory Park	R20 930.00	R0.00
	PTN 8 of Erf 4921 Ivory Park	R20 930.00	R0.00
C	Erf 1814 Florida	R0.00	R87 020.00
E	Alienation Of Various Roads And A Maintenance Agreement Over A Portion Of Land For Maintenance Purposes In Linbro Park, Modderfontein Agricultural Holding And Portion 16 Farm Lombardy 36 Ir.	R7 680 000.00	R0.00
	<b>Total</b>	<b>R11 395 305.00</b>	<b>R87 020.00</b>

**ACQUISITIONS AND LARGE SERVICE PROVIDER SERVITUDE TRANSACTIONS**

**LARGE SERVICE PROVIDERS (LSP)**

Infrastructure Development is an essential in supporting the City’s Service Delivery initiatives. The large service providers submit applications to the City to allow their services to run through City land to construct infrastructure like water, sanitation, roads and electricity to improve/update existing services and to provide for additional services required within the growing communities. During the term under review, the following progress was made on the following transactions:

## LSP TRANSACTIONS AT VARIOUS STAGES OF COUNCIL APPROVAL

REPORT STAGE			
	Property Description	Compensation	Commission
1	Diepkloof Erf 833	R390 000.00	R97 500.00
2	Dhlamini Erf 576	R1 540 000.00	R385 000.00
3	Moroka Erf 3313	R350 000.00	R87 500.00
4	Orlando East Erf 786	R270 000.00	R67 500.00
5	Erf 1708 Naledi	R10 000.00	R2 500.00
6	Re of ptn 16Farm Lombardy 36 IR	R18 000.00	R4 500.00
7	Erf 751 Mofolo South	R33 000.00	R8 250.00
8	Re of Farm Register 388 IQ	R150 000.00	R37 500.00
9	Ptn of Remainder of Farm Lenasia 352 IQ	R528 000.00	R132 000.00
	<b>TOTAL</b>	<b>R 3 289 000.00</b>	<b>R 822 250.00</b>

The following agreements were sent to the applicants for signature and thereafter conveyancers will be appointed to register the servitudes accordingly:

AGREEMENT STAGE			
	PROPERTY DESCRIPTION	COMPENSATION AMOUNT	COMMISSION
1	Erf 2618 Jabulani	R1 700 000.00	R425 000.00
2	Ptn 173 Vogelstruisfontein 231 IQ	R240 000.00	R60 000.00
3	Diepkloof Erf 24097	R2 400.00	R600.00
4	Commercial Erf 2413	R40 000.00	R10 000.00
5	City Deep Erven 101 and 102	R99 300.00	R24 825.00
6	Remaining Extent of Ptn 17 of Klipriviersoog	R20 000.00	R5 000.00
7	Ptn 53 Farm Klipriviersoog 299 IQ	R10 000.00	R2 500.00
8	Ptn 79 Eikenhof 323IQ	R210 000.00	R52 500.00
9	Bosmont Erf 52	R20 000.00	R5 000.00
10	Bosmont Erf 53	R0.00	R0.00
11	Bosmont Erf 54	R0.00	R0.00
12	Bosmont Erf 101	R40 000.00	R10 000.00
13	Northcliff Erf 1466 Ext 6	R100 000.00	R25 000.00
14		R93 000.00	R23 250.00
15	Ptn 1 Farm Diepsloot 388 JR	R19 000.00	R4 750.00
16	Vlakfontein Erf 4094 Ext 3	R80 000.00	R20 000.00
17	Vlakfontein Erf 4098Ext 3	R24 000.00	R6 000.00
18	Farm Zuurbult 240 IQ	R110 000.00	R27 500.00
19	Riversdale Various properties	R33 980 000.00	R8 495 000.00
20	Ptn 158 Farm Diepsloot 388 JR	R104 000.00	R26 000.00
21	Marlboro Erf 485	R1 400.00	R350.00

22	Ptn 31 Farm Zandfontein 42 IR	R242 880.00	R60 720.00
23	Erf 11065 Dobsonville	R8 400.00	R2 100.00
24	Holding 25 Unaville	R152 000.00	R38 000.00
25	Holding 79 Unaville	R190 000.00	R47 500.00
	<b>TOTAL</b>	<b>R37 486 380.00</b>	<b>R9 371 595.00</b>

Attorneys have been appointed to finalise the following registration of LSP servitudes:

TRANSACTIONS WITH ATTORNEYS			
	Property Description	Amount	Commission
1	Erf 3166 Lehae	R729 600.00	R182 400.00
2	Ptn 2 Farm Misgund 322 IQ	R760 000.00	R190 000.00
3	Erf 1119 Devland Ext 27	R62 073.00	R15 518.25
4	Remainder of Farm Goudkoppies 317 IQ	R12 540.00	R3 135.00
5	Erf 11448 Pimville	R148 500.00	R37 125.00
6	Erf 6486 Orange Farm	R15 000.00	R3 750.00
7	Ptn 83 Farm Misgund 322 IQ	R250 000.00	R62 500.00
8	Erf 999 Riverlea	R7 500.00	R1 875.00
9	Erf 1747 Mondeor Ext 2	34 000.00	R8 500.00
10	Erf 1952 Mondeor	31 000.00	R7 750.00
11	Ptn 13 Farm Rietvlei 101 IR	124 950.00	R31 237.50
12	Holding 21 Patlynn AH	48 300.00	R12 075.00
13	Ptn 79 Farm Eikenhof 323 IQ	26 040.00	R6 510.00
14	Ptn 80 Farm Eikenhof 323 IQ	55 020.00	R13 755.00
15	Ptn 76 Farm Eikenhof 323 IQ	12 180.00	R3 045.00
16	Ptn 1 of Farm Rietvlei 101 IR	18 900.00	R4 725.00
17	Erf 1235 Kibler park	R60 000	R15 000.00
18	Erf 49 Alan Manor	R3 870	R967.50
	<b>TOTAL</b>	<b>R2 399 473.00</b>	<b>R599 868.25</b>

### SERVICE DELIVERY ACCOUNTS: PORTFOLIO 1

The Service Delivery Accounts: Portfolio 1 completed the registration of the transfer of 1 property to the CoJ, the registration of 3 Notarial Ties and the registration of 34 servitudes in favour of the CoJ. A total of 38 original registered Deeds have been requested and received from Conveyancing Attorneys and sent to JPC's Asset Management department for safe-keeping and inclusion in the Land Register. The registration of these servitudes created an enabling environment for effective service delivery in Regions A, B, C, E and F.



Types of Registration	Service Delivery	Impact
<p><b>12 servitudes for Sewer and Municipal purposes</b></p> <p><b>6 servitudes for Electricity Restriction purposes</b></p> <p><b>4 servitudes for Right of Way and Municipal purposes</b></p> <p><b>4 servitudes for Sewer purposes</b></p> <p><b>4 servitudes for Electrical Substation purposes</b></p> <p><b>2 servitudes for the Identification of Sewer purposes</b></p> <p><b>1 servitude for Municipal purposes</b></p> <p><b>1 partial cancellation of Right of Way servitude</b></p>	<p>The servitudes are required for the delivery of sanitation, roads and municipal services to address the demand and to provide new infrastructure services to areas that do not have access to such basic services as well as to provide services to new property developments.</p>	<p>Registration is done to ensure that Council's services are protected within the servitude areas as the servitude gives the legal right to the Council to use the servitude areas for its services. This enables the Council to provide services to new property developments. It is during these developments that the servitudes are registered.</p>
<p><b>The transfer of 1 Property registered for Roads, Park and other Municipal purposes</b></p>	<p>To ensure that there are adequate public open spaces for the citizens of Johannesburg for recreational purposes as well as for service delivery</p>	<p>Without the transfer of land to the CoJ for park purposes, public open spaces would be inadequate. Land is also required for service delivery, such as for roads.</p>
<p><b>3 Notarial Ties registered</b></p>	<p>To ensure that two or more private properties are tied together to be regarded as one for development purposes</p>	<p>Development purposes</p>

### Section 1.3: Informal Trading

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

JPC is embarking 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 March 2020, the Informal Trading Unit has performed fairly well in achieving 90% collection rate towards the annual target of R7.1 million. JPC billed R10 055 156 for the Stalls and Shops that are occupied by Traders of which R6 448 917 has been collected.

The table below depicts the summary of the income collected for the third Quarter of the 2019/20 financial year. The targets have been exceeded monthly.

### KPI: RAND VALUE OF INCOME RAISED FROM LEASES

KPI	Quarter 1	Quarter 2	Quarter 3
Quarterly target	R1 775 001	R1 775 001	R1 775 007
Quarterly collected	R2 033 095	R2 105 560	R2 310 262
Target	<b>R7 100 000</b>		
Total achieved	<b>R6 448 917</b>		
Percentage target reached	<b>90.83%</b>		

The income collected per facility including advertising and promotions for quarters 1, 2 & 3 for the 2019/20 financial year are tabled below. There has been an increase in the income collection in comparison to the first and second quarters.

INCOME COLLECTED				
	FACILITY NAME	Q1	Q2	Q3
1	Metro Mall and Bree Taxi Rank	1 055 855	1 451 288	R1 278 784
2	Advertising & Promotions	268 066	178 681	R229 117
3	Fleet Africa	123 570	122 821	R245 517
4	Kliptown Informal & Formal Shops	105 431	78 838	R87 020
5	Streets Traders	74 436	53 748	R94 802
6	Hillbrow	44 294	22 083	R40 276
7	Various Formal Traders	17 000	16 000	R20 000
8	Yeoville	46 530	58 858	R64 932
9	Fordsburg	152 034	69 365	R148 044
10	Bara & Formal Shops	11 038	14 134	R34 834
11	Jeppe	7 090	8 555	R26 156
12	Lenasia	8 760	6 920	R7 130

INCOME COLLECTED				
	FACILITY NAME	Q1	Q2	Q3
13	Faraday Formal & Informal	9 234	7 904	R10 124
14	Doornfontein	3 090	2 900	R500
15	Rosebank	2 310	1 890	R3 270
16	Big Ben	600	480	R600
17	Kwa Mai	1 494	2 176	R3 294
18	Midrand	1 230	8 920	R15 864
	<b>TOTAL</b>	<b>1 932 062</b>	<b>2 105 560</b>	<b>2 310 262</b>

**FORMALIZATION OF APPROXIMATELY 1930 OR MORE LEASES**

It was projected that JPC will renew approximately 1446 informal trading leases by the third quarter of the 2019/20 financial year. This target has not been achieved, however the reports are in process of being submitted to the Executive Adjudication Committee in line with Municipal Asset Transfer Regulations of 2008. We are expecting most of the leases to be approved in the fourth quarter.

DELIVERABLE	OUTPUTS	PROGRESS TO DATE
Verification of traders	Verification form signed by Stall owner, JPC Official, The Committee and DED official Copy of ID and proof of address	The following are completed: Big Ben, Midrand, Fordsburg, Zandspruit, Jeppe, Doornfontein, Diepsloot and Rosebank The following sites are planned for verification this week; Bara, Hillbrow, Roodepoort
Valuation report	Valuer has been appointed to do valuation of stalls	5 Valuations completed to date – Midrand Randburg, Diepsloot, Big Ben and Zandspruit
EAC Reports	Copy of ID, Proof of Address, Valuation is attached	35 Reports ready for EAC
Lease agreement	Copy of ID, Proof of Address, the amount determined as per valuation, EAC Minutes and Take on form	No lease signed to date

Facility name	Site visit	No of traders verified	No of traders compliant	No of traders not compliant	EAC reports in progress awaiting valuation information	Valuation Reports completed	EAC reports completed	EAC reports approved	Leases concluded

Bryanston (Big Ben)	√	14	7	7	0	√	6	0	0
Midrand	√√	32	19	13	11	√	16	0	0
Fordsburg	√	103	46	57	24		0	0	0
Zandspruit	√	12	3	9	0	√	3	0	0
Jeppe	√	54	21	33	0		0	0	0
New Doomfontein	√	12	5	7	0		0	0	0
Diepsloot	√	20	5	15	0	√	5	0	0
Rosebank	√	8	5	3	0		0	0	0
<b>TOTAL</b>		<b>255</b>	<b>111</b>	<b>144</b>	<b>35</b>		<b>30</b>	<b>0</b>	<b>0</b>

**CREDIT CONTROL AND VERIFICATION MEASURES INITIATED**

Stringent credit control measures were instituted in the period under review, which were kick started at Metro Mall and Bree Street transport facilities as these are the most strategic facility that has a daily commuting population of approximately 800 000 commuters per day. The credit control measures were combined with the roll out of by-law enforcement operations that involved JMPD, EMS, CRUM, CITY POWER and SAPS. The impact of this operation was an increase of the revenue collected compared to the 1<sup>st</sup> and 2<sup>nd</sup> quarters.

**CAPEX SPEND**

The capital budget of R36 million has been allocated for the revitalization of the shops in the Metro Mall redesign of the waste management areas. Phase 2 will be the upgrading of the Fordsburg stalls and upgrading of the Hillbrow Transport Facility.

The table below reflects the progress to date on Capex Projects:

NAME OF FACILITY	BRIEF DESCRIPTION OF WORKS	START	END	CAPEX BUDGET	Progress to date
Informal Trading Facilities	Revamping of the Informal Trading Stalls within the Inner City : Fordsburg Market phase 2	OCT 2019	30 June 2020	R10 Mil	Site briefing took place on the 13 March 2020, closing on the 31 March 2020.
Hillbrow Market	Upgrading of the Hillbrow Public Transport Facility and taxi rank upgrade JOHANNESBURG F Ward	OCT 2019	MAY 2020	R1.0 Mil	BAC approved the RFQ on the 12 March 2020. Service provider was appointed On the 12 March 2020 and site hand over on the 16 March 2020. Project to be completed on the 15 May 2020.



<b>Metro Mall Tax rank(Formal &amp;Informal trading shops)</b>	Metro mall Taxi Rank Shop Revitalisation and Waste Management Area Redesign	OCT 2019	JUNE 2020	R25 Mil	Appointment has been completed. The Service provider is currently on site.
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**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 unit employs a Development Facilitation process to create these assets in terms of which land is packaged and prepared for development by JPC and development is undertaken by third parties procured in terms of the MFMA and SCMPL. Development is undertaken based on a long term development lease creating annuity income from the City and at the expiry of the agreement, the city receives the improvement with no compensation payable by the City.

Projects are identified in advance to ensure a “pipeline” of development projects, which will deliver a smooth and reliable flow of development and development returns for the future. The “pipeline” is structured in four parts, which correspond to the four stages of the property development facilitation process.

- **Packaging:** This stage involves comprehensive technical, economic, legal and social investigation of the property, the development of a property plan for the property and securing approval from the COJ to develop and dispose of the property in terms of governing legislation (including the Municipal Finance Management Act)
- **Preparation:** Which includes obtaining all zoning rights and legislative approvals, determining servicing arrangements and initiating marketing and tenanting initiatives to ensure that property is “shovel ready” for development.
- **Procurement:** In terms of the COJs supply chain management policy and the prescriptions of the MFMA. The procure stage extends from the bid specification up to the date on which construction starts.
- **Construction:** Contract management and development facilitation

**Property Development Projects**

**Investment Attraction**

	QUARTER 1	QUARTER 2	QUARTER 3	YTD
<b>Riverside view</b>	R217.1 million	R172.2 million	R85 million	R474.3 million
<b>Jabulani Land Parcel K</b>	R0.00	R0.00	R35.8 million	R35.8 million

<b>Jabulani Crossing</b>	R0.00	R0.00	R25 million	R25 million
<b>Huddle Park</b>	R0.00	R0.00	R5.1 million	R5.1 million
<b>Jabulani Housing</b>	R0.00	R0.00	R119 million	R119 million
<b>TOTAL</b>	<b>R217.1 million</b>	<b>R172.2 million</b>	<b>R247.4 million</b>	<b>R636.7 million</b>

### ***Jabulani Housing Land Parcel K***

Despite the insufficient electricity supply, Jabulani Development Company (JabDevCo) has managed to secure electricity for the development of 1410 Community Residential Units (CRU) in partnership with the Gauteng Department of Human Settlement. The development cost is estimated to be R117 million. To date, the earthworks have been completed, contractor appointed and work commenced mid-March 2020.

### **Riverside View Mega Housing Development (Diepsloot Phase 1)**

**Property Description:** Portion 1 & 5&RE 388 JR

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 urban design framework was guided by the following key development principles:

- **Making connections:** This means connecting Diepsloot into the rest of JHB and connection the site into an urban network. In terms of the above JPC went out on tender for Portion 5, awarded to Valumax Northern Farms (Pty) Ltd & COJ for the following development:
  - ✓ High Density (Intensity) development: To maximise the use of strategically located land.
  - ✓ Mixed use development: To ensure vibrancy and sustainability
  - ✓ Mixed income development: To meet a wide range of housing demands and ensure that housing is delivered to poorer beneficiaries in a way that "helps people out of poverty".
- **Total Housing Mix**
  - ✓ 3113 Single residential GAP/FIISP UNITS
  - ✓ 4332 high density walk up RDP units
  - ✓ 2969 high density walk up Rental units.



- The total residential yield of 10 414 residential units will be delivered, which is expected to be completed 2022. The Anticipated delivery rate per annum over the development period will be:
  - ✓ 500 single residential GAP/FLISP units
  - ✓ 480 high density walk-up RDP units (12 Blocks)
  - ✓ 480 high density walk-up Rental units (12 Blocks)

#### Progress To-Date

- Housing units completed to date:
  - ✓ Single residential FLISP – 2360
  - ✓ Multi-storey Rental units – 457
  - ✓ Multi-storey RDP units – 1228
  - ✓ Total - 4045
- Housing units currently under construction:
  - ✓ Single residential FLISP – 588
  - ✓ Multi-storey Rental units – 0
  - ✓ Multi-storey RDP units – 1384
  - ✓ Total – 1972
- RDP units to be completed at end of March 2020 and 100 Flisp units.

#### Randburg Civic Precinct

The precinct is bordered by Jan Smuts, Selkirk Street and measure 8.28 hectares. The precinct development will create a projected number of 3 000 jobs and includes a vibrant mixed use development of Retail, Public transport interchange facility, Clinic, Public Library with an anticipated development cost of R1, 813 billion within a 5 – 10 year period. At the end of the financial year 2018/19, the bidding process was underway, and the award will be concluded. In the period under review the award was made by the EAC on the 5<sup>th</sup> September 2019 with an investment value of R1.86 billion including VAT. The contract has been finalised.

#### Soweto Gateway

The property is located at Chris Hani Rd (previously known as Old Potch Rd) in Soweto and measures 30, 5 hectares. The development, which will result in 7 000 jobs, will include 3366 mixed income residential units, 1 389m<sup>2</sup> of Public open space, 121 008 m<sup>2</sup> of retail space, 16 827 m<sup>2</sup> of educational space with an anticipated development cost of R4 billion. Township establishment application was submitted to COJ Planning for approval and the request for proposal for the development of the first portion of the site issued in the next reporting cycle. The Environmental Impact Assessment Report was submitted to GDARD. The RFQ for the development and long-term lease of the site was released on the 4<sup>th</sup> December 2019 and will close on the 14<sup>th</sup> February 2020.



### Riverside View

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

#### Transformation and empowerment plan and targets

- **Procurement of material supply:** Local business empowerment through procure a minimum of 15 % of material required through local suppliers;
- **A minimum of 30% of the project value** to be implemented through subcontractors from targeted groups; and
- There will be a structured approach to optimise local labour participation and facilitate skills development. **A dedicated skills training centre will be established on site to provide formal training to local labour.**
- **Local area spending** - It is the intent to maximise local economic multipliers by ensuring a pipeline of spending is directed at local businesses supplying goods and services to the project.
- **The plan is to create a local supplier base** that can competitively provide materials to the project. **Secondly, to support local contractors through the creation of on-site supply depots.**
- **Valumax is pledging to commit to a higher than required local material supply target of a minimum of 15% of total material required.** It is our commitment to include this target in our contract and furthermore is willing to provide a performance guarantee against this target;

We will know that material supply is one of the key challenges to emerging contractors. Having the right materials on site at the right time contribute to efficiency in construction and profitability. Failure to manage material supply is a key contributor to the high rate of failure experienced amongst emerging contractors. **For this reason, we aim to create a real support to local contractors by working with suppliers in establishing an on-site material supply depot through which contractors can be practically assisted in project managing their materials.**

#### Transformation through subcontracting

**Approach:** The Southern Farms development initiative is of a scale that it has the potential to create sustainable businesses in the construction sector. It is the aim of our JV to ensure that such businesses are realised through a subcontracting model that will ensure local construction businesses thrive.

**Plan:** We will put the following practical measures in place towards realising a high impact subcontracting model:

- Building a pre-qualified database of local contractors as a resource pool for main contractors to draw upon; and
- Put in place a procurement regime on the project that require and enforce a **subcontracting model that meets and exceeds targets for empowering local SMMEs to a minimum of 30% of construction.**
- Monthly compliance reports will also be provided to the JPC as per the requirements of the EPWP.

