

a world class African city



JOBURG
PROPERTY COMPANY

JPC FIRST QUARTER REPORT 2024/25



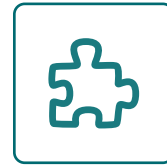
Vision

Our vision is to provide property management, property development, facilities management, property asset management, and outdoor advertising, in order to maximise the social, economic and financial benefit to the City of Johannesburg (CoJ) and support the CoJ's delivery objectives on a cost-competitive basis.



Mission

The Joburg Property Company (JPC) is an agent of the CoJ, 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, and 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 CoJ's service delivery objectives.



Values

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

- > Professionalism
- > Accountability
- > Responsibility
- > Customer Service
- > Trust



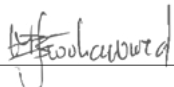
Council Chambers Inside



OFFICIAL SIGN-OFF

It is hereby certified that this Quarterly Report:

- Was developed by the management of JPC (SOC) Ltd under the guidance of the executive management.
- Considers all the relevant policies, legislation, and other mandates for which JPC (SOC) Ltd is responsible.
- Accurately reflects the performance that JPC (SOC) Ltd has achieved in the first quarter of the 2024/25 financial year.



Mr Imraan Bhamjee
Acting Chief Financial Officer
Date of approval: 23/10/2024



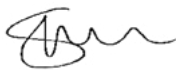
Mr Siyabonga Nodu
Acting Executive Director:
Economic Development
Date of approval: 25/10/2025



Ms Helen Botes
Chief Executive Officer
Date of approval: 23/10/2024



Cllr Nomoya Mnisi
Member of the Mayoral Committee:
Economic Development
Date of approval: 28/10/2024



Mr Simon Motha
Chairperson of the Board
Date of approval: 24/10/2024



ACRONYMS

AG	Auditor-General
AGM	Annual General Meeting
AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
CAPEX	Capital expenditure
CEO	Chief Executive Officer
CLO	Community Liaison Officer
CoJ	City of Johannesburg Metropolitan Municipality
COO	Chief Operating Officer
DED	Department of Economic Development
DHS	Department of Human Settlements
EAC	Executive Adjudication Committee
EAP	Economically active population
EMT	Executive Management Team
EDRMS	Electronic Records and Document Management System
ESG	Environmental, social and governance
FLISP	Finance Linked Individual Subsidy Programme
FY	Financial year
GDS 2040	Growth and Development Strategy 2040
GFIS	Group Forensic and Investigation Services
GRAP	Generally Recognised Accounting Practice
HC	Human Capital
HR	Human Resources
IAC	Independent Audit Committee
ICT	Information and communication technology
IT	Information technology
JMPD	Johannesburg Metropolitan Police Department
JOSHCO	Johannesburg Social Housing Company
JPC	City of Joburg Property Company (SOC) Ltd
JV	Joint venture
KLM	Kgalema Motlanthe Foundation Trust



ACRONYMS

KPI	Key performance indicator
MFMA	Municipal Finance Management Act, 2003
MMC	Member of the Mayoral Committee
MOEs	Municipal-owned entities
MTC	Metropolitan Trading Company (SOC) Limited
NED	Non-Executive Director
OHSA	Occupational Health and Safety Act
OSO	Office space optimisation
PHRAG	Provincial Heritage Resources Agency of Gauteng
POPI(A)	Protection of Personal Information (Act)
PTOB	Permission to Occupy and Build
PPPFA	Preferential Procurement Policy Framework Act
R&M	Repairs and maintenance
RDP	Reconstruction and Development Programme
RFP	Request for proposal
RFQ	Request for quotation
SCM	Supply chain management
SEC, HR & REMCO	Social and Ethics, Human Resources and Remuneration and Transformation Committee
SLS	Service level standards
SMMEs	Small, medium and micro enterprises
SOC	State-owned company
TSD	Transactions and Service Delivery
UIFW	Unauthorised, irregular, fruitless, and wasteful
VAT	Value-added tax
YTD	Year-to-date