#### Local Labour Participation and Skills Development

**Approach:** Our JV appreciates the need to create employment through development, but also is committed to migrate people from unskilled, to semi-and skilled employability through training on projects. **We thus commit to the creation of direct construction employment opportunities for local labour, but also to commit to the development of such labour as part of our project roll-out.**

**Plan:** It is our aim to create a space for the intensification of local labour participation through the following:

- Consult democratically elected ward councillors, and ward committees of the wards within which the project area is situated, in order to involve the community wherever it is possible and practical.
- **The development implementation process will seek to optimise job creation, the employment of local labour and SMME's, as well as training and skills development where applicable and appropriate.** Although certain categories of employees are generally considered as being key-personnel (for example site agent, foreman, operators, etc. or certain sub-contractors who are specialist sub-contractors), training, development and employment will be provided to as many people from the local and surrounding communities as necessary to realise the deliverables of the project in terms of skills development and spending targets, delivery dates, budget and quality.
- A locally based organisation and/or Community Liaison Officer (CLO) will be included in the development team to manage the liaison with the community regarding local labour, local SMME procurement, and general communication normally associated with the developer. The locally based organisation and/or CLO should have an established network and knowledge of

the community structures at all levels. Their involvement as part of the team will assist with a proper flow of communication, with community involvement and to ensure that all decisions and processes are well understood. This is regarded as essential for the success of the project.

#### 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.

The RFPs for the development and long term lease of the following properties were released on the 04<sup>th</sup> December 2019 and will be closing on the 04<sup>th</sup> March 2020 and are currently undergoing Bid evaluation.

	RFP NUMBER	Project	Estimated Investment Value	Status as at 31 <sup>st</sup> March 2020
1.	RFP 106/2019	Erven 13, 14, 15 AND 16 Orlando Ekhaya	R800 million	RFP advertised on the 04 <sup>th</sup> December 2019 and closing on the 14 <sup>th</sup> February 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19
2.	RFP 109/2019	Soweto Gateway – Portion 159 of the Farm Diepkloof 319 IQ	R3.2 billion	RFP advertised on the 04 <sup>th</sup> December 2019 and closing on the 14 <sup>th</sup> February 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19
3.	RFP 108/2019	Watt Street Interchange	R1.1Billion	RFP advertised on the 04 <sup>th</sup> December 2019 and closing on the 14 <sup>th</sup> February 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19

	RFP NUMBER	Project	Estimated Investment Value	Status as at 31 <sup>st</sup> March 2020
4.	RFP 105/2019	Portion 6 of Erf 277 Johannesburg	R20 million	RFP advertised on the 04 <sup>th</sup> December 2019 and closing on the 14 <sup>th</sup> February 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19
5.	RFP 82/2019	Erven 346, 347, 348, 353, 354, 355 and 356 Johannesburg Rissik Street Post Office	R164 million	RFP advertised on the 15 <sup>th</sup> November 2019 and closing on the 31 <sup>st</sup> January 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19
6.	RFP 104/2019	Erf 841 Kew	R25 million	RFP advertised on the 04 <sup>th</sup> December 2019 and closing on the 14 <sup>th</sup> February 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19
7.	RFP 107/2019	Bara Corner Site	R100 million	RFP advertised on the 04 <sup>th</sup> December 2019 and closing on the 14 <sup>th</sup> February 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19
8.	RFP 83/2019	Portion 4 of Erf 1226 Fairland	R200 million	RFP advertised on the 15 <sup>th</sup> November 2019 and closing on the 31 <sup>st</sup> January 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the



	RFP NUMBER	Project	Estimated Investment Value	Status as at 31 <sup>st</sup> March 2020
				approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19
9.	RFP 85/2019	Erf 11900 Orlando West	R50 million	RFP advertised on the 15 <sup>th</sup> November 2019 and closing on the 31 <sup>st</sup> January 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19
10.	RFP 91/2019	Portion 246 and 247 of the Farm Braamfontein 53 IR	R500 million	RFP advertised on the 15 <sup>th</sup> November 2019 and closing on the 31 <sup>st</sup> January 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19
11.	RFP 90/2019	Erf 198 and 199 Suideroord	R40 million	RFP advertised on the 15 <sup>th</sup> November 2019 and closing on the 31 <sup>st</sup> January 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19
12.	RFP 103/2019	Portion 246 and 247 of the Farm Braamfontein erf	R260 million	RFP advertised on the 04 <sup>th</sup> December 2019 and closing on the 14 <sup>th</sup> February 2020. The bid closing date was extended to 05 <sup>th</sup> March 2020 in line with the approval obtained from City Manager. The bid evaluation process had commenced and was halted due to Covid19

**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. Services provided is of a project management nature which includes finalisation of a list of priorities for buildings/facilities to be maintained and fitted out, appointment of turnkey programme/project managers, facilitating communication and progress monitoring and reporting, finalisation of transactions up to payments and recovery from Departments.

**Planned Priority Projects: Public Safety**

EMS: Budget : R 45 423 000.00		
Project Name	Scopes/Descriptions of Works	Cost
Lonehill Fire Station	Repair, Refurbishments and alterations	Qs currently assessing site and compiling BOQs for departments approval
Midrand Fire Station		
Malvern Fire Station		
Brixton Ethics & Compliance		
Jabulani Fire Station and Be-Safe Centre		
Turffontein Fire Station		
Rietfontein Fire Station		
Fairview Fire Station		
Sandton Fire Station and Disaster Management		
Martindale Disaster Management Offices		
All Fire Stations		



<b>JMPD: Budget R 38 551 000.00</b>		
<b>Project Name</b>	<b>Scopes/Descriptions of Works</b>	<b>Cost</b>
<b>JMPD Martindale Head Office</b>	DCOP Fines and Administration ground floor office space partitioning	Qs currently assessing site and compiling BOQs for departments approval
	Routine maintenance, seal roof, skylight and paint concrete roof	
	Internal and external works at the canteen and kitchen	
	1 <sup>st</sup> floor Chief's, DCOP, Security Director, Clothing Store and Director Operations office space alterations	
	Vehicle parking markings and carport refurbishment	
	Outside boardroom and garden rehabilitation	
<b>Martindale</b>	Routine maintenance	
<b>Midrand</b>		
<b>Wemmer</b>		
<b>Fennel Street</b>		
<b>Veritas School</b>		
<b>Marlboro Offices</b>		
<b>JMPD Academy</b>	Routine Maintenance	
	Horse stables refurbishment	

<b>PUBLIC SAFETY HEAD OFFICE: Budget: R 85 482 000.00</b>		
<b>Project Name</b>	<b>Scopes/Descriptions of Works</b>	<b>Cost</b>
<b>e-Natis Regional Office</b>	Repairs, Refurbishment and Alterations	Qs currently assessing site and compiling BOQs for departments approval
<b>Martindale Bulk Centre</b>		
<b>Midrand MVRA DLTC</b>		
<b>Randburg MVRA</b>		
<b>Randburg DLTC</b>		
<b>Roodepoort MVRA</b>		
<b>Roodepoort DLTC</b>		
<b>Langlaagte MVRA &amp; DLTC</b>		
<b>Midrand MVRA &amp; DLTC</b>		
<b>IOC Martindale</b>		
	Lightening and Security ( Perimeter Fencing)	
	Air-con refurbishment	
	Block A, B and C repair and refurbishment	
	Compile a safety plan for Blocks A,B and C	

- No repairs and maintenances or CAPEX projects have been undertaken in the third 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.
- Only emergency work has been processed in the third quarter of the 2019/2020 financial year for EMS

**Planned Priority Projects**

<b>COMMUNITY DEVELOPMENT</b>			
<b>Region &amp; Ward</b>	<b>Facility</b>	<b>Preliminary Scope of works</b>	<b>Project Cost</b>
<b>A Ward 78</b>	Lord Khanyile Recreation Centre	Refurbish Offices, attend to electrical system, plumbing, painting	R 2 306 658.63
<b>A Ward 80</b>	Kanana Sports Ground	Refurbish ablutions and prepare grounds	R 1 629 712.63
<b>A Ward 110</b>	Halfway House Library	Refurbish Offices, attend to electrical system, plumbing, painting	R 754 705.80
<b>B Ward 117</b>	Parkhurst Recreation Centre	Painting, electrical, plumbing and roof repairs	R 3 219 516.95
<b>B Ward 69</b>	Westdene Recreation Centre	Repairs to electrical, plumbing and painting	R 3 749 714.51
<b>B Ward 88</b>	Blackheath Library	Repairs to electrical, plumbing and painting	R 394 219.04
<b>B Ward 87</b>	Emmarentia Library	Repairs to electrical. Plumbing and painting	R 510 650.89
<b>C Ward 101</b>	Olivedale Library	Repairs to electrical, plumbing and painting	R 1 508 170.65
<b>C Ward 70</b>	Cecil Payne Stadium	Repairs to structure, electrical, plumbing and painting	<b>Assessment and costing still to be finalised</b>
<b>D Ward 35</b>	Arthur Ash Tennis Courts	Refurbishments of courts, ablutions, repairs to electrical and plumbing and painting	R 4 649 836.35
<b>D Ward 28</b>	Diepkloof Zone 1 Tennis Courts	Refurbishments of courts, ablutions, repairs to electrical and plumbing and painting	R 2 456 289.03
<b>D Ward 39</b>	Ikhwezi Youth Club	Repairs to electrical, plumbing and painting	R 1 635 555.45
<b>D Ward 39</b>	Hector Pieterse Museum	Repairs to electrical. Plumbing and painting	R 2 755 786.75

<b>COMMUNITY DEVELOPMENT</b>			
<b>Region &amp; Ward</b>	<b>Facility</b>	<b>Preliminary Scope of works</b>	<b>Project Cost</b>
<b>D Ward 36</b>	June 16 Memorial Acre	Repairs to electrical, plumbing and painting	R 791 300.88
<b>D Ward 15</b>	Phiri Library	Repairs to electrical, plumbing and painting	R 1 214 406.00
<b>D Ward 22</b>	Pimville Recreation Centre	Repairs to electrical, plumbing and painting	R 4 039 562.36
<b>E Ward 105</b>	Alexandra Stadium	Repairs to ablutions, electrical, plumbing and painting	R 3 327 761.43
<b>F Ward 66</b>	Bertha Solomon Recreation Centre	Repairs to electrical, plumbing and painting and minor refurbishment	R 3 308 351.94
<b>F Ward 118</b>	Bez Valley Caravan Park	Repairs to ablution, electrical. Plumbing and painting	R 2 635 965.21
<b>F Ward 23</b>	Glenanda Library	Repairs to electrical, plumbing and painting	R 1 050 718.71
<b>F Ward 58</b>	22 Solomon Street LIS HO (Balance of works)	Repairs to roof, aircons, electrical and plumbing	R 1 536 510.00
<b>F Ward 67</b>	Yeoville Recreation Centre	Repairs to electrical, plumbing and painting and minor refurbishment	R 2 071 985.48
<b>G Ward 7</b>	Ennerdale Ext 1 Library	Repairs to electrical, plumbing and painting	R 471 840.03
<b>G Ward 9</b>	Lenasia Ext 1 Library	Repairs to electrical, plumbing and painting	R 788 365.44
<b>G Ward 3</b>	Orange Farm Library	Repairs to electrical, plumbing and painting	R 1 136 755.64
<b>G Ward 120</b>	Lenasia South Tennis Courts	Repairs to electrical, plumbing, painting and refurbish courts	R 3 199 749.93

The above projects have been commissioned at the end of the third quarter due to administrative issues such as finalizing of SLA, Bills of Quantities, and Payment of previous financial year debt to JPC being finalized.

In terms of revised procurement process that all works were advertised on the notice board for seven days in January 2020. These were presented to the JPC Bid Adjudication Committee for approval in March 2020 for appointment of contractors. Community participation is underway as contractors received appointment letters and it is envisaged that if all goes well during the public participation process works will commence in March/April 2020. Minor repair and maintenance works have been undertaken in the third Quarter.

<b>SOCIAL DEVELOPMENT PROJECTS</b>		
<b>Facility</b>	<b>Preliminary Scope of works</b>	<b>Project Cost</b>
<b>Rabie Ridge Skills Centre</b>	Repairs to electrical system, plumbing, painting	R 11 813.57
<b>Bophelong Skills Centre</b>	Repairs to electrical system, plumbing, painting	R 12 835.56
<b>Diepsloot Skills Centre</b>	Repairs to electrical system, plumbing, painting	R 5 527.50
<b>Cosmo City Skills Centre</b>	Repairs to electrical system, plumbing, painting	R 54 209.19
<b>Dan Street Shelter</b>	Repairs to electrical system, plumbing, painting	R 193 958.71
<b>Golden Harvest Rehab Centre</b>	Repairs to electrical system, plumbing, painting	R 212 840.74
<b>Tladi Skill Centre</b>	Repairs to electrical system, plumbing, painting	R 52 998.30
<b>Tladi Drug Treatment Centre</b>	Repairs to electrical system, plumbing, painting	R 33 914.65
<b>Phiri Elders Day Care Centre</b>	Repairs to electrical system, plumbing, painting	R 70 011.34
<b>Yetta Nethan ECD Training Facility</b>	Repairs to electrical system, plumbing, painting	R 245 653.26
<b>Jabavu Techno Hub</b>	Repairs to electrical system, plumbing, painting	R 34 355.23
<b>Pimville Skills Centre</b>	Repairs to electrical system, plumbing, painting	R 57 727.22
<b>South Hills Skills Centre</b>	Repairs to electrical system, plumbing, painting	R 16 121.23
<b>Bellavista Techno Hub Centre</b>	Repairs to electrical system, plumbing, painting	R 63 151.00
<b>Vlakfontein</b>	Repairs to electrical system, plumbing, painting	R 217 476.54
<b>Fine Town</b>	Repairs to electrical system, plumbing, painting	R 317 487.33
<b>Windsor</b>	Installation of Homeless Shelter Phase 1	R 997 476.40

In terms of revised procurement process that all works estimated above the R 200 000.00 threshold were advertised on the notice board for seven days in February 2020. These were presented to the JPC Bid Adjudication Committee for approval in March 2020 for appointment of contractors. Community participation is under way and appointment letters were issued to contractors and it is envisaged that if all goes well during the public participation process works will commence as from March/April 2020. Social Development has undertaken to project manage its projects until conclusion except for the Windsor Homeless Shelter where JPC will manage the project in conjunction with Social Development.

Housing Projects: Budget R91 896 000			
NAME OF THE PROJECT	LIST OF PROJECTS	BUDGET ALLOCATION	TYPES OF PROJECTS
<b>COJ HOUSING DEPARTMENT REFURBISHMENTS</b>	Stock - upgrading of flats and Old Age Homes	R80 000 000.00	Capex
	Helen Joseph Hostel		
	Diepkloof Hostel		
	Inner City Upgrading		
	Meadowlands Hostel		
<b>PUBLIC HOUSING</b>	Madala Hostel	R11 896 000.00 (Professional Fees Only)	
	Development of temporary emergency accommodation at Jeppestown		
	Development of temporary emergency accommodation at Moffat View		
	Development of temporary emergency accommodation at Wynberg		
	Feasibility study on Karsene Farm (Doomfontein)		
	Feasibility study on portion 278 of the farm Langlaagte		

No projects implemented thus far, as JPC has considered it a financial risk. For the past three years, JPC has had to use company’s overdraft facility to fund all the COJ Departments’ projects, as departments were not paying settling their debts with JPC.

In the past financial year (2018/19), JPC and the City departments had to add a clause in the SLA that Departments allowed R5million credit limit at a time. The clause further stipulates that JPC would only allow further credit provided, once the department settles the current balance of R5 million.

COJ Housing Department has signed acknowledgements of debts with JPC and the COJ Housing Department has now settled most of their debt and still has a settlement balance of R14.4 million.

- New SLA was signed
- Planned maintenance schedule was submitted to JPC
- Some procurement processes done, and the Department has now provided JPC with Framework Orders for their planned maintenance.
- Appointments of

The above process carried out once the COJ Housing Department settled their debt with JPC, appointments of projects would be done.

**Finance Projects**

No projects implemented thus far, as JPC has considered it a financial risk. For the past three years, JPC has had to use company’s overdraft facility to fund all the COJ Departments’ projects, as departments were not paying settling their debts with JPC. In the past financial year (2018/19), JPC and the City departments had to add a clause in the SLA that Departments allowed R5million credit limit at a time. The clause further stipulates that JPC would only allow further credit provided, until current balance R5million is settled by the department.

**Transport Projects: Planned Projects and Services**

The following are projects identified by the Transport Department but cannot be commenced with due to non-payment for works completed in previous years. As can be noted these project duration is 7 to 12 months and therefore the Department is at risk of not spending their allocated budgets.

PROJECT DESCRIPTION	BUDGET AVAILABLE	PROJECT DURATION	SLA STATUS
Repairs and maintenance of public transport facilities	R26,500,000	7 months	SLA still to be signed
Holistic maintenance of Rea Vaya stations	R12,000,000	12 months	Existing
Cleaning of Rea Vaya stations and various Public Transport Facilities	R30,000,00	7 months	SLA signed
Lease and Rental of Facilities	R6,000,000	12 months	Existing
Rehabilitation of Rea Vaya Stations	R38,000,000	12 months	Existing



## JPC Budget Expenditure Breakdown

Service Level Agreement	Project Description	Available Budget Per Project	Expected Brief Scope Delivery	Expected Completion Date	Expected Handover Date
Public Transport Facilities Repairs and Maintenance	Emergency Repairs for Metro Mall As per JPC and Transport Condition Assessments	R10million	<ul style="list-style-type: none"> <li>Plumbing</li> <li>Electrical</li> <li>Paving</li> <li>Cracks</li> <li>Miscellaneous</li> </ul>	22 May 2020	25 May to 29 May 2020 Public Transport
Public Transport Facilities Repairs and Maintenance	Technical Structural Integrity Condition Assessment Approved by Maycom.	R4million	Structural Integrity Testing and Recommendations: <ul style="list-style-type: none"> <li>Soil Testing</li> <li>Concrete slabs</li> <li>Columns Pressure</li> <li>Density and Capacity</li> <li>Miscellaneous</li> </ul>	16 May 2020	18 May to 23 May 2020 Public Transport
Public Transport Facilities Repairs and Maintenance	Soft Emergency Repairs at Various Facilities	R2million	Emergency Repairs: <ul style="list-style-type: none"> <li>Plumbing</li> <li>Electrical</li> <li>Equipment</li> <li>Structural</li> </ul>	30 June 2020	Continuous
Public Transport Facilities Specialised Cleaning including Skip Bins	Deep Cleaning Sanitization of various facilities including deployment of Skip Bins	R4million	Specialised Cleaning: <ul style="list-style-type: none"> <li>Pest Control</li> <li>Fumigation</li> <li>Extraction and Disposal</li> <li>Skip Bins</li> <li>Gutter Cleaning</li> </ul>	30 June 2020 And continuous from 1 July 2020 onwards as per SLA duration	Continuous

## Health Department Projects

No projects implemented thus far, as JPC has considered it a financial risk. For the past three years, JPC has had to use company's overdraft facility to fund all the COJ Departments' projects, as departments were not paying settling their debts with JPC. In the past financial year (2018/19), JPC and the City departments had to add a clause in the SLA that Departments allowed R5million credit limit at a time. The clause further stipulates that JPC would only allow further credit provided, until current balance R5million is settled by the departments owing.

### Economic Department Projects

Planned Priority Projects Budget: R 4 398 000			
PROJECT DESCRIPTION	BUDGET AVAILABLE	PROJECT DURATION	SLA STATUS
<b>Establishing Opportunity Centres:</b> <ul style="list-style-type: none"> <li>• Joburg Market (Space previously utilized by First National Bank (FNB) (Region F); and</li> <li>• Opportunity Centre at Eldorado Park Multi-Purpose Centre (Region G)</li> </ul>	R 4 398 000.00	3 months	SLA Signed  Condition Assessment and BOQ approved by DED.  Completed by 24 April 2020
<b>Refurbishment:</b> <ul style="list-style-type: none"> <li>• Office space for the Department of Economic Development (66 Jorissen Place) and the Tourism Directorate offices located in Sandton Library offices.</li> </ul>		3 months	SLA Signed  Condition Assessment and BOQ approved by DED.  Completed 30 June 2020

### JPC Planned Projects: Capex Projects

The following reflects the various projects to be undertaken at Markets, Transport Facilities and Public Conveniences.

PROJECT DESCRIPTION	BUDGET AVAILABLE	PROJECT DURATION	SLA STATUS
<b>Fordsburg Linear Market (Phase two)</b> Re-Designing and Construction of the Fordsburg Linear Market (Phase two) being the refurbishment of the public convenience, additional roof and to ensure that the train restaurant area and the entire market also comply with the Environmental Health.	R10 Million	3 months	✓ N/A JPC Project ✓ JPC Project ✓ RFP13/2020 was advertised on the 28/02/2020 and closing on the 31/03/2020. The Implementation starts from 06 April 2020 ends 30 June 2020
<b>Public Conveniences New Public toilets JOHANNESBURG</b> Ward F	Four sites have been identified around Noord Street within the Linear markets	3 months	✓ N/A – JPC PROJECT ✓ Service provider appointed and currently on site. ✓ Completed by 29 May 2020.
<b>Metromall Taxi Rank Shop Revitalisation and Waste Management Area Redesign</b>	R25million	4 months	✓ N/A – JPC PROJECT ✓ Project Manager and Main-contractor appointed ✓ Completed by 30 June 2020
<b>Upgrading of the Hillbrow Public Transport Facility and taxi rank</b>	R1 080 000.00	2 months	✓ N/A – JPC PROJECT ✓ Project Manager appointed and has completed the development

PROJECT DESCRIPTION	BUDGET AVAILABLE	PROJECT DURATION	SLA STATUS
upgrade JOHANNESBURG F Ward			of BOQ and condition assessment report. ✓ RFQ advert to appoint a sub-contractor was released on the 27 February 2020 and is closing 10 March 2020. Sub-contractor appointed 12 March 2020 ✓ Completion by 15 May 2020

Fordsburg Market Phase 1 Pictures



Fordsburg Market Phase 2 Look and Feel





### Insourced Cleaning

In respect of the challenges faced with the decision to insource cleaning services JPC has managed to find means to accommodate the employees with basic tools of trade, materials and protective wear at a very short space of time. The shortened working day also poses a challenge in that complaints of deteriorating conditions at buildings and facilities and this has been addressed by converting the four (4) hour working hours to eight (8) working hours.