Table of Contents

List of Acronyms	04		
List of Tables	07		
List of Figures	09		
Chapter 1: Leadership and Corporate Profile	10	Chapter 4: Human Resources and Organisational Management	77
Section 1: Chairperson’s Overview Report	11	Section 1: Human Resources and Organisational Management	78
Section 2: Chief Executive Officer’s Overview	12	Section 2: Human Capital Landscape	78
Section 3: Financial Overview	14	Section 3: Key Vacancies	80
Section 4: Overall Company Performance	15	Section 4: Employment Equity and Workforce Demographics	81
Section 5: Corporate Profile and Overview of the Entity	24	Section 5: Employee Capacitation	84
Section 6: Strategic Objectives	25	Section 6: Disciplinary Matters and Outcomes	84
		Section 7: Union Representation	85
Chapter 2: Governance	27	Section 8: Leave Provision	86
Section 1: Corporate Governance Statement	28	Section 9: Employee Benefits	87
Section 2: Role of the Board	28		
Section 3: Board and Committees Meetings	29	Chapter 5: Financial Performance	88
Section 4: Entity Remuneration Policy	32	Section 1: JPC Statement of Financial Position as at 30 September 2024	89
Section 5: Risk Management	35	Section 2: JPC Statement of Financial Performance as at 30 September 2024	91
Section 6: Company Secretarial Function	42	Section 3: JPC Statement of Cashflows as at 30 September 2024	93
Section 7: Stakeholder Engagement	42	Section 4: Portfolio Statement of Financial Position as at 30 June 2024	94
Section 8: Anti-corruption and Fraud	42	Section 5: Portfolio Statement of Financial Performance as at 30 June 2024	96
Section 9: Sustainability CSR	43	Section 6: Capital Projects and Expenditure	97
Section 10: Compliance with Laws and Regulations	43	Section 7: Analysis of Ratios	99
		Section 8: Supply Chain Management	102
Chapter 3: Service Delivery & Performance	45	Section 9: Fruitless, Wasteful, and Irregular Expenditure	104
Section 1: Asset Management	46	Section 10: Pending Litigation and Possible Liabilities	105
Section 2: Commercial and City-Focused Intervention Projects	49	Section 11: Insurance Claims Against/to JPC	105
Section 2.1: Development Facilitation Unit	49	Section 12: Statement of Amount Owed to Government Departments and Public Entities	105
Section 2.2: Acquisition & Municipal Unit	54		
Section 3: Informal Trading Unit	54	Chapter 6: Internal and External Audit Outcomes	106
Section 4: Mega Projects	58	Section 1: Results of Internal Audit	107
Section 5: Special Projects	63	Section 2: Progress on Resolution of Internal Audit Findings	107
Section 5.1: Property Analysis	63	Section 3: Progress on Resolution of External Findings	108
Section 5.2: Leasing and Sales Unit	67	Section 4: State of Internal Controls	108
Section 5.3: Leasing and Space Planning	68		
Section 6: Outdoor Advertising	69	Annexure A: Compliance Regulatory Assessment	128
Section 7: Information Technology	69		109
Section 8: Client Business Operations	71		
Section 9: Marketing and Communications	73		
Section 10: Cleaning Services and Facilities Management	76		



List of Tables

Table 1: Company Performance	15
Table 2: Corporate Scorecard Dashboard	15
Table 3: KPI 1	16
Table 4: KPI 2	16
Table 5: KPI 3	17
Table 6: KPI 4	17
Table 7: KPI 5	17
Table 8: KPI 6	18
Table 9: KPI 7	18
Table 10: KPI 8	19
Table 11: KPI 9	19
Table 12: KPI 10	20
Table 13: KPI 11	20
Table 14: KPI 12	21
Table 15: KPI 13	21
Table 16: KPI 14	21
Table 17: KPI 15	22
Table 18: KPI 16	22
Table 19: KPI 17	22
Table 20: KPI 18	23
Table 21: KPI 19	23
Table 22: KPI 20	23
Table 23: JPC's Contribution to Mayoral Priorities	26
Table 24: JPC Board Committees	31
Table 25: Board Meeting Dates	31
Table 26: Board-Approved Submissions Recommended by the Sub-Committees	31
Table 27: Director Emoluments for Meetings	32
Table 28: Executive Management Remuneration for the Period Under Review	33
Table 29: Rating Scale Method Adopted by JPC	35
Table 30: Strategic Risk Register	41
Table 31: Summary of Regulatory Act	44
Table 32: High Level Portfolio Summary	46
Table 33: Monthly Movements by Value	47
Table 34: Monthly Movements by Quantity	47
Table 35: Net Asset Register Movement in Value	48



List of Tables

Table 36: Property Acquisitions	54
Table 37: Stall Occupations by Informal Traders	55
Table 38: Verified Traders	56
Table 39: Buildings Deemed Unfit for Human Habitation	63
Table 40: Number of Transactions in the CoJ System	71
Table 41: Number of Open Petitions	71
Table 42: Service Level Standards	72
Table 43: Operational Expenditure – Cleaning	76
Table 44: CAPEX Expenditure – Cleaning	76
Table 45: Key Vacancies	80
Table 46: Employment Equity and Workforce Demographics	81
Table 47: Racial Demographics of the Economically Active Population	81
Table 48: JPC Workforce Demographics in Terms of EAP Target	83
Table 49: Disciplinary Cases	84
Table 50: Grievances	84
Table 51: External Matters	85
Table 52: Leave Encashment: Q1 – 2024/25 (July 2024–September 2024)	86
Table 53: Distribution of JPC Employee Pension Fund Membership	87
Table 54: Distribution of JPC Employee Medical Aid Fund Membership	87
Table 55: JPC – Financial Position (30 September 2024)	89
Table 56: JPC – Financial Performance (30 September 2024)	91
Table 57: JPC – Cashflow Statement (September 2024)	93
Table 58: Portfolio – Financial Position (30 June 2024)	94
Table 59: Portfolio – Financial Performance (30 June 2024)	96
Table 60: Capital Projects and Expenditure	97
Table 61: Ratio Analysis of the Statement of Financial Performance	100
Table 62: Ratio Analysis of the Statement of Financial Performance	101
Table 63: Supply Chain Management Reports	103
Table 64: Year-on-Year Movement of Fruitless and Wasteful Expenditure	104
Table 65: Year-on-Year Movement of Irregular Expenditure	104
Table 66: Reasons for Irregular Expenditure	104
Table 67: Rating Table	107
Table 68: Internal Audit Review and Progress	107



List of Figures

Figure 1: JPC Priorities	25
Figure 2: High-Level Structure	34
Figure 3: Risk Maturity Levels	42
Figure 4: Compliance Regulatory Requirements for 2024/25 Financial Year	44
Figure 5: Summary per Region – % Value	46
Figure 6: Acquisition Values per Region	47
Figure 7: Disposal Values per Region	48
Figure 8: Southern Farms Masterplan	59
Figure 9: Southern Farms Development Precinct Plan	59
Figure 10: Map of Soweto Gateway Site	60
Figure 11: Aerial View of Soweto Gateway Site	60
Figure 12: Inner City Working Group	64
Figure 13: Linkages Between Precincts	65
Figure 14: Usindiso Block – Marshalltown	66
Figure 15: Quarterly Overtime Expenditure 2024/25	79
Figure 16: Staff Turnover Rate End June 2024 – YTD	79
Figure 17: Gender Split	83
Figure 18: Racial Split	83
Figure 19: Union Representation as at September 2024	85
Figure 20: Abscondment Matters	86





Chapter 1 Leadership and Corporate Profile



Section 1 Chairperson’s Overview Report



Mr Simon Motha

Chairperson of the Board

As we reflect on the first quarter of the 2024/25 financial year, it is imperative to recognise the pivotal role the Johannesburg Property Company (JPC) plays in transforming our city’s landscape.

Given this crucial role, the Board will provide oversight to ensure that strategic priorities are both pursued and achieved. Furthermore, the Board will monitor external factors affecting the operating environment, while acknowledging that the Shareholder may direct changes in respect of the entity’s strategic direction. The Board and management are resolute in upholding the principles of corporate governance, including accountability, transparency, fairness, and integrity.

In our pursuit of excellence, we proactively review and enhance our internal controls and governance procedures. This vigilance ensures that JPC is managed ethically and within prudent risk parameters, enabling us to navigate the complexities of our operational environment effectively.

Governance

During the period under review, the City of Johannesburg Metropolitan Municipality (CoJ) held an Annual General Meeting (AGM). The AGM resulted in changes at Board level to maintain a board composition that reflects a combination of knowledge, diversity, skills, and expertise. The Shareholder has struck a balance between retaining Non-Executive Directors who bring institutional knowledge through their tenure, and appointing new Non-Executive Directors who offer fresh perspectives.

The Board commits to fully carrying out its fiduciary duties with care and skill, while also maintaining robust stakeholder engagements concerning decisions affecting the Shareholder. During the first quarter of the current financial year, the Board focused on statutory matters, such as approval of the 2023/24 unaudited Integrated Annual Report, the Annual Financial Statements, and the Auditor General of South Africa’s (AGSA’s) Audit Strategy.

The Board notes the entity’s first quarter organisational and financial performance and, in collaboration with management, aims to enhance the level of its performance in the upcoming quarters. The Board’s role is critical in setting JPC’s strategic direction. We actively monitor the implementation of strategies and policies through a structured reporting process, ensuring that our objectives are met within defined risk parameters.

The way forward

Looking ahead, the Board’s immediate priority will be to focus on building the entity’s capacity by filling the critical positions of the Chief Financial Officer (COO) and the Chief Executive Officer (CEO), as directed by the Shareholder. The Board will provide strategic oversight and will explore and review initiatives undertaken as part of the Inner City Rejuvenation Programme. This will include the refurbishment of Kliptown with a view to preserving its history while stimulating the township’s economy. We will be monitoring other programmes and projects that focus on increasing revenue generation, such as informal trading and outdoor advertising.

Our collective efforts aim to create meaningful impact in the communities we serve, promoting transparency and stakeholder engagements.

I extend my gratitude to my fellow Board members and the Executive Management Team for their dedication and hard work. Together, we will continue to navigate the challenges and opportunities ahead, ensuring that JPC fulfils its mandate with integrity and purpose.

Mr Simon Motha
Chairperson of the Board





Section 2

Chief Executive Officer's Overview



Ms Helen Botes

Chief Executive Officer

As we embark on the 2024/25 financial year, the JPC stands at a critical juncture. The challenges we face—economic fluctuations, urbanisation pressures, and sustainability demands—require us to rethink our strategies and enhance our operational framework. It is no longer sufficient to focus solely on our financial health; we must also optimise and diversify the use of the CoJ's assets to promote a sustainable and innovative future for our communities.

In this quarter, we have prioritised a comprehensive approach that integrates financial viability with social responsibility by anchoring on the following strategic levers:

- Financial: Ensuring long-term sustainability
- Environmental: Creating smart, safe, and sustainable spaces

- Business Innovation: Optimising CoJ's property portfolio
- Technology: Advancing technological solutions
- Employees: Engaging and developing talent
- Governance: Strengthening corporate controls
- Social: Contributing to communities impactfully through stakeholder engagement and consultation

Strategic partnerships are at the heart of our growth initiatives. By strengthening collaborations with civil society, the private sector, and academic institutions, we create an ecosystem that nurtures innovation and drives economic development.