Whilst JPC managed to deal with the provision of materials and basic tools of trade equipment is still to be purchased and distributed. The bidding process to acquire such is currently underway.

Going forward the tools of trade and materials requirements are being refined to determine requirements for various facilities requirements, a skills development plan, induction plan is being developed to improve efficiencies. Further JPC has had the co-operation of departments to manage the cleaning operations and personnel at their workplaces. JPC will endeavor to capacitate its Cleaning Management Structure as soon as possible, depending on the availability of funds.

### Project Risks

- Departments owing JPC on previous works executed on their behalf and if these are not settled, no works would be undertaken;
- JPC now advertising all projects on the notice board for proposals/quotes for a period of two weeks where after evaluations and adjudication would take place adding at least another two weeks;
- Appointments and consultations with Contractors having to be finalized over a week;
- Commencement of a public participation process which can take up to 4-6 weeks depending on the availability of Department, Regional representation and Councillors;
- The fact that these projects are still be placed on the notice board; and
- The fact that all projects are to be completed by end April each year as per directive of the CFO;

Therefore 10 weeks are required for before any works is undertaken on sites. Given that Departments have settled their debts, advertisements are placed on the board when builders return on 7 January 2020, ten weeks will mean that Contractors can be on site at the earliest on 17 March 2020 with 6 weeks to complete the projects. These timelines have been affected by the implications of the national wide lockdown.

## Section 1.6: Outdoor Advertising Portfolio

### Summary of progress on the implementation of the masterplan

The revenue collected from outdoor advertising leases is R24 million against the budgeted revenue of R27.5 million for the period ending March 2020.

Although JPC obtained EAC approval for awards to ten (10) media companies for transitional lease agreements for a 36-month period, contracts can only be finalised upon the approval of the ED: Development Planning of CoJ owned sites awarded.

The Department achieved 15% of the implementation of the masterplan in the quarter under review. The cumulative achievement to date is therefore 30% for the financial year under review.

As per the implementation plan for the masterplan, the following achievements pertains:

- **5% Achieved relating to the Development and Implementation of a Media Plan or Strategy:**
  - a). Media strategy or plan approved by the CEO for implementation effective January 2020.
  - b). Meetings were held with Taxi Associations (Minutes attached as evidence)
  - c). Media statement have been circulated to various media houses and a report in this regard is pending and will be submitted as consolidated in the next quarter.
  
- **5% Achieved relating to Street Furniture Programme (New Business Development):**
  - a). Council approval obtained to issue a competitive bidding process for the development of Street Furniture;
  - b). Terms of Reference approved by the Accounting Officer (CEO: JPC).
  
- **5% Achieved relating to Development of a Revenue Model for Outdoor Advertising**
  - a). Terms of Reference approved by the Accounting Officer (CEO: JPC)

### Current challenges and mitigation

During midterm it was reported that an Ad Hoc Committee was set up to undertake due diligence and assess all declarations received to make recommendations 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.

Initially JPC targeted to have finalized contracting in January 2020 but the work of the AD Hoc Committee has been delayed as the TOR had to be amended and properly aligned with the approved Transitional approval by Council. Also, at its first meeting held in February, the Committee resolved to allow the CoJ Project Manager to finalize site inspections in order to submit reports per street or area. This will enable the Committee to make a determination of how to prioritize the phasing out of illegality in order to enable



the ED: Planning to grant conditional approvals and timelines for compliance. The Committee's view is that this will make a difference in each area over the next year and beyond.

Secondly, the new By-laws, were set aside by the High Court in February 2020. The court judgement was scathing on the lack of adequate public participation as it may seem that the City 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 still, at the end, the by law may 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 addition, 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.

**In order to achieve the remaining 20% relating to the masterplan, the following deliverables are mandatory for the last quarter, that is:**

- a). *Obtain Council approval for the declaration of a moratorium and to undertake public participation for the masterplan ad or the bylaws;*
- b). *Obtain Council approval for digital advertising in the City in order to prepare for a tender process so as to phase in this portfolio and cushion revenue loss for the City while illegality is being removed;*
- c). *Hold an Outdoor Advertising Indaba and other conferences with various stakeholder to facilitate robust discussions focusing on the legal framework (New Bylaws and the Masterplan) and obtain general consensus on a way forward to improve the value of the sector for all;*
- d). *Obtain approval in terms of Section 8(1) j of the 2009 By laws as delegated to the ED: DDP in order to finalise the contracting and for CoJ to benefit from the 50% of turnover rentals;*
- e). *Issue tender adverts for Street Furniture and development of a Revenue Model for the masterplan; and*
- f). *Obtain approval and sig off of the 1<sup>st</sup> phase of the Revenue model for the masterplan*

### 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

Following the award of 27 developments to various private entities for development, JPC has had ongoing engagements with various stakeholders (i.e. developers, Ward Councillors, CoJ Development Planning Department, CoJ Housing etc.).

JPC has continued to engage the aforementioned stakeholders to ensure the seamless execution of the below mentioned outcomes:

- Project Programmes (which encompasses obtaining development rights, construction start and end date, etc.),
- Decanting of properties and provision of Temporary Emergency Accommodation (TEA),
- Strategic work packages, which developers will implement to meet Transformation/SMME targets (i.e. 30% SMME Target).

#### Phase 3A (17 development opportunities consisting of 70 city-owned Properties in Orange Grove)

Progress was also seen in Phase 3 of the Inner city Rejuvenation Programme. Ultimately, following Evaluation 11 Developments consisting of 55 properties were recommended and approved by the City Manager in October 2019 (quarter 2). Moreover, draft development leases have been shared with the awarded developers and it is envisaged that following the conclusion of the necessary negotiations all lease agreements will be finalised in Q3.

#### Phase 3B re-advertised city owned properties

The previous quarter of the current financial year (2019/20), 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. Furthermore, the release of these properties was followed by a series of non-compulsory briefings in quarter 3, which were held on **10 January 2020** and **17 January 2020**, respectively.

The tender for the abovementioned properties was initially scheduled to close on 07 February 2020, however, prior to tender closure JPC received numerous requests for extension of the closing date.

- Developers sited the need for an extension in order to address funding issues and
- Developers requested additional time to ensure that they could submit compelling proposals to the City.

The request for an extension was escalated to the City Manager and subsequently approved. Furthermore, below is a proposed schedule indicating post tender closure undertakings:

Schedule	
Activities	Date
Tender Close	6 March 2020
Pre-screening	18 - 20 March 2020
Bid Adjudication	23 - 31 March 2020
Submission for EAC Screening	13 April 2020
EAC Advert	17 April 2020
EAC	24 April 2020

**Inner City Rejuvenation Programme: Way forward**

Currently, an acquisitions report has been finalised and a block-by-block approach has been outlined as the befitting strategy to undertake development within the city. Ultimately through the block-by-block approach we seek to achieve some of the city's non-negotiable objectives of creating a safer city and building cohesive communities.

**Example of Block 1 Identified for possible acquisition**



The following Committee meetings have been earmarked for the submission of the report.

Schedule for Report submissions	
Committee Meeting	Date
Economic Growth Technical Cluster	13 March 2020
Economic Growth Sub Mayoral	22 April 2020
Mayoral	11 May 2020
Section 79	2 June 2020
Council	11 June 2020



**Phase One: Development Opportunities Awarded**

Phase One: Development Opportunities Awarded			Developer awarded	Projected date for approval of Development Rights	Projected SDP approval date	Projected Building Plan approval date	Projected Construction Commencement	Projected Practical Completion	Comments
No.	RFP	Property							
1.	12/2017	Erf 5216 Johannesburg	EGC Properties	N/A	2020/02/28	2020/03/31	2020/05/30	2021/03/30	TAA Planning: 2 months TAA Completion: 6 months
2.	20/2017	Erf 170 Newtown	Brickfields	-	-	-	-	-	-
3.	23/2017	Erf 4956 Johannesburg	EGC Properties	N/A	2020/02/28	2020/03/31	2020/05/06	2021/03/30	TAA Planning: 2 months TAA Completion: 6 months

Projections are subject to approval of rezoning/SDP/Building Right applications

**Phase Two: Development Opportunities Awarded**

Phase Two: Development Opportunities Awarded			Developer awarded	Projected date for approval of Development Rights	Projected SDP approval date	Projected Building Plan approval date	Projected Construction Commencement	Projected Practical Completion
NO.	RFP	Property						
1.	23/2018	Erf 2252 Johannesburg	Brickfields	2020/04/30	2020/05/30*	2020/06/30	2020/07/31	2021/07/31 (12 months)
2.	26/2018	Erven 1633, 1638, 1638, 1639 & 1640 Johannesburg	Mitzet	N/A	2020/04/30	2020/05/31	2020/06/30	2021/12/01 (18 months)
3.	29/2018	Erven 326 & 327 Berea	Mitzet	N/A	2020/04/30	2020/05/31	2020/06/30	2021/12/01 (18 months)
4.	30/2018	Erven 171 – 178 Marshalls Town	Nthwese Developers	2020/05/20	2020/06/30	2020/07/31	2020/08/31	2021/08/31 (12 months)
5.	31/2018	Erf 5100 Johannesburg	Pace	-	-	-	-	-
6.	32/2018	Erf 1015 City and Suburban	Instratin	N/A	2020/02/28	2020/03/31	2020/05/31	2022/05/31 (24 months)



Phase Two: Development Opportunities Awarded			Developer awarded	Projected date for approval of Development Rights	Projected SDP approval date	Projected Building Plan approval date	Projected Construction Commencement	Projected Completion	Practical
NO.	RFP	Property							
7.	33/2018	Erven 3807 & 3808 Johannesburg	Phahamo	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2022/02/28 (18 months)	
8.	34/2018	Remainder and Portion 1 Erf 2862 Jeppes Town	Mlizet	N/A	2020/04/30	2020/05/31	2020/06/30	2021/12/01 (18 months)	
9.	35/2018	Erven 2146 – 2149 & 5075 Johannesburg	Instratin	N/A	2020/02/28	2020/03/31	2020/06/30	2021/10/30 (16 months)	
10.	36/2018	Erf 35 Salisbury Claims	Instratin	N/A	2020/02/28	2020/03/31	2020/06/30	2022/12/01 (30 months)	
11.	37/2018	Erven 637 – 639 & 652 – 654 Vrededorp	Izicwe Consulting	2020/03/31	2020/04/30	2020/05/31	2020/06/30	2021/06/30 (12 months)	
12.	42/2018	Erven 381, 396 – 399 & 401 Vrededorp	Izicwe Consulting	2020/03/31	2020/04/30	2020/05/31	2020/06/30	2021/06/30 (12 months)	
13.	43/2018	Erven 225 & 226 Vrededorp	Izicwe Consulting	2020/03/31	2020/04/30	2020/05/31	2020/06/30	2021/06/30 (12 months)	
14.	44/2018	Erven 235 – 240 Vrededorp	Izicwe Consulting	2020/03/31	2020/04/30	2020/05/31	2020/06/30	2021/06/30 (12 months)	
15.	46/2018	Erven 495 – 501 & 516 Vrededorp	Izicwe Consulting	2020/03/31	2020/04/30	2020/05/31	2020/06/30	2021/06/30 (12 months)	
16.	47/2018	Erven 3545, 3546, 3547, 3548, 3549, 3550 & 3551 Johannesburg	Instratin	N/A	2020/02/28	2020/03/31	2020/06/30	2021/10/31 (16 months)	
17.	48/2018	Remainder of Portion 260 of Farm Doornfontein 92IR	JM Corporate	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2022/07/31 (24 months)	
18.	50/2018	Erven 76, 79 & 80 Woluter	EGC Properties	N/A	-	-	-	-	
19.	51/2018	Erven 105, 106, 109, 110, 111 & 112 Fairview	JM Corporate	2020/04/30	2020/05/31	2020/06/30	2020/09/30	2022/09/30 (24 months)	





Phase Two: Development Opportunities Awarded			Developer awarded	Projected date for approval of Development Rights	Projected SDP approval date	Projected Building Plan approval date	Projected Construction Commencement	Projected Completion	Practical Completion
NO.	RFP	Property							
20.	52/2018	Erven 149, 153, 155, 157, 158, 159 Fairview	JM Corporate	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2022/07/31	(24 months)
21.	53/2018	Erven 139, 140, 142, 144, 147 Fairview	JM Corporate	2020/04/30	2020/05/30	2020/06/30	2020/07/31	2022/07/31	(24 months)
22.	54/2018	Erven 43, 44, 91, 92 Yeoville	Bayete Capital	N/A	2020/01/31	2020/02/28	2020/06/24	2021/12/24	(18 months)
23.	55/2018	Erf 383 Yeoville	Bayete Capital	N/A	2020/01/31	2020/02/28	2020/06/24	2021/12/24	(18 months)
24.	56/2018	Erf 658 Yeoville	JM Corporate	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2022/07/30	(24 months)

Projections are subject to approval of rezoning/SDP/Building Right applications

Phase Three: Development Opportunities Awarded

No.	Phase Three: Development Opportunities Awarded		Developer awarded	Projected date for approval of Development Rights	Projected SDP approval date	Projected Building Plan approval date	Projected Construction Commencement	Projected Practical Completion
1.	33/2019	Erven 1, 3, 5 Orange Grove	Stephen Nale	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/02/28 (9 months)
2.	34/2019	Erven 14, 17, 18, 19, 20, 21, 22, 23, 24, 26, 28, 29 Orange Grove	Stephen Nale	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/08/31 (13 months)
3.	35/2019	Erven 31, 32 Orange Grove	Planet Earth Properties CC	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/07/31 (12 months*)



No.	Phase Three: Development Opportunities Awarded		Developer awarded	Projected date for approval of Development Rights	Projected SDP approval date	Projected Building Plan approval date	Projected Construction Commencement	Projected Practical Completion
4.	36/2019	Erven 35, 36, 37, 39, 40, 42 Orange Grove	Morei Matjie & Associates	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/07/31 (12 months*)
5.	37/2019	Erven 45, 46, 47, 48 Orange Grove	Stephen Nale	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/02/28 (9 months)
6.	38/2019	Erven 151, 152, 153 Orange Grove	IKG	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/07/31 (12 months*)
7.	39/2019	Erven 201, 202 Orange Grove	Stephen Nale	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/08/31 (13 months)
8.	40/2019	Erven 227, 228, 229 Orange Grove	Stephen Nale	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/08/31 (13 months)
9.	41/2019	Erven 245, 247, 249, 251, 253 Orange Grove	Stephen Nale	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/08/31 (13 months)
10.	48/2019	Erven 326, 327 Rem/328,329 Houghton Estate	Pace	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/07/31 (12 months*)
11.	49/2019	Erven 300, 301, 302, 303, 304, 305, 332, 333, 334, 335, 336, 337 Houghton Estate	Peu Ya Africa	2020/04/30	2020/05/31	2020/06/30	2020/07/31	2021/07/31 (12 months*)

Section 1.8: Marketing & Communications

Marketing: Brand/Event Management

- a) **JITI Video:** A multimedia video has been commissioned to showcase and invite bidders to submit proposals for the management of the Johannesburg International Transport Interchange (JITI). The video production has been concluded.
- b) **Wellness Walk Posters:** JPC employees participated in a wellness event which promoted health and wellness of employees. More events are planned ensuring that health and fitness is maintained by employees.
- c) **Website:** The JPC internet website was updated with the revised City of Johannesburg (CoJ) brand identity confirming the aspirational logo of the CoJ which now incorporates the pay-off line “a world class African city”.
- d) **Staff Talk Newsletter:** The Staff Talk Newsletter was revised to improve the image using a new template. As a result the brand compliance guidelines were applied to this new template.
- e) **Outdoor Advertising:** The Outdoor Advertising Transitional Campaign, which comprises the implementation of the outdoor advertising masterplan and organising of an Outdoor Advertising Indaba so that the industry are consulted and the implementation of the plan can benefit both the City and the industry. Focus groups were considered as a build up towards the Indaba, which is postponed for now due to the outbreak of the Corona Virus and the lockdown under the disaster management act introduced by the President of South Africa.



JPC undertook a media campaign to create the awareness of the illegality taking place in the outdoor industry and actions/programs to be implemented to normalise the situation

Marketing and Communications Online Presence to External Clientele

JPC's performance was good for the measured period i.e. 01 January 2020 – 22 March 2020. There has been an increase in website metrics, compared to the previous period. Total sessions to the website increased by 71.94% compared to the previous period. Organic Search contributed the most amount of sessions to the website. Sessions from Organic Search was 31,012 which increased by 82.22%.

**Social Media Keywords:**

As illustrated in the image, the larger the words, the more these words are being engaged or searched. Words like “Available”, “Development”, and “Tender” etc. are often common words audiences associate with JPC on social media. The words RFP and Tender conversations were mostly referrals to the website.



**Public Relations and Media**

**Media Queries/Responses**

March 2020 - A response was provided to a media query which was raised by the North Eastern Tribune News (Caxton Group) pertaining to the Fairmount Sports Grounds and the Orange Grove properties planned development.

**Media Articles**

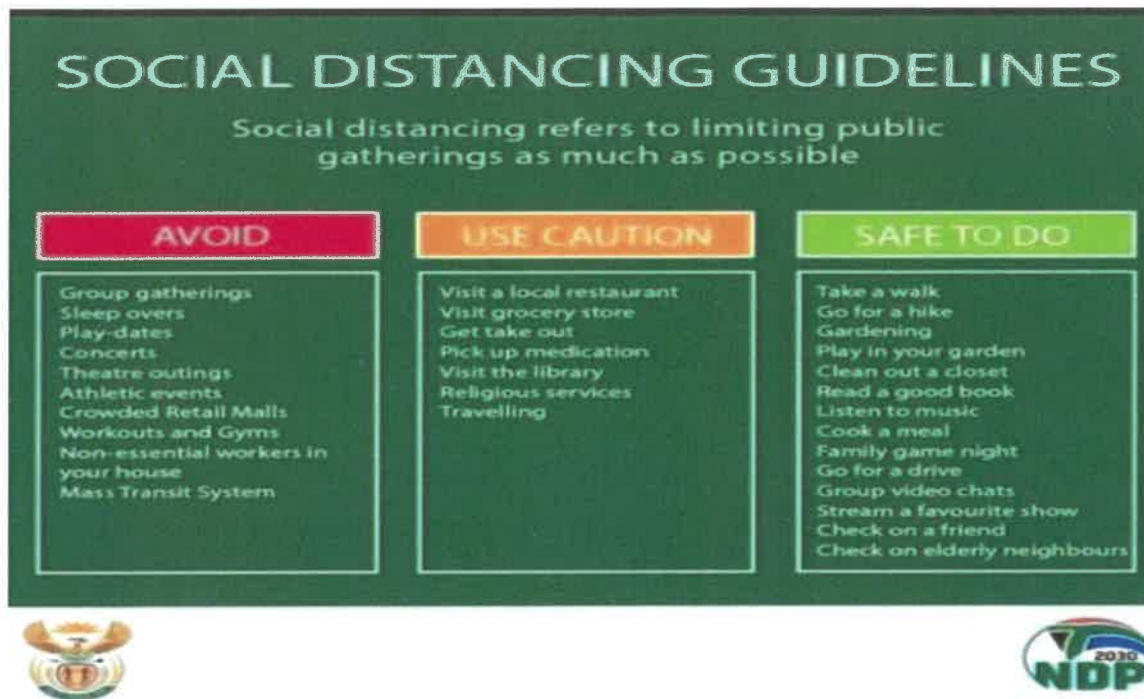
An Outdoor Advertising press release “CITY TO COLLABORATE WITH INDUSTRY TO TACKLE ILLEGALITY IN OUTDOOR ADVERTISING” was approved and released to the media.

Various interviews were requested with the JPC CEO, however, the Corona virus pandemic and the related demands took precedence. Various articles were written as follows:

- Portion 1 & 2 of Erf 89 7 Erf 87 Fairview
- The Orange Grove Properties
- Erf 776 Turffontein
- Rissik Street Post Office

The Fairview, Orange Grove and Turffontein articles pertained to the Inner City Requests for Proposals (RFP). The Rissik Street Post Office article related to the RFP for developers who would like to manage the facility and restore it to its former glory.