In the period under review, a collaborative team has been established, comprising the Office of the Executive Mayor, the City Manager, and CoJ Departments, to focus on the implementation of a sustainable Inner City Rejuvenation Programme employing a precinct approach. This team has made significant strides in developing measures to address hijacked (illegally occupied), neglected, and unsafe buildings, while tackling the provision of temporary emergency accommodation.

The entity aims to use the restructuring of the CoJ's offices as a catalyst to drive economic growth and community interaction, while revitalising key nodes such as special economic and transport

zones, etc. One of the key projects under the Office Space Optimisation (OSO) Programme is the Metro Centre redevelopment, which will be implemented through a public-private partnership.

At this stage, JPC has registered the project with National Treasury as a public-private partnership, and engagements with relevant stakeholders, including the City COO's office, has led to the conclusion of the terms of reference with the National Treasury's Government Technical Advisory Centre for the procurement and management of project transaction advisory services. Transaction advisory services will conduct comprehensive feasibility studies and potential procurement approaches for the OSO Programme, including the Metro Centre Precinct, ensuring a thorough understanding of the project's potential.

One of the key achievements for the quarter under review is the conclusion of the development lease agreement for Soweto Gateway, which will unlock an investment attraction amounting to **R2.7 billion**.

We recognise the need to diversify our property portfolio, which will be done in the long term by acquiring strategic land parcels and sweat off existing properties to maximise returns.





Organisational highlights

In the period under review, nine (9) out of seventeen (17) key performance indicators (KPIs) were met, thus reflecting a **53%** achievement. The highlights for the quarter are:

- An investment of R172.8 million was made on projects.
- A resolution rate of 100% was achieved for the Auditor-General's (AG's) findings.
- Property acquisitions of three (3) properties for the Department of Human Settlement to the value of R8.9 million by means of registration of land rights and transfer were concluded.
- Nineteen (19) properties were released for commercial and social leases including servitudes.
- Seven (7) properties to the value of R3.7 million were packaged and released on tender in terms of Section 79(18) of the local government ordinance and the City's supply chain processes for land.

The external audit by the AGSA commenced in September, with the audit strategy and fees being approved. Currently, the Steering Committee meets weekly, and it is expected to be concluded by 15 November 2024 when a draft Audit and Management Report will be reviewed.

A strong organisational culture is essential for achieving these ambitious goals. By investing in our staff's development and promoting a values-driven workplace, we have implemented a more targeted approach to training and development, supported by a clearly communicated calendar of training and development opportunities.

Focus for the upcoming quarters

Lastly, spatial transformation remains a cornerstone of our mission. Through area-based property development and urban renewal projects, we aim to revitalise neighbourhoods, enhance public spaces, and promote equitable access to economic

opportunities. Initiatives like the Inner-City Rejuvenation Programme and other mega projects will be crucial in shaping a vibrant urban landscape.

As we navigate this financial year, our focus is clear: to deliver innovative and sustainable solutions that promote economic growth and job opportunities for our residents. JPC remains committed to building a brighter, more sustainable future for Johannesburg



Ms Helen Botes
Chief Executive Officer





Section 3 Financial Overview



Mr Imraan Bhamjee

Acting Chief Financial Officer

I am honoured to present the JPC’s financial performance report for the first quarter of the 2024/25 financial year, covering the period 1 July 2024 to 30 September 2024. Quarter 1 focused on closing out the 2023/24 financial year, finalising our Annual Financial Statements, which were submitted on 31 August 2024, and preparing for the Auditor-General’s audit, which is currently underway.

The first quarter typically sees reduced operational activity, as departments work on finalising their demand plans and appointments, with execution taking place in the subsequent quarters. This trend is reflected in our financial performance, with operating expenditure 42.4% below target, and only 16% of the capital expenditure (CAPEX) budget spent so far. Revenue is 10.2% below target, but JPC has achieved a year-to-date surplus of R39.7 million. Key revenue streams, such as outdoor advertising agreements and several land transactions, have been delayed due to pending approvals, which are expected to materialise in the second quarter.

Revenue and Expenditure Performance

Revenue generation has been impacted by delays in approval processes, particularly with outdoor advertising agreements. Management fees, however, have been in line with expectations, driven by the finalisation of Service Level Agreements. While revenue from cleaning services recoveries is below budget by 19.1%, management fees for repairs and maintenance (R&M) have exceeded expectations by 38.7%.

Expenditure was kept under control, with operational expenses, such as alternative accommodation for departments relocated from the Metro Centre, being well managed. Board of Directors’ fees, office expenses, and contracted expenses were all significantly below budget. Repairs and maintenance, cleaning materials, and pest control spending were particularly low due to delays in planned work and the prioritisation of cash flow management. The management of expenses has resulted in a 25.5% reduction in total expenditure for the quarter.

Financial Ratios and Liquidity

JPC’s liquidity and solvency ratios remain below the norm, due to the CoJ’s delayed payments for services rendered, including facilities management and cleaning services. As at the end of the first quarter, JPC is owed R957 million in trade and intercompany debtors, and the current liquidity ratio stands at 0.95:1, just below the preferred norm of 1:1. The solvency ratio is 1.06:1, which is lower than the ideal norm of 2:1. However, JPC remains factually solvent with a net asset position of R75.3 million.

Our debtors’ collection ratio, at 893 days, reflects the ongoing challenge of delayed payments from the CoJ and municipal-owned entities (MOEs), highlighting the need for continued engagement to improve cash flow. Cash coverage remains healthy at 1.29:1, ensuring that JPC can meet its obligations.

Supply Chain Management and Procurement

In the first quarter, no tenders were awarded, but 12 requests for quotations (RFQs), valued at R4.6 million, were successfully processed. These RFQs were evaluated using the 80:20 preferential procurement framework, prioritising local, black-owned, and small, medium and micro enterprises (SMMEs), ensuring that our procurement processes support economic empowerment and development within the CoJ.

Looking Forward

As we move into the second quarter of the 2024/25 financial year, our focus will shift to enhancing our operational efficiency by updating our supply chain management (SCM) policies and finalising the audit. We will also work on preparing the budget for the 2025/26 financial year and reviewing the mid-term budget for 2024/25, ensuring that our financial strategies align with JPC’s and the City’s long-term goals. We will continue to prioritise the collection of outstanding debts to improve our cash flow and enhance our financial position.

We look forward to a productive and prosperous year ahead as we work towards achieving our strategic objectives.

Mr Imraan Bhamjee
Acting Chief Financial Officer





Section 4 Overall Company Performance



OVERVIEW OF THE ENTITY

In the period under review:

- Of the 17 KPIs scheduled for evaluation in this quarter, 9 (53%) were achieved.
- Three (3) KPIs were not due for evaluation this quarter.
- The financial performance of the JPC in the first quarter reflects a surplus of **R39 735 000**.
- Ratios: The entity has a liquidity ratio of 0.95:1 and a solvency ratio of 1.06:1 against the City's benchmarks of 1:1 and 2:1, respectively.



HIGHLIGHTS

- **R2.7 billion** investment unlocked through the Soweto Gateway development signed agreement.
- **R172.8 million** investment spend on projects.
- 100% resolution rate of the AG's findings.
- Property acquisitions of three properties for the Department of Human Settlement to the value of **R8.9 million** by means of registration of land rights and transfer were concluded.
- Nineteen (19) properties were released.
- Seven (7) properties to the value of **R3.7 million** were packaged and released on tender in terms of Section 79(18) of the local government ordinance and the City's supply chain processes for land.



LOWLIGHTS

- The 8 KPIs reflecting the 47% that were not achieved relate to:
 - > Job opportunities
 - > SMMEs supported
 - > Annual refurbishment for the Metro Centre Precinct
 - > Training and development
 - > Income generation
 - > CAPEX spend
 - > Operating budget spend
 - > Percentage of internal audit findings
- CAPEX expenditure was low due to delayed SCM processes.
- The budget for repairs and maintenance for CoJ buildings was inadequate.

Table 1: Company Performance

The dashboard in Table 2 below reflects the targets on the corporate scorecard.

QUARTER 1		Achieved	9	53%
		Not achieved	8	47%
		KPI at risk	0	0
		KPI not yet due	3	3

Table 2: Corporate Scorecard Dashboard





TARGET ACHIEVED



TARGET NOT ACHIEVED



TARGET NOT YET DUE

1.1 Unlocking Investments/Business Through Property Transactions and Developments

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R3 billion	R0 investment attracted/business facilitated within CoJ boundaries based on a signed contract	R1 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R1 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R1 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract	R3 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract
Actual	R2.7 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract				R2.7 billion investment attracted/business facilitated within CoJ boundaries based on a signed contract


 TARGET ACHIEVED

Table 3: KPI 1

1.2 Investment Spend Within CoJ Boundaries Based on Construction Value on the Ground

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: R500 million	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R125 million investment spend on projects within CoJ boundaries based on construction value on the ground	R500 million investment spend on projects within CoJ boundaries based on construction value on the ground
Actual	R172.8 million investment spend on projects within CoJ boundaries based on construction value on the ground				R172.8 million investment spend on projects within CoJ boundaries based on construction value on the ground


 TARGET ACHIEVED

Table 4: KPI 2





1.3 Job Opportunities Created

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 1 000	250 job opportunities created	250 job opportunities created	250 job opportunities created	250 job opportunities created	1 000 job opportunities created
Actual	95 job opportunities created				95 job opportunities created



TARGET NOT ACHIEVED

Target not achieved because of the delayed commencement of CAPEX projects including repairs and maintenance work. These delays relate to the late initiation of SCM processes.