Internal Communications and the Intranet



**SOCIAL DISTANCING GUIDELINES**  
Social distancing refers to limiting public gatherings as much as possible

AVOID	USE CAUTION	SAFE TO DO
<ul style="list-style-type: none"> <li>Group gatherings</li> <li>Sleep overs</li> <li>Play-dates</li> <li>Concerts</li> <li>Theatre outings</li> <li>Athletic events</li> <li>Crowded Retail Malls</li> <li>Workouts and Gyms</li> <li>Non-essential workers in your house</li> <li>Mass Transit System</li> </ul>	<ul style="list-style-type: none"> <li>Visit a local restaurant</li> <li>Visit grocery store</li> <li>Get take out</li> <li>Pick up medication</li> <li>Visit the library</li> <li>Religious services</li> <li>Travelling</li> </ul>	<ul style="list-style-type: none"> <li>Take a walk</li> <li>Go for a hike</li> <li>Gardening</li> <li>Play in your garden</li> <li>Clean out a closet</li> <li>Read a good book</li> <li>Listen to music</li> <li>Cook a meal</li> <li>Family game night</li> <li>Go for a drive</li> <li>Group video chats</li> <li>Stream a favourite show</li> <li>Check on a friend</li> <li>Check on elderly neighbours</li> </ul>

Both the intranet and the internal communications email platform are user-friendly communications mediums of engagement for staff. Approximately 18 employee and City of Johannesburg related communiques were released via the Internal Communications email platform including the global pandemic updates of COVID-19.

The intranet spoke to exciting topics including the MMC of Economic Development, Councillor Lloyd Phillips visiting the JPC, the JPC Health Awareness Walk and numerous vacancies that were advertised for positions across the company.

● Announcements

MMC Lloyd Philips Visits the JPC



On 13 February 2020, the JPC's Executive and Extended Executive Team hosted, at Braam Park, the City of Johannesburg's new Member of the Mayoral Committee for Economic Development, Councillor Lloyd Phillips

The corporate spectrum...

[▶ Read more](#)

● News & Events

2020 JPC HEALTH AWARENESS WALK - 21 FEBRUARY

Let's Go on a JPC Health Awareness Walk! As an Employee Health and Wellness initiative in collaboration with Human Capital Management, the CEO Ms Helen Botes, invites you to this exciting and beneficial exercise. Date: 21 Febru

[▶ Read more](#)



**Getting To Know You Newsletter**

The January Newsletter was comprised 8 staff profiles which focussed mainly on the new Cleaning Team that have been incorporated into the JPC Human Capital.



**The Zulu Princess with an Entrepreneurial Spirit**

**B**orn in Pretoria, Susan Mhembu is the second born and only daughter of three children. Susan regards herself as the princess in the family. She liked this as her second name is Makhosazane which means princess in Zulu. Her parents have always been so proud of her as their only daughter. Susan and her family unit spent their festive season with her parents as she believes that life is about making memories.



She remembers getting her way with everything. Her parents counted on her to always remember to be grateful.

Answers to life's challenges as she knows, fervently that God loves her.

**Staff Talk**

The following internal communications stories were written under for the aforementioned newsletter:

- MMC's Visit to JPC
- Rissik Street Post Office
- Orange Grove Properties
- Fairview Properties
- Erf 776 Turfontein
- 2020 Intern Intake
- CSI – Sanitary Pad Drive
- Employee Wellness Walk
- Earth Hour

**JPC Staff Talk**

**MMC Lloyd Phillips Visits the JPC**

On 13 February 2020, the JPC's Executive and Extended Executive Team, headed by Brown Park, the City of Johannesburg's new member of the Mayor's Committee for Economic Development, Councilor Lloyd Phillips, Councilor Prisoop previously served on the Section 79 Committee for Development Planning, as well as the Johannesburg Public Accounts Committee.

He brings with him years of community-based activism, serving the citizens of Johannesburg with passion and dedication in various capacities. Coming from humble beginnings in the townships of Soweto, Parkview, Hillbrow and other previously marginalized communities, Lloyd Phillips is also an entrepreneurial challenge facing society.

He wishes that Johannesburg should see a downturn in the rate of unemployment or how to curb unemployment.

His immediate goals include ensuring that township small, medium and Micro Enterprises (SMMEs) grow to become competitive, equitable to those operating in wealthier areas of Johannesburg. He will also sustain partnerships with the private sector to support his department in ensuring the success of SMMEs across the city.

JPC's CEO, Mr. Helen Botes and her leadership team, were pleased to have hosted our guests. They look forward to a productive visit and relationship ahead.

**President Ramaphosa emphasizes a R128 billion Public-Private Investment in Student Accommodation**

**ORANGE GROVE**  
City of Johannesburg

7 February to 6 March 2020 (10:30 Telkom)

This extension of the closing date allows developers to address funding issues with financial institutions. Secondly, the developers also requested an extension to ensure that their proposals are technically sound and meet the City's compliance requirements.

**Significance of Orange Grove Precinct**

The City of Johannesburg is a home to universities such as Wits, the University of Johannesburg and Unisa. Even though the institutions provide accommodation for

President Cyril Ramaphosa spent some time during the State of the Nation Address on Thursday, 13 February 2020 focusing on students and the challenges they

production, rail-freight branch lines, embedded electricity generation, municipal bulk infrastructure, and broadband roll-out," he says.



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

The Business Intelligence and Information Technology Unit is best described as the backbone to the JPC business because of its wide-scale use of computers, internet and telecommunications systems. Information Technology supports in managing, manipulating, storing, regaining, sharing/communicating and transmitting small, as well as large amounts of information/data conveniently, effectively and safely whilst ensuring business continuity in-line with corporate goals.

Besides making work more efficient to achieve business goals, the IT Unit can also assist the business in creating job opportunities for people through SMME's supported.

### INFORMATION TECHNOLOGY INITIATIVES

#### BUSINESS INTELLIGENT SYSTEM ROADMAP

In line with the City of Joburg, JPC has taken a strategic decision to leverage its investment in SAP solutions by implementing a consolidated and centralized Information, Communication and Technology (ICT) strategy for the entire City of Johannesburg, which aims to create a more efficient organisation. A mandate to promote the Smart City concept of transformation, growth, development and to ensure that all City of Joburg's Citizens derive sustainable benefit from technology development. The Information and Communication Technology's (ICT) goal is to align and support the City's strategic objectives, which is to realize optimum business value from ICT related investment services.

JPC has taken an approach of developing and implementing a business intelligent system that will include an internal and external component, which will be enclosed within one centralized information system:

- **Internal Component:** This component will include back office processing, specifically developed in-line with internal process, alignment with SAP S4Hana ultimately achieving business intelligence, modernizing and optimizing the way in which we do business.
- **External Component:** This component must be exposed to external stakeholders and citizens. The external component will be designed with the intent to support citizens with self-help services such as reporting incidents, online applications, applying for services and obtaining the JPC's information.

On the 17<sup>th</sup> March 2020, PIC Unit presented/outlined the Business Intelligent System Roadmap to JPC Executives as to acquire support and programme awareness, which was received positively and gained tremendous support from the Executives, the Roadmap focuses on the following:

- Business processes which are currently in JPC system and SAP S4Hana some will require optimization, digitalization and modernization.

- Business intelligence as one of the major quantitative tools in decision making.
- Process optimization as the discipline of adjusting a process to optimize some specified set of parameters.
- The most common goals are minimizing cost, accessibility to current information, improving turnaround times, accuracy of information, maximizing throughput and/or efficiency.

**Comparing Business Vs Functional System Requirements**

Business requirements relate to a specific need (JPC online application solution) that must be addressed in order to achieve an objective (single sign on (SSO)) opportunity which relates to business' objectives, vision and goals.

Functional requirements break down the steps needed to meet the business requirement or requirements:-

**JPC System Requirements Vs Functional System Requirements table as demonstrated below:-**

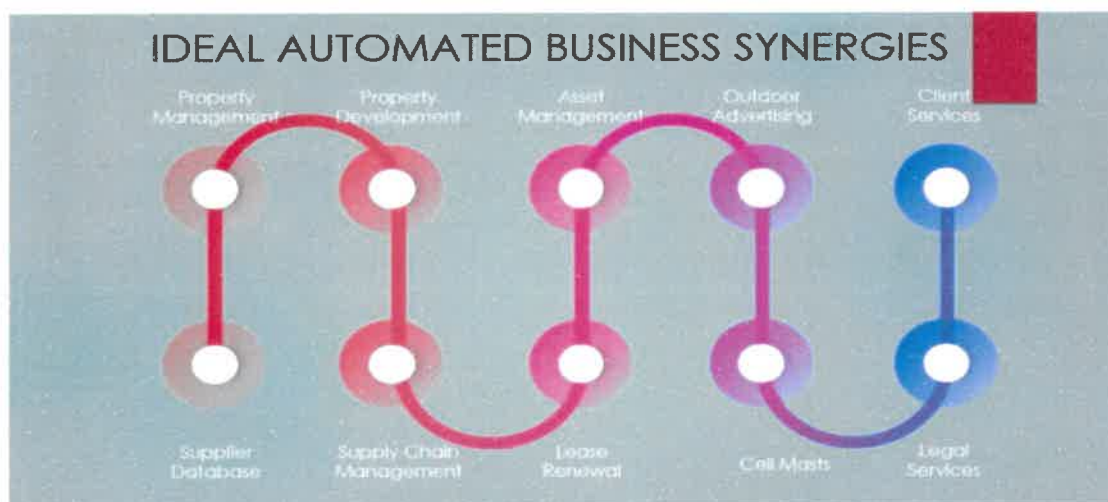
	SAP Functionality	JPC Functionality
Facility Management	√	√
Asset Management	√	√
Supply Chain Management	√	√
Supply Chain Management Panel Of Professionals		√
Supply Chain Management Advertising		√
Supply Chain Management Contracts		√
Supply Chain Management Tender Management		√
Supplier Database	√	√
Property Development		√
Property Management		√
Lease Management	√	√
Property Acquisition		√
Property Disposal		√
Servitude Registration		√
Outdoor Advertising		√
Key Accounts		√
Stakeholder Engagement		√
Service Provider Management		√
Client Services		√
Traders Management		√
Project Management	√	
Legal Services		√

	SAP Functionality	JPC Functionality
<b>Dashboard &amp; Power Apps</b>		
<b>Helpdesk</b>		
<b>Workflow</b>	√	√
<b>Integration</b>	√	√
<b>Documents and Records Management</b>	√	√
<b>IoT Integration</b>		√
<b>Mobile App Capability</b>		
<b>Web Capability</b>	√	
<b>Furniture and Equipment Management</b>	√	
<b>Space Management</b>	√	

### Ideal Automated Business Synergies

Business process reengineering (BPR) and systems reengineering (SR) are often implemented separately, thus, there is a need to create an integrated BPR and SR model as to fully achieve interoperability of the systems.

The integrated BPR and SR model as to fully achieve interoperability of the systems will yield the following benefits of process optimization:-



## Benefits of process optimization

- Eliminating Redundancies
- Streamlining Workflows
- Improving Communications
- Streamlined property pipe line
- Reduced Risk
- End to End Visibility
- Improved service delivery



Current progress on Business Intelligent Centralized information system

## Current progress on Business Intelligent Centralized information system

Initiative	Progress
Business/Functional Requirements	Road map has been established
Solution/Technical Architecture	Technology requirements have been specified
Management and Operations Architecture	Verification of process by process owners to kick off
Development	Appointment of service provider
Change Management	Appointment of service provider
Implementation and Training	Appointment of service provider

### Infrastructure, System Development and Software Progress



#### In summary

- Ensure maximized value on return of investment through the systems digitalization and modernization;
- Ensure citizens and staff derive sustainable benefit from Technology Development;
- Ensure that this transformation will improve customer experience;
- Provide significant ease of use and functionality to citizens and employees to complete tasks online; and
- Hence the decision to develop the roadmap for a centralized business intelligent system.

#### Digital Transformation

On top of the centralized information system we would like to achieve digital transformation, mobilising JPC's workforce through technologies:

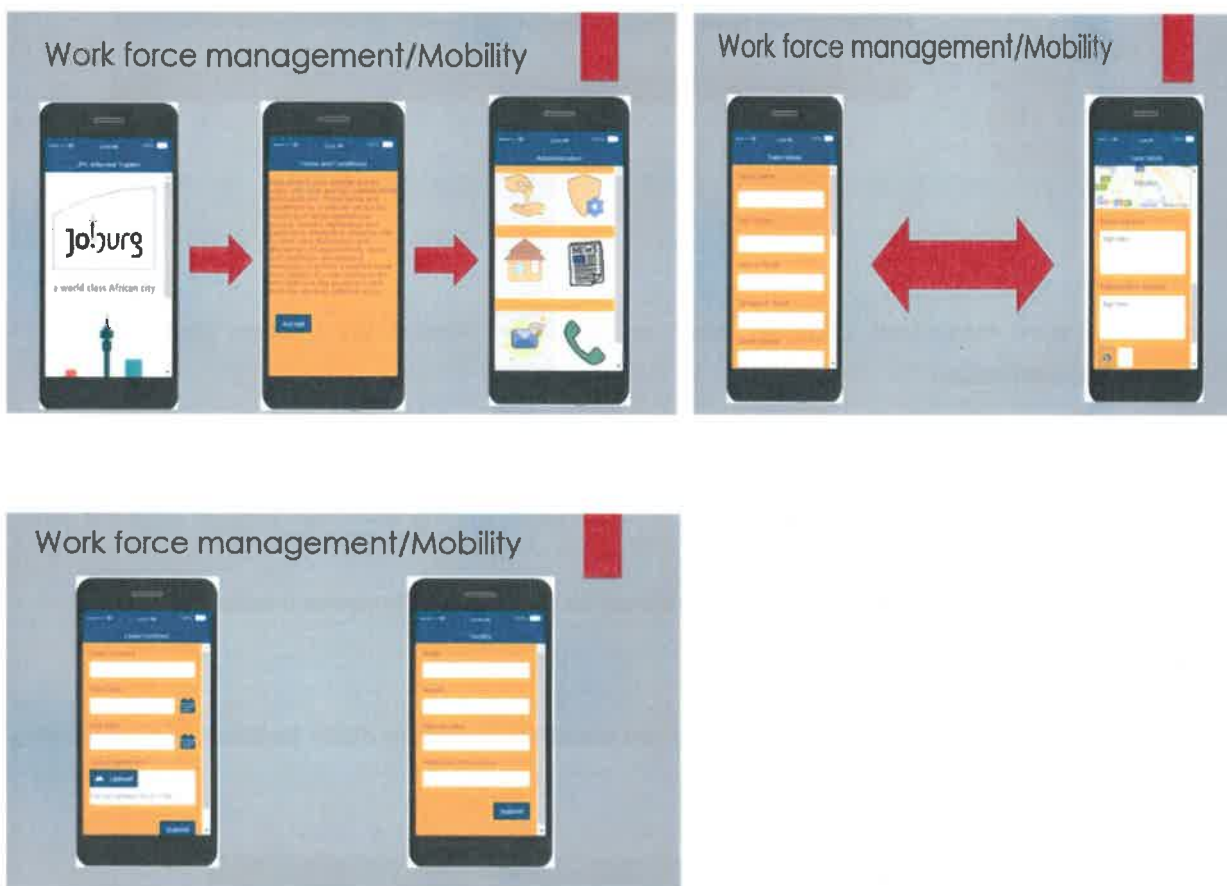




### Work Force Management/Mobility

Mobile workforce management (MWM) is a category of software and related services used to manage employees working outside the company premises; the term is often used in reference to field teams.

MWM solutions are designed to help company leaders more effectively manage employees in the field while they interface with customers. Most MWM solutions include tools to create schedules for mobile employees. Dispatch mobile employees to new jobs, as demonstrated below:



### Traders:

- The process of seeking approval from EAC to formalise the leases with Informal Traders.
- This therefore requires some innovation where technology becomes key with regard to data collection, verification of the traders and control of the spaces.
- The proposed tool that will include may be two or three devices wherein we must utilise them to collect data with a flexibility to upload such data to a financial system.
- The solution will have functionality to scan barcode contained in the ID and take a picture of the documents.



- The fields consist of the following:
  - a. Facility Name;
  - b. Stall Number;
  - c. Name of Tenant;
  - d. Identity number;
  - e. Foreign Identity number if tenant is a foreign national;
  - f. Nationality; and
  - g. Status of occupation.

\*Below is the proposed Traders solutions\*

**Informal Traders J000140**

**Trader Details**

Facility Name	Yeoville
Stall Number	5555
Name Of Tenant	Johan
Surname Of Tenant	Swanepoel
Identity Number	9304205014084
Foreign Identity Number	
Nationality	South African
Status Of Occupation	Employed

Tenant: *Johan* Johan Swanepoel Date: 25/11/2019

Representative: *Rep* Johan Swanepoel Date: 25/11/2019

Attachment (img\_9d7b3f0b-4010-4933-beda-37add2ebdc41\_1125501836\_jpg)



Note  
JC Swanepoel ID Card



Note  
Example page



## Section 1.10: Client Relations Management

### Stakeholder Engagement Strategy

The department in this quarter implemented the following initiatives and engagements in line with its objectives as indicated in the business plan.

### Stakeholder Engagements

Highlights or key interventions for the period:

- Received much needed capacity in Case Management (1 x manager, 1 x assistant manager, 18 x administrators), Client Business Operations (1 x manager) in March 2020
- Various site visits and inspection to identify illegally occupied and invaded properties;
- Introduced outdoor advertising inbox;
- Created case management inbox to register queries from internal and external stakeholders to improve the client service experience and deliver greater service delivery efficiency;
- Facilitated training to staff on GIS, Windeed and TRIM systems; and
- Attended MMC Forum in Region A.

### Regional Stakeholder Engagements

The Case Management Unit has been established within Client Business Operations to attend to the core business requirements and improve on regional service delivery and Ward Councillor's forum meetings in order to ensure that JPC responds swiftly to the basic service delivery needs of the region and its community.

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. These 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 to.

We engage with our stakeholders to ensure that JPC is aligned with the COJ objectives on service delivery as well as to promote and support the local economy. Case Management facilitates horizontal and vertical communication with all stakeholders through being the conduit between client servicing and the property practitioners while proactively maintaining JPC's reputation amongst the stakeholders.

CBO 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.

Case Management acknowledges the benefits that early and meaningful engagement ensures that stakeholders needs are met by due dates in an efficient and professional manner.

A shared understanding is essential to building a cohesive vision for the company. Case Management brings value to the strategic planning process by implementing the active engagement processes. We help to align the company and the stakeholders' vision. Through these engagements we have identified strategies to gain competitive advantage and to help reduce the level of risk within the company and improved governance. These include clarifying JPC's role in service delivery, ensuring that the stakeholders get accurate and up to date information.

### SERVICE DELIVERY/COUNCILLOR/ROADSHOW MEETINGS

Region	Weekly Open Day Pilot	RVSD	Monthly Councillor Forum (WCF)	Kleena Joburg & War on Potholes	Speakers Road Shows	IDP Launch
<b>A</b>	0	0	1	0	0	0
<b>B</b>	0	3	0	0	0	0
<b>C</b>	0	0	0	0	0	0
<b>D</b>	0	0	0	0	1	0
<b>E</b>	0	3	0	0	1	0
<b>F</b>	0	1	0	0	0	1
<b>G</b>	0	2	0	0	0	0
<b>Total</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>1</b>

External stakeholders requested the following:

- Clarity on the JPC Processes for leasing and selling of land;
- Clarity on the Repairs and Maintenance SLA's between JPC and the departments;
- Greater collaboration with JPC; and
- Monthly updates on the projects that are of public interest such as properties released on tender for lease, development, sale and for goods and services required to be procured by JPC.

### Business Operations

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.

Provides efficient scheduling of resources to service the COJ committee system. Due the change in administration, undertaken in December 2019, reports that were in the reporting cycle had to be halted and re-tabled at the Economic Growth Sub-Mayoral commencing from February 2020. This resulted in a delay in the progression of reports.

Currently there are twenty five reports that are in the cycle, fourteen of which have been approved for Council which will convene after the country wide lock down due to the Covid 19 pandemic. Eleven reports have been approved to be tabled for Mayoral Committee which is also subject to Covid 19 lock down. There are currently three reports that require MMC and ED signature and due to the scheduling variances of personnel resulting from Covid 19, the signatures have not been attained.

Three petitions reports have been submitted to the Petitions Standing Committee when normal business activities resume. The meeting scheduled to take place in February 2020 was postponed by the Chairperson and the meeting of the 11th March 2020 was cancelled due to a lack of a quorum.

### 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.

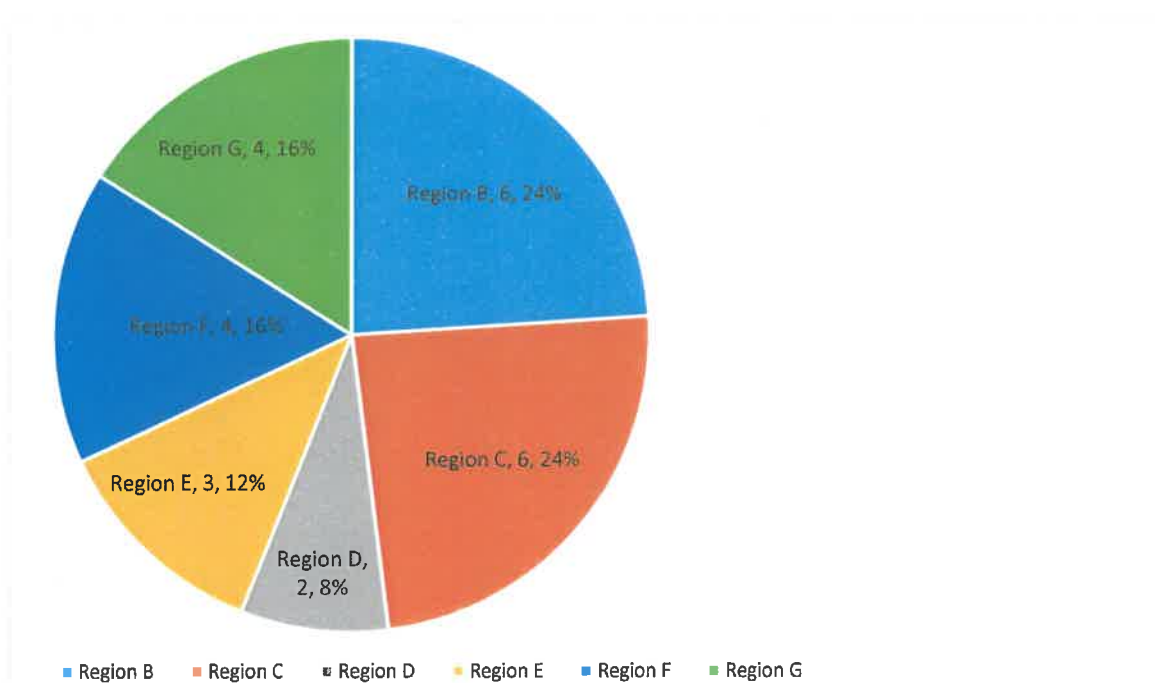
### Client Servicing Unit

Category	Service	Q1	Q2	Q3	YTD	% of Transactions
		Total Walk In Clients	Total Walk In Clients	Total Walk In Clients	Total Walk In Clients	
A	Follow-Up Enquiries	166	117	137	420	14.60%
B	New Enquiries	1020	611	813	22444	84.98%
C	Ward Councillors	6	4	2	12	0.42%
	<b>Total</b>	<b>1192</b>	<b>732</b>	<b>952</b>	<b>2876</b>	<b>100.00%</b>

In the third quarter CSU attended to and closed immediately **489 (1,152 YTD)** enquiries relating to general property information, zoning and ownership. **25 (92 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.

Detailed below is an analysis of the demand for properties and use across the regions.



**Table: Escalations Potential Availability Analysis per Region: 1 Jan – March 2020**

Once analysed the client is informed whether the property is available or not. For properties that are not available which are required for service delivery the client is advised and the enquiry is closed. Where a property could potentially be leased, developed or sold the client is advised that the property will be circulated for comment by departments and entities to establish whether it is required for the provision of basic municipal services. If a property is not required for basic service delivery JPC will seek Council approval to either sell or lease said property.

**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.



THIRD QUARTER REPORT 2019/20



KPI	Core Business	Service Standard	Target	Quarter 1		Quarter 2		Quarter 3		Year to Date		JPC Comment
				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	2356	2356	Statistics based on walk ins, inboxes and emails except telephonic calls
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	2356	2356	Statistics based on walk ins, inboxes and emails except telephonic calls
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	358	358	
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	443	443	
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	17	17	
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	
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	17	17	
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	
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	144	144	
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	1152	1152	

THIRD QUARTER REPORT 2019/20



KPI	Core Business	Service Standard	Target	Quarter 1		Quarter 2		Quarter 3		Year to date		KPI Comment
				Total	Actual	Total	Actual	Total	Actual	Total	Actual	
KPI 1.11	Response to enquiries regarding transactions in pipeline	Within 24 hours of logged call	24 hours	743	743	551	551	822	822	2116	2116	Statistics based on inbox and emails
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%	59/92 = 64%	59/92 = 64%	Statistics based on assessment of enquiries

**Section 1.11: Property Intelligence**

The Department was recently established and its main focus is to;

- Conduct Intelligence interventions in order to improve the security related risks within the JPC managed properties and facilities.
- Oversee the overall execution of security services by the security service provider (Johannesburg Metropolitan Police Department) on the properties and facilities managed by the JPC.
- The monitoring of the lease contractual obligations to ensure compliance specifically in relation to the use of the leased properties and to facilitate the collection of the rental.
- 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.
- Develop relations with relevant stakeholders and maintain the relations to ensure compliance with all applicable pieces of legislation, regulations and policies.

**ACHIEVEMENTS AND FOCUS AREAS FOR THE REPORTING PERIOD**

**Abandoned Factories**

JPC conducted onsite inspection on the 37 factories that were considered for acquisition to cater for the low cost housing and student accommodation. Of the 37 factories, it was found out that twenty seven (27) of those factories are not abandoned , one (1) is City owned, one (1) falls out due to wrong property description, Eight (08) seem to be abandoned and this view is based on the fact that the owners are either untraceable and owners are deceased. The investigations are still underway on these 8 matters.

Of the 27 properties that are not abandoned, 2 property owners have indicated the willingness to negotiate the sale with the JPC and the matters have been referred to the Property Portfolio on the 6 February 2020 to start the process of negotiations. Furthermore, the department is still to engage five (5) factory owners who have shown an interest in the sale negotiations.

**Legend of the table below, which the narrative above pertains to**

	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.



Region	No. of Factories	Potential Yield	Property Descriptions	Size m <sup>2</sup>	Zoning	Municipal Values	Rates & Taxes Owning	PROGRESS UPDATE
Region A	2	137 Units	Erf 706 Rabie Ridge	2998	Special	R3 018 000.00	R702 879.38	On 14/02/2020, site inspection conducted at ERF 706 Rabie Ridge. Deeds Search Indicates that the property is City owned.
			Pin 6 of Erf 1074 Rabie Ridge Ext 1	3309	No Zoning	-null-	R-	On 24/02/2020 site inspection was conducted. The property consist of a Police Station and it is thus not abandoned.
Region C	1	77 Units	Erf 137 Technikon	6125	Industrial 1	R11 419 000.00	R2 417 911.15	The plot is size is 9,125.143 m <sup>2</sup> , therefore it is divided into two stands one is occupied by Roodepoort Department of Labour which is in occupation of Erf number is 125. The property behind is the one that is illegally occupied and it is dilapidated and unmaintained and occupied by 7 people. PI to follow up with Housing Department for allegation of the department having given the permission of occupation to the occupiers
Region D	5	562 Units	Erf 35 Devland	4583	Industrial 1	R6 490 000.00	R481 173.26	A site inspection was conducted on the 04/ 02/2020 at Erf 35 Devland. During the inspection it was found that there is a security personnel on behalf of the owner
			Erf 11 Devland	2923	Industrial 1	R2 700 000.00	R21 960.09	Site inspection conducted on the 04/02/2020. It was found that the property is not abandoned and in business of mortar bricks manufacturing.
			Erf 19 Devland	2830	Industrial 1	R2 610 000.00	R137 898.72	Site inspection conducted on 04/02/2020 and it was found that the property is not abandoned but well secured with a security personnel manning the premises though not operational at that stage.
			Erf 31 Devland	6102	Industrial 1	R4 560 000.00	R11 201.23	A site inspection was conducted on 04/02/2020. The property is not operational but also not abandoned, it is secured by a security officer.



THIRD QUARTER REPORT 2019/20



Region	No. of Factories	Potential Yield	Property Descriptions	Size m²	Zoning	Municipal Values	Rates & Taxes Owning	PROGRESS UPDATE
Region E	16	883 Units	Erf 166 Armadale	4955	Industrial 1	R3 080 000.00	R6 199.61	A site inspection was conducted on 04/02/2020. The property is not abandoned, the owner was engaged and confirmed that the property is not abandoned and has no intention of selling it as there are plans to redevelop for industrial purposes and to create jobs. Currently there is furniture manufacturing and upholstery business being operated at the property.
			Erf 732 Kew	1694	Business 1	R1 245 000.00		Property invaded by squatters with approximately 50 shacks and 150 people. The owner cannot be traced.
			Ptn 1 of Erf 821 Kew	2284	Business 1	R5 048 000.00	R400 724.57	Property illegally invaded. Matter referred to external attorneys by development planning. PI to follow up.
			Rem of Ptn 3 of erf 821 Kew	2072	Business 1	R1 200 000.00	R338 291.00	Property invaded by squatters with approximately 20 shacks and 60 people in occupation and approximately 30 mechanics running a business there. PI to follow up and advise on the way forward.
			Ptn 19 of Erf 821 Kew	1586	Business 1	R1 220 000.00	R198 542.14	Factory invaded by squatters and owner cannot be traced. PI to advise on the way forward.
			Ptn 12 of Erf 821 Kew	2775	Industrial 1	R2 977 000.00	R409 455.07	It is alleged that the property owner is deceased and the factory is invaded and there is allegedly 450 at the property. Property intelligence to investigate and advise on the way forward.
			Ra/821 Erf 821 Kew	2505	Business 1	R488 000.00	R-	Factory invaded. It is alleged that approximately 450 people are in occupation. PI to follow up and advise on the way forward.
			Ptn 2 of Erf 510 Kew	706	Business 1	R166 000.00	R2 132.54	Factory not abandoned. PI still investigating.
			Erf 644 Kew	2460	Business 1	R3 997 000.00	R455 706.42	Factory not abandoned but invaded. PI have tried to contact owner and will continue to do that.



Region	No. of Factories	Potential Yield	Property Descriptions	Size m <sup>2</sup>	Zoning	Municipal Values	Rates & Taxes Owning	PROGRESS UPDATE
			Erf 731 Kew	1428	Business 1	R297 000.00	R149 654.12	Not abandoned. Owner is willing to negotiate the sale. PI to engage
			Ptn 2 of Erf 821 Kew	2657	Business 1	R1 200 000.00	R47 166.27	Factory not abandoned and is operational. PI have contacted the owners and they are willing to negotiate the sale. PI to engage further.
			Rem of Ptn 16 of Erf 821 Kew	8740	Industrial 1	R2 557 000.00	R255 060.58	On the 15/01/2020 site inspection was conducted and it was found that the property is not abandoned. Engagement with the property owner who confirmed the above and indicated the willingness to negotiate with the City for a land swap. This information has been provided to Property Portfolio to initiate the negotiations.
			Erf 583 Kew	2357	Industrial 1	R3 113 000.00	R108 208.85	On the 15/01/2020 site inspection took place and it was found that the property is dilapidated and it is also illegally occupied. The property is not abandoned and this fact was confirmed by the owners who are willing to negotiate with the city for the sale of the property to the City. This information has been provided to Property Portfolio to initiate the negotiations
			Ptn 20 of erf 821 Kew	4803	Industrial 1	R4 770 000.00	R2 803 100.41	Factory invaded by squatters but not abandoned. Owners are willing to negotiate the sale. PI to engage and advise
			Rem of Erf 467 Kew	1486	Residential 1	R1 300 000.00	R106 999.72	A site inspection was conducted on 15/01/2020 and redevelopment was in progress. Engagement with the property owner confirmed that the property is Not abandoned.
			Ptn 1 of Erf 467 Kew	1487	Residential 1	R1 380 000.00	R204 673.92	It is alleged that the property owner is deceased and the factory was reinvaded after the family obtained the eviction order and executed it. PI to engage the family of the owner.

THIRD QUARTER REPORT 2019/20



Region	No. of Factories	Potential Yield	Property Descriptions	Size m²	Zoning	Municipal Values	Rates & Taxes Owning	PROGRESS UPDATE
Region F	8	231 Units	Ptn 1 of erf 571 Kew	1487	Residential 1	R3 094 000.00	R3 974 184.08	Factory Invaded seems abandoned as it is alleged that someone other than the owner have been collecting rental and the owner cannot be traced. I to follow up
			Erf 395 Doornfontein	463	Business 2	R2 797 000.00	R5 002.35	Site inspection took place. The building is dilapidated however it is not abandoned. Engagement with the owners of the property confirmed same and have further indicated that they are in the process of selling it.
			Erf 316 Doornfontein	480	Business 1	R611 000.00	R381 480.00	Site inspection conducted. The property seems abandoned based on the information gathered on site that the owner of the property passed on many years ago. Property intelligence is in the process of further investigations of the information stated above.
			Erven 369 & 370 Ophirton	1253	Industrial 1	R4 300 000.00	R-	inspection was conducted on the 10/02/2020 and it was found out that the property is not abandoned. Workshop and recycling business are operational at the properties respectively.
			Erf 223 Ophirton	495	Industrial 1	R1 040 000.00	R3 941.93	On the 14/01/2020 site inspection conducted and the property is not abandoned. Food Manufacturing business is operational at the property.
			Erf 224 Ophirton	495	Industrial 1	R906 000.00	R240 966.88	On the 14/01/2020 site inspection conducted and the property is not abandoned but is utilised as storage. Engagement with the owner has confirmed same.
			Erf 154 Booysens	2845	Industrial 1	R9 034 000.00	R794 436.59	Site inspection was conducted on the 10/02/2020 and it was confirmed that the property is not abandoned but rented out to Dunlop tyres but is currently under renovations.

THIRD QUARTER REPORT 2019/20



Region	No. of Factories	Potential Yield	Property Descriptions	Size m <sup>2</sup>	Zoning	Municipal Values	Rates & Taxes Owning	PROGRESS UPDATE
Region G	5	283 Units	Erf 211 Booyens	1624	Industrial 1	R0.00	R1 056 490.64	Site inspection was conducted on the 10/02/2020 and it was confirmed that the property is not abandoned but is being utilised for panel beating business
			Erf 212 Booyens	835	Industrial 1	R0.00	R69 411.49	Site inspection was conducted on the 10/02/2020 and it was confirmed that the property is not abandoned but is being utilised for panel beating business
			Erf 471 Nancefield	2021	Industrial 1	R1 250 000.00	R422 961.51	Site inspection conducted on the 12/02/2020. Property seem abandoned. There is no property ownership details on deeds search however PI is still following up on leads to trace the owner.
			Erf 409 Nancefield	4043	Industrial 1	R227 000.00	R65 986.84	The site inspection was conducted on the 12/02/2020. It was found that the property is actively being utilised as biscuit factory.
			Ptn 101 of Erf 4 Anchorville	1283	Special	R1 993 000.00	R4 517.89	Site inspection was conducted on the 12/02/2020 and it was confirmed that the property is not abandoned but is being utilised as a warehouse and a wholesale.
			Erf 435 Nancefield	2021	Industrial 1	R111 000.00	R4 521.14	Site inspection was conducted on the 12/02/2020 and it was confirmed that the property is not abandoned but is currently being developed and construction is underway.
			Ptn 107 of Erf 4 Anchorville	1403	Special	R2 890 000.00	R659.36	Site inspection was conducted on the 12/02/2020 and it was confirmed that the property is not abandoned but is being utilised for vehicle repairs and bicycle manufacturing.

### CBO and 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. One more matters were referred to the department and the following was done:

➤ 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.

### PROPERTIES WITHOUT LEASE AGREEMENT

➤ 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 still continuing.

➤ Erf 6166 Kanana Park

At this 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 AGREEMENT

➤ 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 previously 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 will be paid at the end of June 2020 and the department will continue to monitor.

The department will continue with the exercise for the hot spot matters within the remaining Regions during the fourth quarter.

**Below is the schedule of the above mentioned matters**



PROPERTY DESCRIPTION	CBO STATEMENT AND PISIMU REPORT	STATUS
<p>ERF 6932 ORANGE FARM</p>	<p><b>Introduction:</b></p> <p>As Per CBO: owe R100k – property is up for tender. Property zoned business. Tenant paying R700 per month. Proposed to have a bad debt write off. RM to engage legal to obtain confirmation from the attorneys for a bad debt write off. Eviction notice to be followed. Subletting in breach of lease agreement.</p> <p><b>PISIM Site Inspection Report:</b></p> <p>Engaged the ECD Principal – Ms. Nomsa Mapoma (083 582 8761) who advised that she has no problem paying the outstanding amount provided the ECD receives a lease agreement in their name ( Ebenezer ECD)</p> <p>Checked on TRIM, there no Lease on File. There is also no indication of the Title Deed. There is an alleged entitlement on the property by the Old Apostolic Church that must be investigated and clarified prior to finalizing this matter.</p> <p>Legal to advise on matter between ECD and the Church</p>	<p>Engage Land Regularization Department to clarify the entitlement matter and then proceed to regularize the ECD.</p> <p><b>NB - No debt to be written off, push for settlement and regularization</b></p> <p>24 Feb 2020 – checked with Legal, no instruction sent to them for eviction notice. Client has made a total of R8000 towards the debt, which stands at R55 308.30 as at 24/02/2020</p>
<p>ERF 5084 ORANGE FARM EXT. 2</p>	<p><b>Introduction:</b></p> <p>As Per CBO: property is vacated and no activity on the property only the caretaker. To email legal to terminate the contact. Property is vandalized. Zoned community facility, 26000sqm. Caretaker represents the Mission society. Vacated about 2 years ago. Payment made in April 2019. Property to be taken out on tender.</p> <p><b>PISIM Site Inspection Report:</b></p> <p>Engaged the Caretaker – Mr. Ben Sangweni (071 483 0324/ 073 661 9783) who advised that he was employed to look after the garden and ensure that the property is well looked after. The property used to be a home care based facility –" owned" by one Dr Bishop Miriam Thobile Mnisi (083 314 263/ 079 068 0709) who also "employs" administrators from the Godisang Job Centre</p> <p>The lease agreement on file commenced on 01 February 2003 and lapsed on 29 December 2013</p>	<p>Finance to advise on the amount outstanding on the account</p> <p>Follow up site inspection with the Caretaker to establish a rapport with him for further information on getting hold of the Director</p> <p><b>NB - No debt to be written off, push for settlement</b></p> <p>24 Feb 2020 – Finance have provided invoice as of this morning, client has an outstanding balance of R71 572.23. To date payment of R 39 100 has been received, last payment made on 7 Jan 2020. Checked with Legal, no instruction sent to them for eviction notice</p> <p>Lease agreement on file, termination highlighted</p> <p>An arrangement was reached with the lessee – R7000 paid on 21/02/2020. And from 31 March 2020 – 31 November 2020 an amount of R11 600 monthly for the debt to be cleared.</p>



PROPERTY DESCRIPTION	CBO STATEMENT AND PISIMU REPORT	STATUS
<p>ERF 2896 ORANGE FARM - TEBOGO HOME</p>	<p><b>Introduction:</b></p> <p>As per CBO: Tebogo home for the mental and physical – found the tenant – tenants account is in legal, arrangement was made to pay R1500 per month, only one payment made of R1500 in March. R32700 due. Spoke to RM and recommendation was legal is notified for eviction. Status of the property is well maintained. Matter already with legal. Letter of demand has been issued.</p> <p><b>PISIM Site Inspection Report:</b></p> <p>The administrator for the Home- Mr. Lucky Mavundla advised that the manager was not in and that we should leave out details with him.</p> <p>Our investigations revealed that the home was in arrears of R52 425.91 as of 18/02/2020 and only 2 payments reflected on the account: March and August 2019.</p> <p>Subsequent to our site visit, a meeting was set up on 18/02/2020 at JPC offices with the Manager, Ms. Phindile Dlamini (081 886 3595). Ms. Dlamini acknowledges that she has not been diligent in her monthly rental but was not aware that her arrears were as much as they were. We requested proof of payments, as she was adamant she had been making regular payments on the R3000 as per the AOD. A follow up meeting to be set up for Wednesday 26/02/2020</p>	<p>Engage the Departments of Health – Mental Health as well as Social Services RE: grant allocation for the home</p> <p>Engage Thuso House RE: services account and establish if there are any outstanding payments for the same.</p> <p><b>NB - No debt to be written off, push for settlement in FULL as well as an advance in rental for up to 6 months.</b></p> <p>The Director was met on 18 February and the following agreement was made: from 31 March 2020 – 31 May 2020, an amount of R3000 will be paid. End of June R33 000 will be paid and thereafter we will meet again to pave a way forward.</p>
<p>ERF 6166 KANANA PARK</p>	<p><b>Introduction:</b></p> <p>Church for ZCC illegal occupation – circulation for comments. To consult building control – community facility – no lease</p> <p><b>PISIM Site Inspection Report:</b></p> <p>Engaged the Church's Committee and they advised as follows:</p> <p>They acknowledged that they did not have a lease agreement with JPC They were 'allocated' the space by a Region G Housing official - Sharon Van Tonsen They were advised to contact JPC and follow the leasing process. They are fully aware that they may not be allocated the site after the Tender process has been finalized.</p>	<p>Checked TRIM – nothing on file for the property.</p> <p>Will need to liaise with Pty Management for an update on the circulation</p> <p>JPC legal services advised as follows on the 09 March 2020 There should not be a user agreement for an illegal occupant.</p> <p>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.</p>

### REPORTED MATTERS

The department has received two complains with regard to an illegal rental of the City owned property and the preliminary investigations confirmed wrong doing. Complainants were assisted to prepare the affidavits and the department facilitated the opening of a docket with SAPS and the matter is currently being investigated further.