Table 5: KPI 3

1.4 SMMEs Supported Through Property Transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 700	175 SMMEs supported	175 SMMEs supported	175 SMMEs supported	175 SMMEs supported	700 SMMEs supported
Actual	73 SMMEs supported				73 SMMEs supported



TARGET NOT ACHIEVED

Target not achieved because of the delayed commencement of CAPEX projects including repairs and maintenance work. These delays relate to SCM processes behind schedule.

Table 6: KPI 4

1.5 Number of Properties Acquired on Behalf of City Departments and Entities

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target : 10	Acquisition of 0 properties	Acquisition of 0 properties	Acquisition of 5 properties	Acquisition of 5 properties	Acquisition of 10 properties
Actual	3 properties acquired				3 properties acquired and transferred to the CoJ through the conditions of town establishment



TARGET ACHIEVED

Three acquisition transactions were concluded ahead of time.

Table 7: KPI 5





1.6 Release of 120 Properties on Social and Economic Leases Including Servitudes and Sales

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 150	0 properties released on social and economic leases including servitudes and sales	50 properties released on social and economic leases including servitudes and sales	50 properties released on social and economic leases including servitudes and sales	50 properties released on social and economic leases including servitudes and sales	150 properties released on social and economic leases including servitudes and sales
Actual	22 properties released on social and economic leases including servitudes and sales				22 properties released on social and economic leases including servitudes and sales



TARGET ACHIEVED

Property transactions initiated in the previous year were concluded.

Table 8: KPI 6

1.7 Implementation of the Outdoor Advertising Masterplan

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 100%	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan	25% implementation of the outdoor advertising masterplan	100% implementation of the outdoor advertising masterplan
Actual	25% implementation of the outdoor advertising masterplan				25% implementation of the outdoor advertising masterplan



TARGET ACHIEVED

Table 9: KPI 7





1.8 Implementation of Annual Refurbishment Plan for the Metro Centre Precinct

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 100%	25% implementation of annual refurbishment plan for Metro Centre	25% implementation of annual refurbishment plan for Metro Centre	25% implementation of annual refurbishment plan for Metro Centre	25% implementation of annual refurbishment plan for Metro Centre	100% implementation of annual refurbishment plan for Metro Centre
Actual	0% implementation of annual refurbishment plan for Metro Centre				0% implementation of annual refurbishment plan for Metro Centre



TARGET NOT ACHIEVED

JPC has earmarked the Metro Centre Precinct for redevelopment in line with the OSO programme. The JPC has registered the project with the National Treasury as a public-private partnership. The JPC, assisted by the COO of the CoJ, has concluded the terms of reference with the National Treasury's Government Technical Advisory Centre for the procurement and management of project transaction advisory services. Transaction advisory services will conduct comprehensive feasibility studies and potential procurement approaches for the OSO programme, including the Metro Centre Precinct, ensuring a thorough understanding of the project's potential.

Table 10: KPI 8

1.9 Renewal of Office Accommodation Leases

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 27	6 renewals of office accommodation leases	7 renewals of office accommodation leases	7 renewals of office accommodation leases	7 renewals of office accommodation leases	27 renewals of office accommodation leases
Actual	9 renewals of office accommodation leases				9 renewals of office accommodation leases



TARGET ACHIEVED

Table 11: KPI 9





1.10 Implement Training and Development Initiatives to Address Competency Gaps

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 950	237 employees trained	237 employees trained	238 employees trained	238 employees trained	950 employees trained
Actual	122 employees trained				122 employees trained



TARGET NOT ACHIEVED

The initiatives for establishing a training panel are in the planning stages, which has delayed progress. It is anticipated that the SCM processes will be concluded, leading to an improvement in this KPI in the upcoming quarters.

Table 12: KPI 10

1.11 Income Generated Through Property Transactions

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 100%	R31.25 million income raised from acquisition, outdoor advertising, leases, servitudes and sales	R31.25 million income raised from acquisition, outdoor advertising, leases, servitudes and sales	R31.25 million income raised from acquisition, outdoor advertising, leases, servitudes and sales	R31.25 million income raised from acquisition, outdoor advertising, leases, servitudes and sales	R125 million income raised from acquisition, outdoor advertising, leases, servitudes and sales
Actual	R18.9 million income raised from acquisition, outdoor advertising, leases, servitudes and sales				R18.9 million income raised from acquisition, outdoor advertising, leases, servitudes and sales



TARGET NOT ACHIEVED

One hundred and forty-nine (149) transactions are being processed within the City's governance structures for approval. Seven (7) out of these transactions have been packaged and released on tender, which will follow evaluation and adjudication approval by the Executive Adjudication Committee (EAC).

Table 13: KPI 11





1.12 Allocated CAPEX Spend

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	25% spend on allocated CAPEX	25% spend on allocated CAPEX	25% spend on allocated CAPEX	20% spend on allocated CAPEX	95% spend on allocated CAPEX
Actual	16% spend on allocated CAPEX				16% spend on allocated CAPEX

TARGET NOT ACHIEVED Due to delayed SCM processes.