The department received another matter of an illegal sale of a property and upon conducting internal investigations, it was discovered that the property is City owned and was sold to the complainant illegally in 1998. On or about 2005, the complainant indicated that the family relocated to the Eastern Cape. They also indicated that upon return to Gauteng in 2016, they discovered that the suspect has resold the property. The property is currently illegally occupied by the "purchaser" and the suspect "seller" is allegedly in custody for a similar offense. Investigations on this matter are continuing.

### INFORMAL TRADING AND SECURITY MATTERS

The interventions on this matter were during this reporting period were mainly regarding the establishment of relations, engagement meetings to address the issues emanating from the inefficient management of the informal trading facilities, particularly the MTN taxi rank the Bree street Taxi rank. It is during this period that the department was involved in the meetings between the JPC, Transport, JMPD and the Taxi Association, this being due to the split functions between the City departments and the JPC, which contribute to inefficient management of the facility.

With the security component being the mandate of the JMPD, this department will continue to oversee the overall execution of security services, advice on the risks that are presented due to insufficient provision of this service at the facilities and encourage the department service provider to address the issues raised. This is also supported by the fact that on one of the site visits to the facilities, the team found one security officer out of eight (8) that were deployed there. That was an indication of lack of management of this service. In order to address this matter, the department has undertaken to guide the service provider and assist them with the strategy development, which the service provider must ensure proper implementation thereof.

Furthermore, the department will assist the facilities management and coordinate regular law enforcement interventions at the facilities to support the smooth running of the facility and address any unlawful or criminal activities that might exist.



## CHAPTER FOUR: HUMAN RESOURCES & ORGANISATION MANAGEMENT



## Section 1: Human Resource and Organizational Management

The HCM strategy and plan was approved on 28<sup>th</sup> June 2019 with the intention to drive the HCM strategic objectives. Human Capital Management aims to support and advise the business on policies, procedures and processes to guide effective and excellent HR practices.

The business successes are driven by the Human Capital Factor and the business has yielded a return of investment as such, 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.

The envisaged success of the strategic objectives, will be achieved through the HR Implementation Plan, focusing on the following:

- a. Organisational Development;
- b. Revised HR Policies;
- c. Talent Management;
- d. Training and Development;
- e. Performance Management and Productivity levels;
- f. Skills Audit;
- g. Employee Relations to intensify the turn-around times on disciplinary cases;
- h. Employee Wellness; and
- i. SAP Upgrade Project

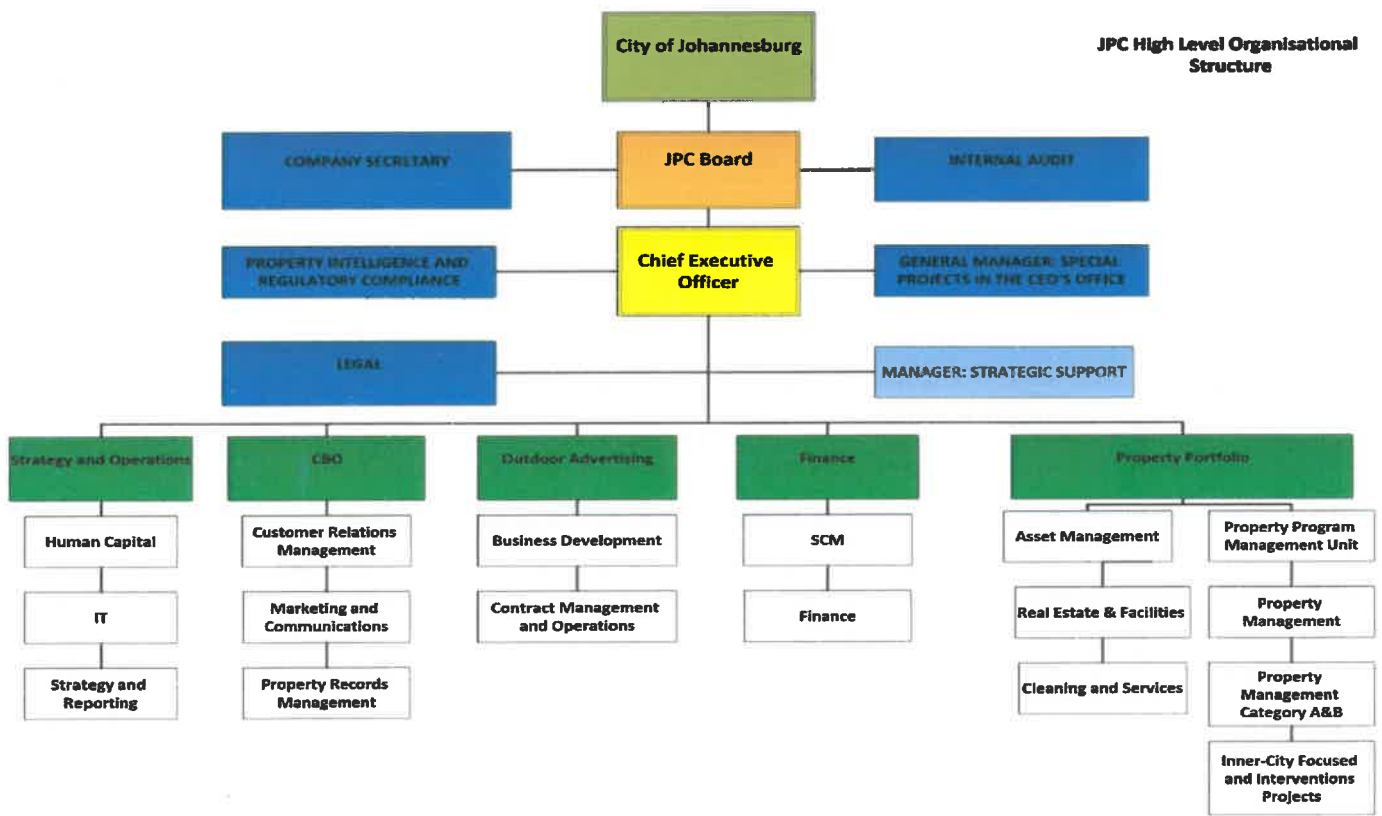
JPC is laying a foundation in building a solid JPC utilising its resources to build a sustainable and environmentally friendly future for our employees and generations to come.

## ORGANISATIONAL DEVELOPMENT / TWEAKED STRUCTURES

The tweaked organisational structure initiative was aimed at realigning the business, enhancing service delivery against core mandate, through refinement or tweak of the organisational structure without added

further financial constraints. The JPC Board approved the Tweaked High Level Design on 28<sup>th</sup> June 2019 based on the following factors:

- Ensuring optimal use of resources at our disposal and deployment of critical and scarce resources within core functions that will add value to attained the financial turnaround strategy;
- Improving operational excellence and efficiencies;
- Decreasing the high vacancy rate;
- Removing duplication of functions in order to be cost effective whilst improving JPC's financial proposition.
- The case for aligning the organizational structure carries weight of supporting the business strategy to ensure the success of JPC.
- The structure formulates interdependencies which are key for business elements and ensuring that the business is strategically aligned for success as a high-performance organization.
- To ensure long-term viability, adjusting the structure to fit new economic realities without diminishing core capabilities and competitive differentiation.



**HR achievements for the period under review Progress to Date**

- In the period under review, critical vacancies have been advertised and filled e.g. GM’s, Senior Managers and ER Manager.
- The organisation has been stabilized and employees are now at ease in terms of the process and their future.
- Management embarked on a drive to consult employees on the changes made as a result of a tweaked organisational structure.
- Training Master Plan has been approved by the Board in Jan 2020.
- Implementation Focus areas:
  - ✓ Municipal Finance Management Programme
  - ✓ Leadership Development Programmes
  - ✓ Property Related programmes
  - ✓ Technical Training for Maintenance and Repairs Unit
  - ✓ Training on Insource Cleaning Services staff
- Local Labour Forum (LLF) serves as a consultative structure in place for management and organised labour. In the period under review, LLF Lekgotla took place in February 2020 ensuring that the issues that affect employees are dealt with by management and labour.
- LLF Lekgotla took place in February 2020 to ensure that the issues that affect employees are dealt with by management and labour which informs a productive and stabilised work force.
- Given the challenges relating to Coronavirus, management in consultation with HR robustly implemented measures that assisted both the City and JPC to maintain high hygiene standards in respect of its buildings. These measures include and not limited to implementation of 8 hour shift basis with effect from 17<sup>th</sup> March 2020.

**Section 2: Employee Remuneration and Cost Including Executives**

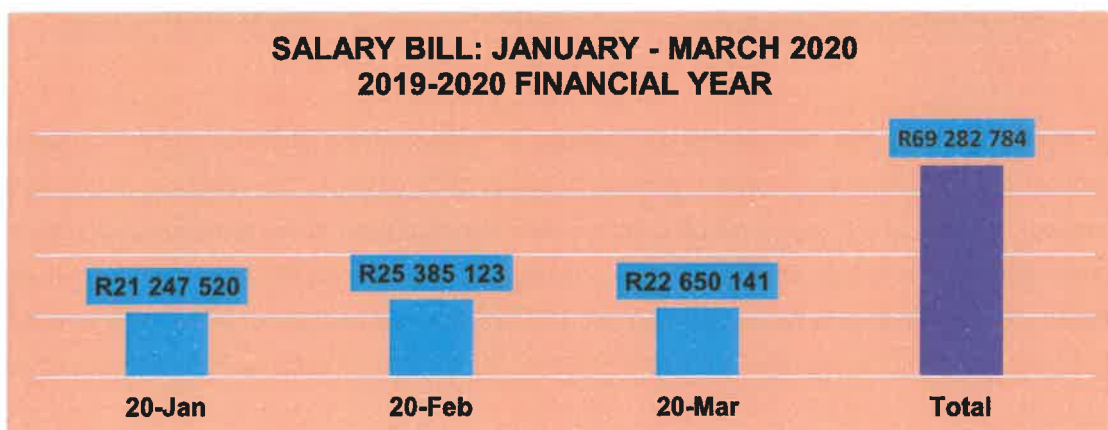
The remuneration expenses reported for this period under review (Jan – March 2020) are based on an all-inclusive package for all employees.

**SALARY BILL: 2019/2020 (Jan - March 2019)**

<b>MONTH</b>	<b>AMOUNT</b>
<b>20-Jan</b>	<b>R21 247 520</b>
<b>20-Feb</b>	<b>R25 385 123</b>
<b>20-Mar</b>	<b>R22 650 141</b>
<b><u>Total</u></b>	<b><u>R69 282 784</u></b>

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

- ✓ The overall salary bill for the third-quarter review (Jan - Mar 2020) amounts to **R 69 282 784**.
- ✓ The transactions mainly consisted of the final payments due to terminations made before the tax-year-end hence there was a peak.
- ✓ The new tax tables effective from 01<sup>st</sup> March 2020 has been loaded on the payroll system, therefore all payment prior to the new tax year will be loaded manually to ensure compliance.



The graph above demonstrates an increase in the salary bill in February 2020 due to the tax-year-end and the final payments made with regard to all the terminations realized.

**Third Quarter Overtime Costs: (January to March 2020)**

Overtime expenditure is consistent and is as a result 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.

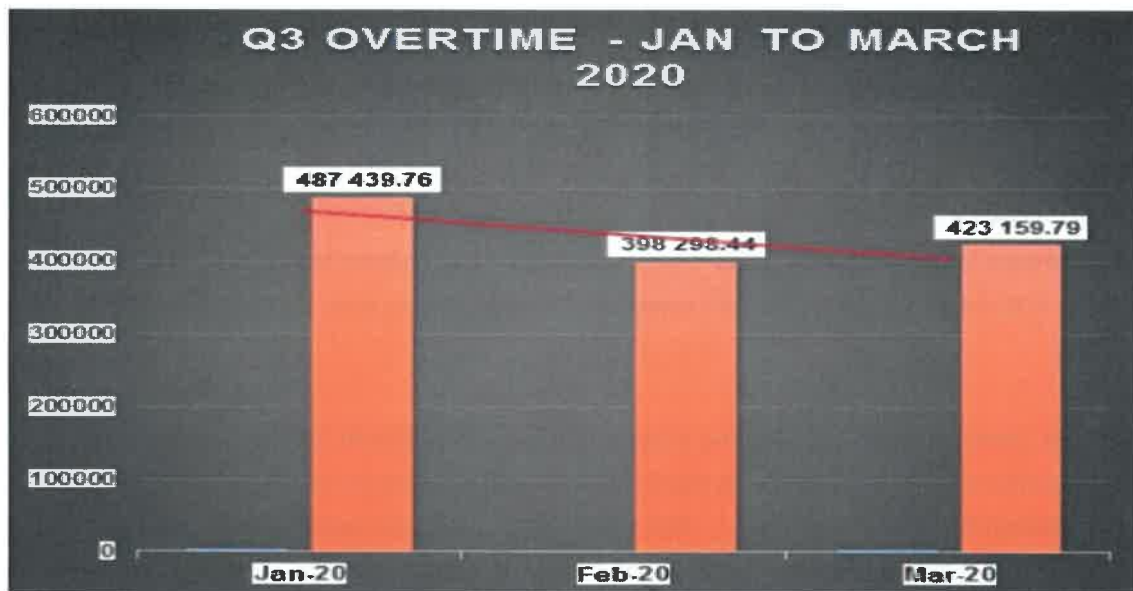
The table below indicates Q3 overtime expenses: **(January to March 2020)**. It shows the overtime costs incurred from January to March 2020, the total staff required to work overtime and number of hours claimed for overtime worked. The total budget spend on overtime thus far equates to **R 1 308 897.99** worked by an average of 94 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 BIL: Q3 2019/2020 (Jan - Mar 2020)

MONTH	Total Staff Working Overtime	Total Hours Claimed	Overtime Financial Impact
Jan-20	99	3064	487 439.76
Feb-20	92	2630	398 298.44
Mar-20	93	2873	423 159.79
<b>TOTALS</b>	<b>284</b>	<b>8566.35</b>	<b>1 308 897.99</b>

The graph below displays the monthly expenditure in respect of the overtime costs. It shows a significant cost reduction from January through to March 2020 pay-run. The reduction is due to the December holidays where payroll cut-off date is earlier therefore most of the overtime is submitted in January and there is a high shortage of staff available as most employees take their annual leave between Dec through to early February as a norm. The recruitment drive that has taken place as a result of positions being and the business is in a better position to deliver and meet the deliverables mandated.



**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 Learnerships 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 concluded the appointments for 43 positions that were identified and filled as critical vacancies. These positions were at Job level 11 to 6 comprises of Middle Management, Junior Management, Semi-skilled and Elementary level, they were circulated internally for the benefit of permanent employees inclusive of temporary employees and JPC interns. This was also aimed giving employees an opportunity for their career growth and development.

The positions at Job level 5 to 3 comprises of Top and Senior Management positions were advertised internally and externally concurrently. The table below indicates the number of positions advertised per department and the status thereof.

Department	Positions	No. of positions
Corporate Real Estate and Facilities	GM: Corporate Real Estate and Facilities	
Property Management	GM : Property Management Category A&B	
Property Management	GM: Property Management	
Programme Management Unit	GM: Property Programme Management Unit	
		<b>4</b>
Corporate Real Estate and Facilities	Senior Manager: Cleaning Services	
Corporate Real Estate and Facilities	Senior Manager: Cleaning Services	
Corporate Real Estate and Facilities	Senior Manager: Leasing and Building Management	
Corporate Real Estate and Facilities	Senior Manager Planned Maintenance and Operations	
Programme Management Unit	Senior Manager: Property Programme Management Unit	
Programme Management Unit	Senior Manager: Property Programme Management Unit	
		<b>6</b>
Client Business Operations	Manager Business Operations	
Client Business Operations	Assistant Manager: Case Management	
Property Portfolio	Assistant Manager: Markets and Transport Facilities	
Property Portfolio	Assistant Manager: Markets and Transport Facilities	
		<b>4</b>
Client Business Operations	Property Administrators	
		<b>18</b>
Property Portfolio	Project Administrators	
		<b>11</b>
<b>TOTAL</b>		<b>43</b>

The following table indicates the second batch of positions were advertised internally and externally in the period under review.

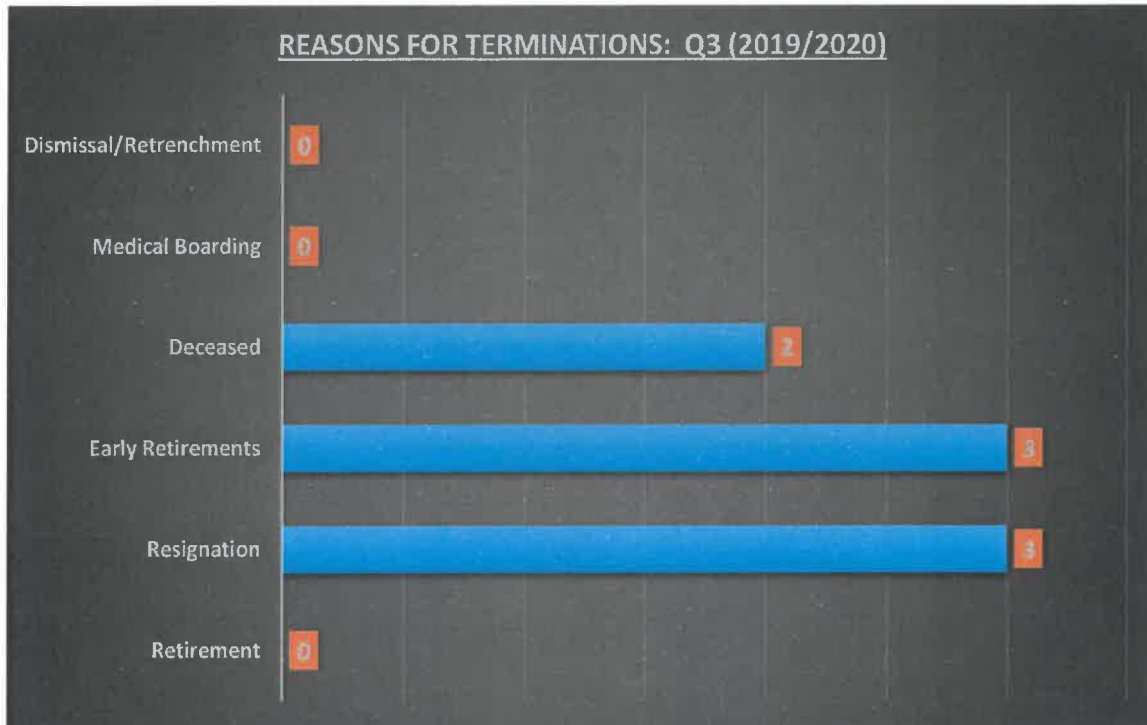
Department	Positions	No. of positions
Clients Business Operations	Assistant Manager : Business Operations	2
	Assistant Manager: Case Management	1
Property Portfolio	Assistant Manager: Asset Sweating, Valuation, Research & Benchmarking	1
	Assistant Manager: Property Programme Management Unit	3
Corporate Real Estate and Facilities	Assistant Manager: PC Cleaning & Operations	6
	Assistant Manager: Fleet Operations	1
	Assistant Building Managers	7
	OHASA, Compliance and PPE's Manager	2
	Assistant Manager: Conditions Assessment & Monitoring	1
Corporate Real Estate and Facilities	Building Managers	4
Strategic Corporate Support	Manager: Risk and Compliance	1
Human Capital Management	Human Resources Manager: Transactions and Operations	1
	Training, PMS, Recruitment HR Practitioner	1
		<b>31</b>

### Staff Movements

**Terminations:** It is reported during the third quarter review (January – March 2020), eight (8) terminations were actioned.

Occupational Levels	MALE				FEMALE				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	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
Jun. Management, Superintendents and Skilled Technical	2	0	0	0	1	0	0	1	0	0	4
Semi-skilled / Administration	2	0	0	0	0	0	0	0	0	0	2
Unskilled and defined decision making	1	0	0	0	1	0	0	0	0	0	2
<b>Total Permanent Staff</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>8</b>
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>8</b>

The table above illustrates the terminations realised inclusive of temporary and permanent employees as per occupational levels, race and gender. The terminations mainly consisted of resignations, deceased employees and early retirements.

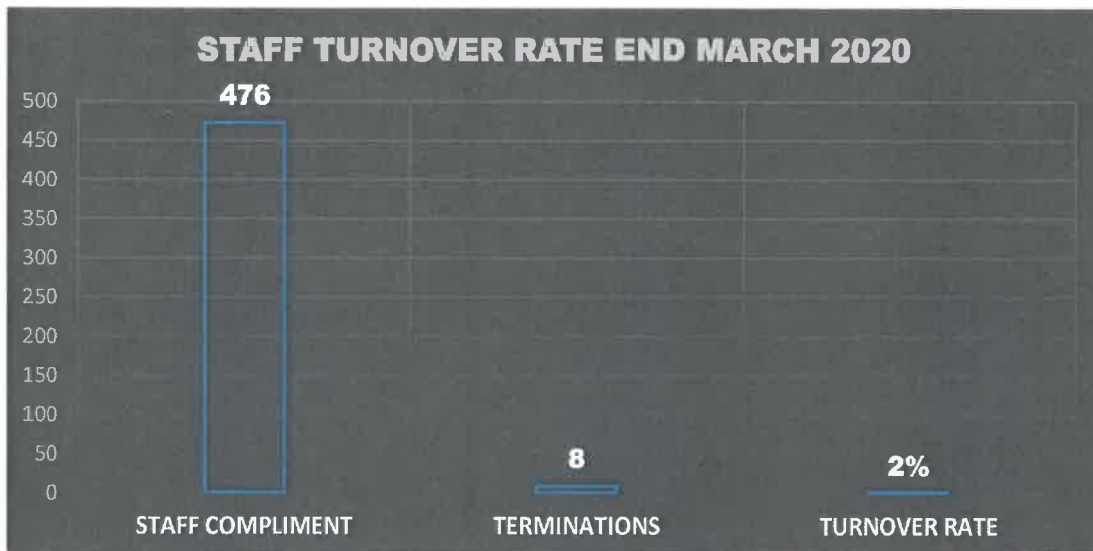


The diagram above indicates the reason for terminations realised during this period under review (Jan-Mar 2020).