Table 14: KPI 12

1.13 Percentage Spent on Operating Budget Against Approved Operating Budget

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	20% spent on operating budget against approved operating budget	25% spent on operating budget against approved operating budget	25% spent on operating budget against approved operating budget	25% spent on operating budget against approved operating budget	95% spent on operating budget against approved operating budget
Actual	18.63% spent on operating budget against approved operating budget				18.63% spent on operating budget against approved operating budget

TARGET NOT ACHIEVED Most of the initiatives are still in the planning stages, which can cause a lag in expenditure. It is anticipated that there will be improvement in the upcoming quarter.

Table 15: KPI 13

1.14 Percentage of Budget Spent on Repairs and Maintenance

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 8%	0% of repairs and maintenance budget spent	4% of repairs and maintenance budget spent	2% of repairs and maintenance budget spent	2% of repairs and maintenance budget spent	8% of repairs and maintenance budget spent
Actual	0% of repairs and maintenance budget spent				0% of repairs and maintenance budget spent

TARGET NOT YET DUE

Table 16: KPI 14





1.15 Percentage of Valid Invoices Paid Within 30 Days of Invoice Date

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

TARGET ACHIEVED

Table 17: KPI 15

1.16 Percentage Reduction in Unauthorised, Irregular, Fruitless, and Wasteful (UIFW) Expenditure Incurred Citywide

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 50%	0% reduction in UIFW expenditure incurred citywide	20% reduction in UIFW expenditure incurred citywide	20% reduction in UIFW expenditure incurred citywide	10% reduction in UIFW expenditure incurred citywide	50% reduction in UIFW expenditure incurred citywide
Actual	0% reduction in UIFW expenditure incurred citywide				0% reduction in UIFW expenditure incurred citywide

TARGET NOT DUE THIS QUARTER

Table 18: KPI 16

1.17 Percentage Achievement of Service Standards Levels in Terms of the Shareholder Compact

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 50%	95% compliance with CoJ service standards	95% compliance with CoJ service standards	95% compliance with CoJ service standards	95% compliance with CoJ service standards	95% compliance with CoJ service standards
Actual	100% compliance with CoJ service standards				100% compliance with CoJ service standards

TARGET ACHIEVED

Table 19: KPI 17





1.18 Audit Opinion

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: Unqualified Audit Target	N/A	Unqualified Audit	N/A	N/A	Unqualified Audit
Actual	Target not due this quarter				Target not due this quarter

TARGET NOT YET DUE

Table 20: KPI 18

1.19 Resolution of Auditor General’s Findings

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	95% of the previous AG’s letter	95% of the previous AG’s letter	50% of the current/new AG’s letter	95% of the current/new AG’s letter	95% resolution of AG’s findings
Actual	100% of the previous AG’s letter				100% of the previous AG’s letter

TARGET ACHIEVED

Table 21: KPI 19

1.20 Percentage Resolution of Internal Audit Findings

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Annual Target: 95%	95% resolution of internal audit findings	95% resolution of internal audit findings	95% resolution of internal audit findings	95% resolution of internal audit findings	95% resolution of internal audit findings
Actual	0% resolution of internal audit findings				0% resolution of internal audit findings

TARGET NOT ACHIEVED

The internal audits commenced in the fourth quarter of the previous financial year, and at this stage, management is reviewing and implementing mitigation actions for the findings.

Table 22: KPI 20

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





Section 5 Corporate Profile and Overview of the Entity

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

Mandate and Core Business

The entity has 1 515 employees who are based at the head office and JPC's depots. JPC derives its mandate from a signed Service Delivery Agreement with its sole Shareholder, the CoJ. The core functions of JPC are:

1. Asset Management

JPC aims to implement sound asset management practices, including access to new assets, sustainably and affordably. Asset management objectives include:

- **Land strategy development and implementation:** The land strategy guides new business development and focuses on monitoring and evaluating the optimisation of the portfolio, i.e. to create a high-yielding asset.
- **Asset register:** Ensure compliance of the asset register, account for movements, maintain safekeeping of title deeds, and conduct property valuations.

2. Property Development

JPC aims to maximise the return on City-owned land. The objectives for public land development encompass three key types of returns:

- **Delivering on City objectives:** This entails attending to the priorities identified in the Service Delivery and Budget Implementation Plan, the Integrated Development Plan, and the Growth and Development Strategy 2040 (GDS 2040).
- **Transforming the property industry:** This includes empowering emerging developers and contractors, supporting the City's youth programme, and providing guidance on development for enterprises.
- **Creating high-yielding property assets with a sustainable income stream:** A large portion of the City's assets are vacant land with inherent low asset value and associated low returns. However, should this value be unlocked through developments, a base of long-term recurring income can be created by facilitating the development of properties with high potential.

3. Facilities Management and Cleaning Services

This function encompasses multiple disciplines to ensure the functionality, comfort, safety, and efficiency of the property and built environment. It is largely rooted in facilities upkeep and improvement of the physical building. The role also includes the implementation of new sustainability and green initiatives. Lastly, the service offering in this function extends to the provision of cleaning services.

4. Property Management

This function involves maximising the efficiency of the CoJ's portfolio of properties, generating rental income on leased properties, and identifying leasing opportunities, including outdoor advertising leases (i.e. street furniture, street pole advertising, cell mast sites erected on CoJ land, and/or assets).