- **Retirement:** Three (3) employees were due for retirement in this period.
- **Early Retirement:** Three (3) employees retired early, in terms of his pension fund rule. 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.
- **Resignation:** Three (3) employees resigned mainly in lieu of better career opportunities and remuneration compensation within the job market.
- **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 these positions in this quarter. Appointments have been made to fill the gaps in those positions to ensure optimal productivity for the business.

**Staff Turnover for this period under review: (January – March 2020)**



The graph above shows staff turnover of 2% which is the rate JPC has maintained from the previous quarter and is an acceptable level taking into consideration that a healthy turnover rate is between 5% and 10%.

The 2% staff turnover rate is at an acceptable level and it has been a trend that organisation experiences employees who stay longer in the employ of JPC. This 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 31<sup>st</sup> March 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	4	0	0	2	2	1	1	0	0	0	10
Professionally qualified and mid-management	19	1	6	4	24	2	2	6	0	0	64
Jun. Management, Superintendents and Skilled Technical	99	5	6	9	97	17	2	1	1	0	237
Semi-skilled / Administration	65	7	1	0	6	2	0	0	0	0	81
Unskilled and defined decision making	43	2	0	1	43	14	0	0	0	0	103
<b>Total Permanent Staff</b>	<b>232</b>	<b>15</b>	<b>14</b>	<b>17</b>	<b>172</b>	<b>37</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>500</b>
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>232</b>	<b>15</b>	<b>14</b>	<b>17</b>	<b>172</b>	<b>37</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>500</b>

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%

#### Section 5: Skills Development

##### Training interventions implemented for period under review

The training interventions conducted in the period (**January to March 2020**) included Functional/Technical and managerial competencies in line with organizational compliance training cluster to empower employees to effectively perform their day today operational duties.

Training Cluster	Course/Programme conducted	No. of Employees
<b>Managerial/leadership</b>	Performance Management	25
<b>Functional/Technical</b>	Stakeholder management	20
	Project Management	20
	Contract management	10
	Diversity management	20
	Coaching skills for managers	20
	Interns and Learners	89
<b>Total</b>		<b>204</b>

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.
- Educate employees who constantly interact with various clients and stakeholders and communities at large on behalf of JPC, on how to effectively build good business relationships by identifying **stakeholder needs**, managing their expectations and interests through influential communication and negotiating skills.
- Newly appointed project managers, administrators and employees who are assigned **project management responsibilities** to effectively manage projects to reduce costs and improve on service delivery.
- Equip employees with knowledge of **how to manage contracts, put control measures in place** to ensure that services procured are executed in line the conditions of the agreement.
- Training targeted employees who play 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 provide 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.

### Learnerships and Graduates Internship Programme

The Services SETA has approved funding for JPC to host Interns as part of the initiative to create meaningful opportunities for communities, contributing towards the reduction of youth unemployment by providing practical work based experience and competencies that will aid interns and learners with capabilities for future employment opportunities. The Internship programme commenced 15<sup>th</sup> January 2020 with 69 Interns were assigned across different departments. Structured programme has been designed to ensure that the programmes adds values and achieve its purpose.

### Proposed Action Plan for Training Implementation for Quarter 4

A training calendar will be issued to confirm structured training interventions and proposed dates of training. The following interventions have been sourced and are scheduled for Q3 and Q4 as noted below:

Description	Planned Programmes	Estimated No. of delegates
<b>Municipal Finance Management Programme</b>	April 2020 to 30 October 2020	16
<b>Artisanship and technical training</b>	Three months from March 2020 to 30 May 2020	50
<b>Executive Development Programme</b>	Three months from April 2020 to June 2020	29
<b>Strategic Corporate Real Estate Management</b>	Three months from April 2020 to June 2020	29
<b>Coaching for Managers</b>	May 2020	20
<b>Diversity Management</b>	May 2020	20
<b>Performance Management</b>	May 2020	25

### 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: Disciplinary Matters

#### 7.1 Disciplinary Matters and Outcomes

One (1) employee facing charges relating to a misconduct and the disciplinary hearing is in progress. One (1) employee has been suspended pending finalisations of investigation.

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

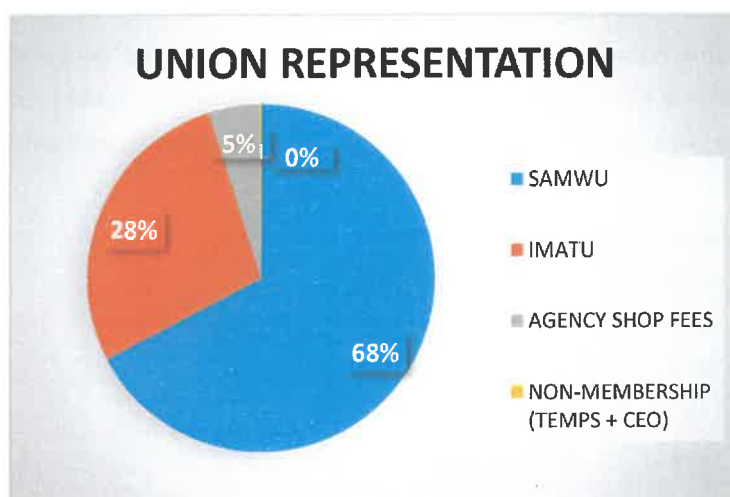
## 7.2 Disputes

Case Description	Outcome
Labour Court Review Application	Dismissed employee referred a review application to the Labour Court after being unsuccessful at the SALGBC. Awaiting judgement.
Unfair Labour Practice	Conciliation was set down on 23 March 2020. Awaiting date of arbitration.
Unfair dismissal	Awaiting date for arbitration

Only 2 matters have been referred to the external dispute resolution mechanism at SALGBC and the outcome is indicated above. One matter is awaiting judgement from the Labour Court for review.

## 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 473 permanent, 68% belongs to SAMWU, 28% belongs to IMATU and 5% 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 (Jan to March 2020)

The leave liability amount based on the annual leave balances as at end March 2020 amounts to R44 025 890. The leave liability amount indicates a slight increase in comparison to the previous months. The increase relates to the new appointment of employees that have joined the organisation in March 2020 and their leave has to be accrued for.

The table below illustrates the monthly leave liability amounts: (Jan – March 2020).

**Q3 Leave Provision: Jan - Mar 2020**

MONTH	LEAVE DAYS	AMOUNT
20-Jan	5 991	14 500 799
20-Feb	5 663	14 344 000
20-Mar	6 118	15 181 091
	<u>17 772</u>	<u>44 025 890</u>

### Leave Encashment for the Mid-Term review: (Jan to March 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: Mid-Term 2019/2020 (Jan - Mar 2020)**

MONTH	LEAVE DAYS	AMOUNT
20-Jan	218	264 991
20-Feb	242	634 265
20-Mar	131	202 935
<u>Totals</u>	<u>591</u>	<u>1 102 191</u>

The table above indicates the monthly leave encashment during the third quarter review. Employees' encashed a number of 591 non-compulsory days at a total cost of R1 102 191.

**Section 10: Absenteeism**

DEPARTMENT	PERIOD	Number of Staff taken Sick leave	Total Sick Days Taken	% Absenteeism
Office of the CEO	January – March 2020	1	5	0.01%
Finance & SCM	January – March 2020	18	98	0.20%
Information Technology	January – March 2020	2	3	0.01%
Client Business Operations	January – March 2020	20	68	0.14%
Corporate Services	January – March 2020	6	24	0.05%
Outdoor Advertising	January – March 2020	1	2	0.00%
Portfolio Management	January – March 2020	148	619	1.28%
<b>TOTALS</b>	<b>Mid-term</b>	<b>196</b>	<b>819</b>	<b>1.70%</b>

The above table illustrates the absenteeism rate per department. JPC shows a decrease from previous quarter of 0.51%, though absenteeism rate of 1.70% is still a high rate in contrast to the norm of 1.5% recorded in Q1. This serves as a reflection that JPC has a sick workforce, as most of ailments result from dread and chronic diseases. Wellness interventions are a key focus area moving forward. Although the organisation is faced with a high absenteeism rate, line management is committed to putting contingency plans in place in order to reduce the absenteeism rate and increase the productivity level within the organisation in order to ensure that strategic and operational objectives are met.

**Section 11: Wellness**

**EMPLOYEE WELLNESS**

The City of Joburg Property Company (JPC) seeks to have high levels of employee engagement to ensure higher business performance, reduced staff turnover and increased efficiency linked to healthy and engaged employees.

The contract with the EAP service provider expired during the third quarter. Before expiry of the contract, there was an annualised utilisation rate of 4.46% which indicated a slight decrease in utilisation during January 2020 when compared to December 2019 highlighting the need for the continued promotion of the EWP. Best practice for EWP utilisation (nationally and internationally) is between 8 and 10% per year with some countries, for example, the USA and UK reporting average annual utilisation rates of 4 – 5 %.



It should be noted that the problems reported on are all personal in nature and it is a well-known fact that such problems could adversely impact the performance, productivity and attendance of the employees in the workplace. It is therefore positive to note that individuals are accessing the EWP to address such matters. A new contract for an EAP service provider is being procured.

The first health awareness event of the year – the employee wellness awareness walk - was well received and attended by employees from depots and head office. The next health awareness event is scheduled for May 2020 but will be guided by the prohibitions imposed as a result of the corona virus outbreak.

Workplace health and safety is under the microscope with the outbreak of the Corona Virus and various awareness communications and posters have been distributed regarding hygiene and leave provisions. Hand sanitizers have been distributed and biometric access control has been suspended to limit the spread of the virus in the workplace. 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.

## Section 12: Employee Benefits

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

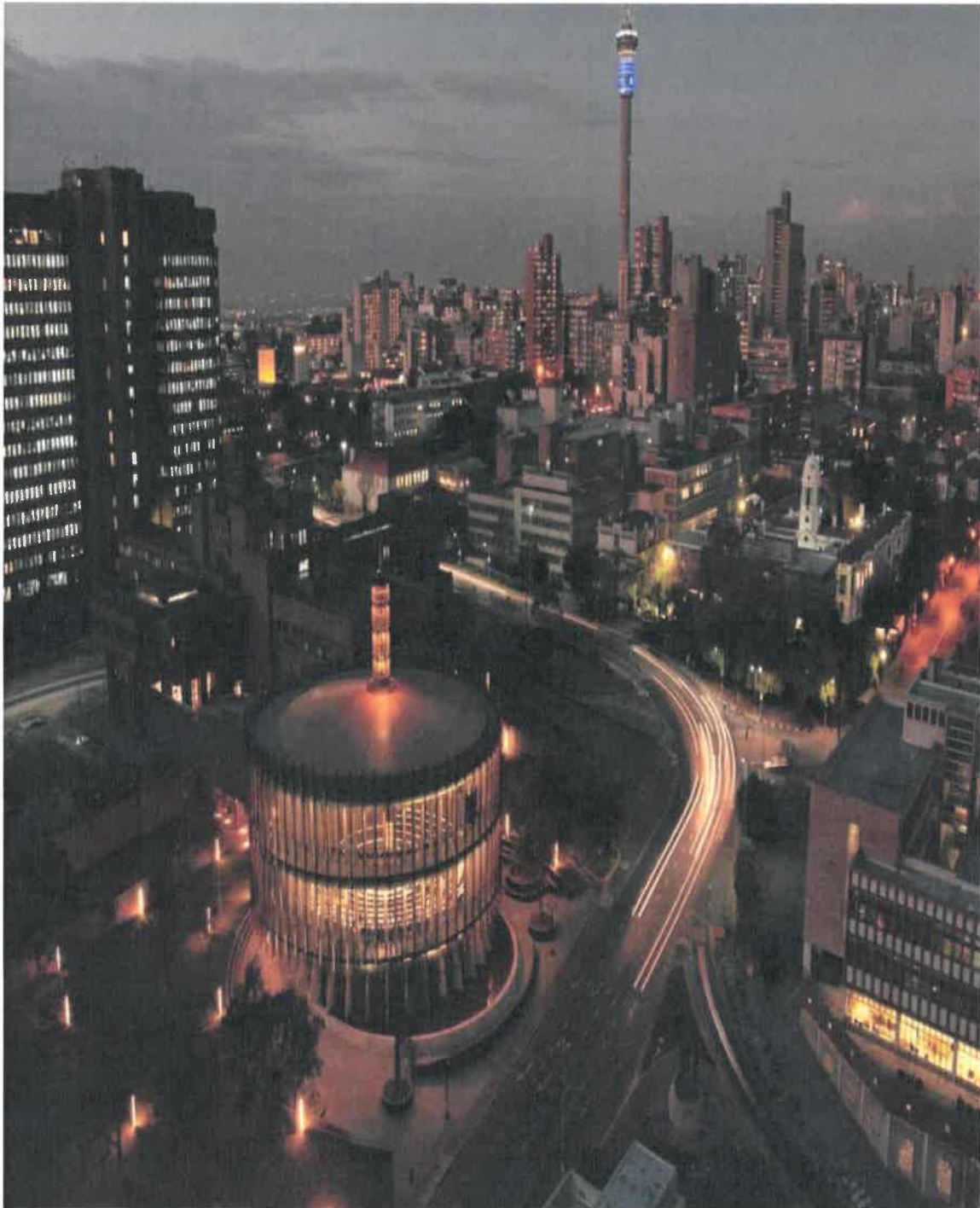
PENSION FUND MEMBERSHIP	TOTAL	REMARKS
EJoburg Retirement Fund	410	Defined Contributions
City of Joburg Pension Fund	50	Defined Benefits
Municipal Employee Pension Fund	7	Defined Contributions
Municipal Gratuity Pension Fund	7	Defined Contributions
Joint Municipal Workers Pension Fund	1	Defined Benefits
Non-Membership	1	Not compulsory
<b>TOTAL</b>	<b>476</b>	

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 March 2020 is as follows:

MEDICAL AID SCHEME	MEMBERSHIP
BONITAS	127
DISCOVERY	17
HOSMED	60
KEYHEALTH	12
LA HEALTH	110
SAMWUMED	88
<b>TOTAL MEMBERSHIP</b>	<b>414</b>

The table above specifies the accredited medical aid schemes and membership distribution to each scheme as at the end of March 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 and high-level notes

## PART A –

	NOTE REF	ACTUAL MARCH 2020	ACTUAL MARCH 2019	VARIANCE R
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
		75 200 337	43 437 970	31 762 367
Property, plant and equipment	1	36 825 076	33 443 221	3 381 855
Land	2	487 200	487 200	-
Building	3	757 035	875 763	(118 728)
Prepayment - Non-current	4	325 373	465 997	(140 625)
Deposits	5	173 897	165 144	8 753
Deferred Tax Asset	6	36 631 756	8 000 644	28 631 112
<b>CURRENT ASSETS</b>				
		241 831 111	323 219 177	(81 388 066)
Trade and other receivables	7	161 902	65 435	96 467
Cash and cash equivalents	8	2 000	2 000	-
Straight lining of operating leases		-	3 091 592	(3 091 592)
SARS	9	6 693 421	6 416 379	277 043
Amounts due from shareholder	10	17 384 269	10 931 886	6 452 382
Trade Debtors	11	217 589 519	302 711 885	(85 122 366)
		<b>317 031 448</b>	<b>366 657 147</b>	<b>(49 625 699)</b>



	NOTE REF	ACTUAL MARCH 2020	ACTUAL MARCH 2019	VARIANCE R
<b>JPC BALANCE SHEET</b>				
<b>CAPITAL AND RESERVES</b>				
Issued Capital	12	1 000	1 000	-
Shareholders' Equity	12	5 141 721	5 141 721	-
Retained Profit / (Loss)	13	(9 701 292)	(54 400 347)	44 699 055
Opening Balance		(13 536 775)	(59 081 539)	45 544 764
Prior period Profit / (Loss)		53 960 443	(11 888 728)	65 849 172
Profit / (Loss) - Current period		(50 124 960)	16 569 920	(66 694 881)
		(4 558 571)	(49 257 626)	44 699 055
<b>NON - CURRENT LIABILITIES</b>				
		7 493 547	8 191 724	(698 176)
Deferred Tax Liability	14	2 763 325	2 497 679	265 646
Finance Lease Liability	15	4 730 222	5 694 045	(963 822)
<b>CURRENT LIABILITIES</b>				
		314 096 471	407 723 049	(93 626 577)
Trade and other payables	16	4 968 693	6 195 260	(1 226 567)
Accruals	17	10 981 867	16 045 402	(5 063 535)
Provision for Leave Pay	18	15 181 091	14 769 498	411 592
Finance Lease Liability	19	485 701	644 182	(158 480)
Straight lining of operating leases	20	11 912 809	-	11 912 809
Post-retirement Medical Aid	21	827 000	809 270	17 730
Provision for EXCO Bonuses	22	-	2 461 185	(2 461 185)
Intercompany Creditor	23	97 442 079	52 851 813	44 590 266
Sweeping Account	24	172 297 232	313 946 439	(141 649 207)
		<b>317 031 448</b>	<b>366 657 147</b>	<b>(49 625 699)</b>

**Notes:**

1. Property, plant and equipment and Intangible Assets are measured at the lower of cost or carrying amount.
2. Land is measured at the lower of cost or carrying amount.
3. Building is measured at the lower of cost or carrying amount.
4. Amounts included in non-current portion of the prepayments are Bayette Consulting for R171 128 and R154 245 for software licenses.
5. Electricity deposits with Eskom for the Baragwanath informal trading facility and the Lenasia facilities management buildings.
6. Deferred tax has been calculated to account for movements in the balance sheet.
7. Amounts included in trade receivables are prepayments of R125 232 and the current portion of the prepayment made to Bayette Consulting for professional services relating to the leasing of the new office accommodation is R36 670.
8. Relates to cash and cash equivalents.
9. Refund due from SARS for income tax assessments from 2012/13 to present of R6 693 421.
10. Represents the Portfolio loan account with JPC.
11. Debtors comprises of three categories. Related parties indicates monies outstanding from intercompany transactions. Staff debtors relate to personnel that have signed an acknowledgement of debt. Third parties refers to external clients.
12. Relates to Share Capital and Shareholders Equity.
13. Relates to Retained Earnings.
14. Deferred tax is calculated annually at financial year-end.
15. The disclosure relates to the long-term portion of the finance lease liability which is payable within two to five years and is in respect of copiers and IT infrastructure.
16. Trade and other payables consists of VAT payable to SARS.
17. Relates to trade accruals for 2018/19 and 13th cheques for the 2019/20 financial year.
18. Relates to Leave Pay Provision calculated per the SAP payroll for the period ended March 2020.
19. This is the Short Term portion of the Finance Lease Liability which is payable within one year.
20. GRAP 13 adjustment for the straight lining of operating leases over the lease duration.
21. Provision on Post-retirement Medical Aid raised based on 2018/19 actuarial valuation report in respect of personnel that qualify for the benefit.
22. Relates to provision for EXCO bonuses for the 2018/19 financial year. The provision was utilised during the February 2020 reporting month.
23. Relates to the loan account with GCSS and Group Finance for salaries.
24. Sweeping account overdraft with COJ: Group Treasury.





Portfolio Statement of Financial Position	NOTE REF	ACTUAL March-20	ACTUAL March-19	VARIANCE
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Prepayment - Outdoor Advertising commission - JPC	9	-	-	-
<b>CURRENT ASSETS</b>				
Trade and other receivables		<b>333 853 523</b>	<b>237 606 925</b>	<b>96 246 598</b>
Debtors - Rentals	1	250 606 546	218 488 143	32 118 403
Doubtful Debts - Move Provision	1	123 501 284	138 583 768	(15 082 485)
Debtors - Other: COJ	2	(47 655 156)	(47 655 156)	-
Debtors - Land Sales	3	8 880 431	8 229 879	650 552
COJ Portfolio - VAT Claim/Payable Account	4	281 993	428 058	(146 065)
COJ Departments Debtors	5	2 060 115	4 686 981	-
JPC Portfolio Loan Account	16	-	-	-
Capital Expenditure: Current Year	10	10 169 679	-	10 169 679
Capital Expenditure: Prior Year	10	50 662 027	39 214 612	11 447 415
Cash and cash equivalents		102 706 172	75 000 000	27 706 172
STD/ABSA COJ Loan Account - Bank Sweeping	6	<b>83 246 977</b>	<b>19 118 782</b>	<b>64 128 195</b>
STD/ ABSA Bank: JRA Portfolio Account	7	-	2 080	-
STD/ABSA Bank - Tenant Deposit Account	8	63 726 871	699	61 646 172
		19 520 106	17 038 083	2 482 022
		<b>333 853 523</b>	<b>237 606 925</b>	<b>96 246 598</b>

THIRD QUARTER REPORT 2019/20



**EARNINGS AND RESERVES**

	<b>94 425 904</b>	<b>81 195 429</b>	<b>13 230 475</b>
Retained Income - Prior Year	34 164 289	24 032 966	10 131 323
Current Period Surplus/(Deficit)	60 261 615	57 162 463	3 099 152
To End Prior Month Surplus/(Deficit)	49 138 989	58 101 955	(8 962 966)
Current Month Surplus/(Deficit)	11 122 627	(939 492)	12 062 118

**CAPITAL AND RESERVES**

	<b>94 425 904</b>	<b>81 195 429</b>	<b>13 230 475</b>
Trade and Other Payables	<b>239 427 619</b>	<b>156 411 496</b>	<b>83 016 123</b>
STB COJ Loan Account - Bank Sweeping	6 211 483 847	119 563 981	91 919 866
COJ Portfolio - VAT Claim/Payable Account	4 -	-	-
Accruals	13 4 900 225	-	4 900 225
Receipts In Advance - Rentals	14 12 472 082	13 133 878	(661 796)
Deposits Received: Tenants	15 8 076 179	14 306 929	(6 230 750)
JPC Portfolio Loan Account	16 -	6 914 188	(13 133 878)
Property Portfolio Loan: MOE's	17 111 358	-	(14 195 571)
Prepaid - Deposit received on land sales	19 348 683	457 276	348 683
Creditor (Solar Street Names)	20 1 944 008	1 944 008	1 486 732
Creditor (Khulu Outdoor)	21 91 237	91 237	(1 852 770)
Unallocated Debtor Receipts	22 -	-	-
	<b>333 853 523</b>	<b>237 606 925</b>	<b>96 246 598</b>

**Notes:**

1. Debtors balance as per age analysis.
2. This relates to rental accommodation of Councillors, Community Participation Projects. It was agreed with COJ that the JPC Portfolio will pay for the monthly rentals for the office space and in turn the City will refund Portfolio for expenses incurred.
3. Land sales transferred from COJ to Clients but the full purchase price has not been paid, follow ups were made by Credit Control when the clients did not respond/pay the outstanding balance they were handed over to the Legal Team.
4. The VAT generated by the Portfolio is declared to the COJ each month. The VAT is consolidated in the COJ's VAT return, which is in turn submitted to the SA Revenue Services.
5. 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.
6. 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.
7. Capital expenditure incurred and not yet paid from the COJ to date is R50 662 027. An amount of R102 706 172 still has to be paid from the CoJ for the financial year ended 30 June 2019.
8. The budget allocated for the year amounts to R110 080 000.00 for the year 2019/2020.
9. This item reflects Accruals raised as at 30 June 2019 yet to be paid.
10. 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 still remaining on the contract.
11. The amount reflects Tenant Deposits held and Rissik Post Office Insurance paid in the COJ Portfolio Trust account excluding interest earned.
12. 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.
13. 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.
14. Payments received from Solar Street names, no contract exists thus amounts are due and payable to clients.
15. Payments received from Khulu Outdoor, no contract exists thus amounts are due and payable to clients. 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	ACTUAL	APPROVED BUDGET	VARIANCE BETWEEN ACTUAL AND APPROVED BUDGET	BUDGET VARIANCE	FULL YEAR APPROVED BUDGET
	REF	YTD	YTD	YTD	%	
<b>INCOME</b>						
CoJ Subsidy	1	389 988 000	374 337 000	15 651 000	4.18%	499 116 000
Internal Recoveries	2	19 019 491	149 200 500	(130 181 009)	-87.25%	198 934 000
Income from Portfolio Management		30 098 692	48 852 900	(18 754 208)	-38.39%	65 137 200
- Commission on CoJ Rental Collections, Servitudes and Rates & Taxes	3	15 610 745	22 977 900	(7 367 155)	-32.06%	30 637 200
- Commission on Outdoor Advertising	4	9 237 947	20 625 000	(11 387 053)	-55.21%	27 500 000
- Assets Under Management Fees	5	5 250 000	5 250 000	-	0.00%	7 000 000
Facilitation Fees - Inner City	6	-	18 749 997	(18 749 997)	0.00%	24 999 996
Facilitation Development Fees	7	1 856 455	32 895 000	(31 038 545)	-94.36%	43 860 000
Ad hoc Fees	8	270 540	-	270 540	0.00%	-
Cell Mast	9	6 942 817	8 249 995	(1 307 178)	-15.84%	10 999 993
Interest Received - Land Purchases	10	74 073	-	-	0.00%	-
Interest Received	11	-	2 376 747	(2 376 747)	-100.00%	3 168 996
<b>TOTAL INCOME</b>		<b>448 250 068</b>	<b>634 662 139</b>	<b>(186 486 144)</b>	<b>-29.38%</b>	<b>846 216 185</b>



	NOTE	ACTUAL	APPROVED BUDGET	VARIANCE BETWEEN ACTUAL AND APPROVED BUDGET	BUDGET VARIANCE
	REF	YTD	YTD	YTD	
<b>EXPENDITURE :</b>					
Board of directors fees and expenses	<b>12</b>	1 377 339	1 405 500	28 161	2.00%
Office operational expenses	<b>13</b>	140 549 580	143 300 978	2 751 398	1.92%
Contracted expenses	<b>14</b>	22 843 295	34 952 250	12 108 955	34.64%
Repairs & Maintenance	<b>15</b>	18 057 401	71 309 985	53 252 584	74.68%
Salaries	<b>16</b>	240 671 788	337 070 444	96 398 656	28.60%
Professional services	<b>17</b>	5 800 383	7 126 500	1 326 117	18.61%
Travel	<b>18</b>	153 395	396 034	242 639	61.27%
Interest Paid on COJ Sweeping Account	<b>19</b>	8 485 814	29 025 000	20 539 186	70.76%
Depreciation	<b>20</b>	7 008 082	10 075 449	3 067 367	30.44%
(Profit) / Loss on disposal of assets	<b>21</b>	5 582	-	(5 582)	0.00%
<b>TOTAL EXPENDITURE</b>		<b>444 952 659</b>	<b>634 662 139</b>	<b>189 709 480</b>	<b>29.89%</b>
<b>SURPLUS / (DEFICIT)</b>		<b>3 297 410</b>	<b>-</b>	<b>(3 297 410)</b>	<b>-</b>

**Notes:**

1. Subsidy provided to JPC for the 2019/20 financial year. During the midterm budget review for the 2020 financial year the subsidy was reduced. The adjustment for the reduction in the subsidy will be spread over the remaining three months of the financial year.
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 32.06% 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 55.21% 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 for awarding during the fourth quarter.
8. Ad hoc fees relate to services provided by JPC to City Power and Johannesburg Water for property acquisitions.
9. Cell Mast is 15.84% below the budget, the revenue is generated in line with the contract.
10. Interest received relates to the accrual of interest in the transferring attorneys trust account.
11. No interest received to date as the sweeping account is in overdraft.
12. Directors' emoluments and expenditure is 2.00% below the budget. This is in line with the number of meetings scheduled for the YTD.
13. Operational expenditure is 1.92% below the YTD budget. Cost management measures have been implemented to manage expenditure.
14. Contracted expenditure is 34.64% below the budget. During the midterm review the budget was increased to allow the acquisition of cleaning materials in the fourth quarter.
15. Repairs & Maintenance is 74.68% below the YTD budget.
16. Salary expenditure is 28.60% below the budget. The budget was adjusted during midterm to account for the employee costs related to insourced cleaners and security personnel. The expenditure for insourced cleaners has been accounted for in March following the transfer of budget.
17. Professional services are 18.61% below the budget. The budget has been reduced during midterm review.
18. Travel is 61.27% below the budget as travel is limited to operational requirements.
19. Interest on the overdraft is 70.76% below the allocated budget as cash collections have improved resulting in reduced/stagnant interest charges.



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- 20. Depreciation is 30.44% below the budget. This is in line with the fixed asset register.
  - 21. No disposal took place during March 2020.



**Section 2: Portfolio Statement of Financial Performance**

NOTE REF	ACTUAL YTD 2019/2020	BUDGET YTD 2019/2020	VARIANCE YTD	VARIANCE %	APPROVED BUDGET 2019/2020
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**INCOME / BILLINGS**

Rent of Facilities and Equipment	1	61 860 833	74 948 925	-13 088 092	-17.5%	99 931 900
Interest Received - Arrear Debtors	2	2 279 343	2 505 825	-226 482	-9.0%	3 341 100
Other Income	3	947 061	10 713 000	-9 765 939	-91.2%	14 284 000
Recoveries: Bad Debts - COJ	4	-	-	-	0.0%	-
Outdoor Advertising - COJ	5	43 880 108	82 500 000	-38 619 892	-46.8%	110 000 000
Gains on Disposal of Assets	6	-	42 161 250	-42 161 250	-100.0%	56 215 000
<b>TOTAL INCOME</b>		<b>108 967 346</b>	<b>212 829 000</b>	<b>-103 861 654</b>	<b>-48.80%</b>	<b>283 772 000</b>



	NOTE REF	ACTUAL YTD 2019/2020	BUDGET YTD 2019/2020	VARIANCE YTD	VARIANCE %	APPROVED BUDGET 2019/2020
<b>EXPENDITURE</b>						
Contacted Services: Business Advisory PM	7a	3 809 339	5 544 750	1 735 411	31.3%	7 393 000
Contacted Services: Business Advisory Research	7b	7 237 937	7 905 000	667 063	8.4%	10 540 000
Contacted Services: Business Advisory Valuer	7c	1 420 341	3 372 000	1 951 659	57.9%	4 496 000
Contacted Services: Cleaning	7d	1 313 724	1 337 000	23 276	1.7%	1 337 000
RM: Buildings	8a	3 474 711	38 443 500	34 968 789	91.0%	51 258 000
RM: Fencing	8b	-	8 757 000	8 757 000	100.0%	11 676 000
RM: Lifts	8c	40 695	453 000	412 305	91.0%	604 000
Bad and Doubtful Debts	9	-	1 502 250	1 502 250	100.0%	2 003 000
General Expenses: Electricity supply	10	579 361	3 557 250	2 977 889	83.7%	4 743 000
General Expenses: Refuse Fees	11	-	4 395 000	4 395 000	100.0%	5 860 000
Advertising, Publicity and Marketing	12	476 813	2 602 500	2 125 687	81.7%	3 470 000
General Expenses: CID	13	-	1 656 750	1 656 750	100.0%	2 209 000
General Expenses: Sundries	14	-	207 750	207 750	100.0%	277 000
		29 647				
Internal Recoveries: JPC Commission	15	650	53 618 250	23 970 600	44.7%	71 491 000
Internal Recoveries: Internal Charges Core- security	16	705	31 754 250	31 049 091	97.8%	42 339 000
Internal Recoveries: Internal Charges Cleaning	17	159				
	17	-	29 395 500	-	100.0%	39 194 000
Depreciation: Other Assets	18	-	375 750	375 750	100.0%	501 000
<b>TOTAL EXPENDITURE</b>		<b>48 705 731</b>	<b>194 877 500</b>	<b>116 400 519</b>	<b>75.01%</b>	<b>259 391 000</b>
<b>SURPLUS / (DEFICIT)</b>		<b>60 261 615</b>	<b>17 951 500</b>	<b>42 310 115</b>	<b>-235.7%</b>	<b>24 381 000</b>

**Notes:**

1. COJ Rentals: The overall revenue anticipated from the rentals collection is 18% 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 10% below the targeted YTD budget. Interest charged on vacated properties reversed as a result 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 91% below YTD budget.
4. No Bad Debts recovered in the financial year 2019/20 FY.
5. Income derived from outdoor advertising and promotions, 47% 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 33% against YTD budget. These are Portfolio Fixed costs and overall contracted services.
  - 7b. Contacted Services: Business Advisory Research indicates a saving of 8% against YTD budget. These are Portfolio Fixed costs and overall contracted services.
  - 7c. Contracted Services: Business Valuator indicates a saving of 58% 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 2% against YTD budget. Statutory increments yet to be implemented as per government gazette.
  - 8a. Repairs and maintenance of buildings indicates a saving of 91% against YTD budget. The expenditure relates to the maintenance of the council owned buildings and properties to maximise profitability through a maintenance plan repairs and maintenance is in line with spending plans.
  - 8b. No expenditure recorded in the month of March 2020.
  - 8c. Repairs and maintenance of Lifts indicates a saving of 91% against YTD budget. The expenditure relates to the maintenance of the council owned buildings and properties to maximise profitability through a maintenance plan repairs and maintenance is in line with spending plans.

9. No expenditure recorded in the month of March 2020.
10. General Expenses: Electricity supply- expenditure incurred municipal charges indicates a saving of 83% against YTD budget.
11. No expenditure recorded in the month of March 2020.
12. Advertising, Publicity and Marketing- expenditure incurred municipal charges indicates a saving of 82% against YTD budget.
13. No expenditure recorded in the month of March 2020.
14. No expenditure recorded in the month of March 2020.
15. Internal Recoveries: JPC Commission indicates a saving of 91% 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. Internal Recoveries: Internal Charges Core- security indicates a saving of 91% against YTD budget in the month of March 2020.
17. No expenditure recorded in the month of March 2020.
18. No expenditure recorded in the month of March 2020.

## Section 3: Cash Flow Statement

<b>STATEMENT OF CASHFLOW FOR THE CITY OF JOBURG PROPERTY COMPANY SOC LTD</b>		
<b>Quarter-ended: 31 March 2020</b>		
	<b>2019/20</b>	<b>2018/19</b>
<b>Cash flows from operating activities</b>		
<b>Rendering of services</b>	283 194 236	252 024 886
<b>Subsidies</b>	389 988 000	509 336 000
<b>Interest Income</b>	-	-
	<b>673 182 236</b>	<b>761 360 886</b>
<b>Payments</b>		
<b>Employee costs</b>	-242 049 127	-279 212 480
<b>Suppliers</b>	-330 110 350	-304 303 554
<b>Finance costs</b>	-9 494 202	-30 860 286
<b>Taxes on surpluses</b>	-	6 271 594
	<b>-581 653 679</b>	<b>-608 104 726</b>
<b>Net cash flows from operating activities</b>	<b>91 528 557</b>	<b>153 256 160</b>
<b>Cash flows from investing activities</b>		
<b>Purchase of PPE</b>	-267 448	-1 674 711
<b>Proceeds/(Loss) on disposal of PPE</b>	-	-
<b>Purchase of intangible assets</b>	-	-325 289
<b>Payment of deposits</b>	-	-
<b>Net cash flows from investing activities</b>	<b>-267 448</b>	<b>-2 000 000</b>
<b>Cash flows from financing activities</b>		
<b>Net movement of shareholders loan</b>	-84 345 854	-144 722 870
<b>Finance lease payments</b>	-6 915 255	-6 533 290
<b>Net cash flows from financing activities</b>	<b>-91 261 109</b>	<b>-151 256 160</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at 01 July 2019</b>	<b>2 000</b>	<b>2 000</b>
<b>Cash and cash equivalents at 31 March 2020</b>	<b>2 000</b>	<b>2 000</b>



## Section 4: Capital Projects & Expenditure

Project No	JSIP No	Details	Total 2019-20 Budget	YTD Actuals	Unspent Budget	YTD %
1	2669	Computer Equipment - New Computer Upgrades	1 000 000	335 340	664 660	34%
2	4142	Erf 43-46 Victoria Ext 3(Paterson Park Node) VICTORIA EXT.3 E Regional	11 000 000	9 767 046	1 232 954	89%
3	2290	FMMU - Public Conveniences New Public toilets JOHANNESBURG	5 000 000	4 389 034	610 966	88%
4	6358	Metro Mall Taxi Rank Shop Revitalisation and Waste Management Area Redesign	25 000 000	5 028 484	19 971 516	20%
5	4184	Office Space Optimisation Program New Precinct Redevelopment JOHANNESBURG F City Wide	25 000 000	4 666 102	20 333 898	19%
6	2284	Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex JOHANNESBURG F Ward	10 000 000	-	10 000 000	0%
7	2507	Site Development Projects New Land Preparation JOHANNESBURG F City Wide	30 000 000	23 951 206	6 048 794	80%
8	2632	Upgrading of the Hillbrow Public Transport Facility and taxi rank upgrade JOHANNESBURG F Ward	1 080 000	524 815	555 185	49%
9	4180	Watt Street Inter-change New Housing Development WYNBERG E Regional	2 000 000	2 000 000	-	100%
<b>TOTAL</b>			<b>110 080 000</b>	<b>50 662 027</b>	<b>59 417 973</b>	<b>46%</b>

## Section 5: Ratios Analysis

### PART A - JPC

#### LIQUIDITY RATIO

JPC is currently owed R217.5 million from trade and intercompany debtors with cash collections in excess of R200 million being achieved in the first two quarters. JPC has a current ratio of 0.77:1 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 R172.3 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 84 days for 3<sup>rd</sup> party/external debtors. Collection of third party debtors have declined 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 160 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 0.99:1 against the norm of 2:1 and is factually insolvent, whereby the financial statements indicate that there are insufficient assets to cover all liabilities. The 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 period and did not have sufficient time to recover any costs related to cleaning services; however, this will be rectified in the last quarter of the 2020 financial year.

JPC anticipates to continue its trend of profitability from 2018/19 as facilitation fees from the Inner City and Orange Grove rejuvenation projects will be accounted for, when the transactions materialise, in quarter 4. Profitability will be further enhanced by the recovery of employee costs and materials for cleaning services.

### COST COVERAGE RATIO

Due to the negative cash flow of JPC, the cost coverage ratio is negative 3.54:1. 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 improved from negative 7.19:1 for the similar reporting period in March 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 1.4:1 as compared to the norm of 2:1, with a negative cash flow of R211.5 million for the period under review as compared to a positive cash flow of R119.6 million for the same period in the 2018/19 financial year. Intercompany debtors currently owe Portfolio R142.2 million. This accounts for 49% 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 1.39:1 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 39.2:1. This is due to a negative sweeping account balance of R211.5 million and average monthly expenditure being R5.4 million. The Portfolio predominantly utilises its cash for CAPEX spend and recovery from the COJ is dependent on the completion and verification of the projects.

### CREDITORS PAYMENT CYCLE

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

## Section 6: Supply Chain Management and BBBEEE

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

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

### Deviations – JPC Entity

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

### City Portfolio

There are no deviations.

### Payment within 30 days

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

## Section 7: Unauthorized, Irregular, Fruitless and Wasteful Expenditure.

During the financial year SARS conducted a VAT audit for the 2015 and 2017 financial years. SARS re-assessed 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 as a result of the reassessment. A means to object the finding is currently under review by Rain Chartered Accountants,

JPC's tax consultants. Further to this JPC is currently enquiring with SARS about obtaining a special ruling that will align to the accounting practices prescribed in GRAP 109 (Accounting by principals and agents) and the tax practices of JPC to prevent further reassessments for JPC with regards to COJ expenditure.

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 R5 981 892 in irregular expenditure for the continuation of the fleet service contract from the COJ.

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 R13 593 541 for the YTD.

DESCRIPTION					CORRECTIVE MEASURES		
UNAUTHORISED EXPENDITURE	IRREGULAR EXPENDITURE	FRUITLESS & WASTEFUL EXPENDITURE	ESTIMATED AMOUNT	CATEGORY	DISCIPLINARY ACTION	CRIMINAL CHARGE	OTHER
None	Yes	None	R5 981 892	Fleet Services	None	N/A	N/A
None	None	Yes	R2 689 339	VAT	None	N/A	N/A
None	None	Yes	R13 593 541	Rental	None	N/A	N/A

## 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. The annual plan was approved by ARC 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 panel was approved by the Bid Adjudication Committee 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.	The audit has been allocated to a service provider. The start date was reschedule 17 April 2020
2	Contract Management	February 2020	
3	Capital budget spend / commitments	May 2020	
4	Service Level Standards	Quarterly, a month after end of the quarter.	
5	Financial statement review	August 2020	The audit has been allocated to a service provider. The audit is not yet due
6	Use of panel	March 2020	The audit has been allocated to a service provider. The start date was reschedule 17 April 2020
7	Supply Chain Management	April 2020	
8	Anti-Fraud and Corruption	May 2020	The audit has been allocated to a service provider. The audit is not yet due
9	Related parties	July 2020	
10	Strategic Human Resources	February 2020	The audit has been allocated to a service provider. The start date was reschedule 17 April 2020
11	Human Resources Management	April 2020	
12	Revenue Management	April 2020	
13	Compliance	March 2020	
14	Stakeholder Management	February 2020	The audit has been allocated to a service provider. The audit is not yet due
15	Information Technology	May 2020	
16	OHASA Audit	April 2020	The audit has been allocated to a service provider. The audit is deferred to May 2020

## 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). JPC is off the opinion that this finding belong to the City and not JPC's audit report as it is an issue outside JPC's control. JPC is actively working with GFIS to resolve this issue
- 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 March 2020		#	%
		#	%		
<b>Matters affecting the auditor's report</b>	5	4	80%	1	20%
<b>Other Important matters</b>	34	29	85%	5	15%
<b>Administrative matters</b>	1	1	100%	0	0%
<b>Total</b>	40	34	85%	6	15%

#### 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.