Erf 120
Parktown -
Mikes Kitchen





Section 6 Strategic Objectives

JPC’s corporate strategy is aligned with GDS 2040, the Integrated Development Plan, and the mayoral priorities. JPC recognises and emphasises its role as an economic and social property company in achieving positive developmental outcomes. Following the political transition to the Government of Local Unity, the City had eleven (11) confirmed mayoral priorities. The entity contributes to these priorities in the areas illustrated in Figure 1.



Figure 1: JPC Priorities

JPC is in alignment with the mayoral priorities (as depicted in Table 23) and has the following long-term strategic objectives:

- Supporting economic development
- Supporting community development and social initiatives
- Utilising the property portfolio to address social imperatives and priorities
- Building cooperative and intergovernmental partnerships
- Utilising the portfolio as a vehicle for transformation
- Ensuring efficient, economic, and effective service delivery to clients, customers, and stakeholders
- Becoming a financially and administratively sustainable and resilient City










Mayoral Priorities	JPC's Contribution to the Priorities Included in the Annual Corporate Scorecard
 <p>Sustained Economic Growth</p>	<ul style="list-style-type: none"> • R3 billion investment/rand value attraction of investment on CoJ property • R500 million investment spend on CoJ property/construction value on the ground • Acquisition of 10 properties on behalf of departments and municipal entities for the advancement of the City's service delivery objectives
 <p>Job Opportunity Creation</p>	<ul style="list-style-type: none"> • 1 000 job opportunities created through property transactions • 700 SMMEs supported through property transactions
 <p>Good Governance</p>	<ul style="list-style-type: none"> • Audit opinion/unqualified audit opinion (clean audit) • 50% reduction in UIFW expenditure incurred citywide • 95% resolution of Auditor-General's findings • 95% resolution of internal audit findings • 100% of valid invoices paid within 30 days of the invoice date • 950 employees trained to address competency gaps • 100% implementation of annual refurbishment plan for Metro Centre
 <p>Financial Sustainability</p>	<ul style="list-style-type: none"> • R125 million income raised from acquisition, outdoor advertising, leases, servitudes, and sales • 95% spent on the operating budget against the approved operating budget • 8% spent on property, plant, and equipment repairs and maintenance in respect of JPC facilities. • 150 properties released on social and economic leases, including servitudes and sales • 95% spend of the allocated capital expenditure budget • 100% implementation of the outdoor advertising masterplan • 27 office accommodation leases renewed
 <p>Active % Engaged Citizenry</p>	<ul style="list-style-type: none"> • 95% achievement of service standards

Table 23: JPC's Contribution to Mayoral Priorities





a world class African city



Chapter 2 Governance

Section 1 Corporate Governance Statement

JPC has a unitary board comprising Executive and Non-Executive Directors. In accordance with the Companies Act 71 of 2008, and in line with the Principle of King IV, a Non-Executive Director (NED), Mr Simon Motha, is the presider of the Board of Directors (“the Board”). The Board convenes regularly (at least quarterly), with special and statutory meetings, to consider statutory reports and any other urgent matters. The Board retains full control of the organisation.

The Board remains accountable to the City of Johannesburg Metropolitan Municipality (CoJ) as its sole Shareholder, its stakeholders, and the citizens of Johannesburg. A Service Delivery

Agreement and the Shareholder Compact are concluded in accordance with the provisions of the Municipal Systems Act. These documents govern the entity’s relationship with the CoJ.

Our commitment to sound corporate governance and effective leadership stands as a cornerstone of our value-creation process. This foundational element ensures the sustainability of our operations and enhances long-term performance, thereby benefiting all our stakeholders.

The Board is our custodian of governance. It uses its board and committee meetings to discharge its duties in terms of the Board

Charter, the Companies Act, King IV, and legislation regulating local municipalities, always ensuring adherence to the highest ethical standards and best international corporate governance practices.

Sound corporate governance practices are implicit in our values, culture, and processes, and our internal controls promote an awareness of risk, compliance, and good governance in every area of the business. By ensuring that our structured operational frameworks are in place and that the various governance processes are incorporated into all our activities, the Board can focus on the business and make informed decisions in the best interests of the company and all stakeholders.

Section 2 Role of the Board

Board Composition

The Board is satisfied that its composition reflects the appropriate mix of knowledge, skills and expertise, experience, diversity, and independence.

During the quarter under review, the Shareholder held its Annual General Meeting on 31 July 2024, and the following appointments were made:



Board Members (Non-Executive Directors)

- | | |
|--|----------------------|
| • Simon Motha (Chairperson of the Board) | • Moeketsi Rabodila |
| • Mxolisi Zondo | • Sivuvisiwe Gwebani |
| • Fulufhelo Ratshikhopha | • Yolisa Ngzabazi |
| • Bettycourt Teffo | • Tshepang Thatelo |
| • Ntombikayise Tini | • Thapelo Mashamaite |
| • Sandy Collophen | |



Board Members (Executive Directors)

- Helen Botes (Chief Executive Officer)
- Imraan Bhamjee (Acting Chief Financial Officer)

Independent Audit Committee Members

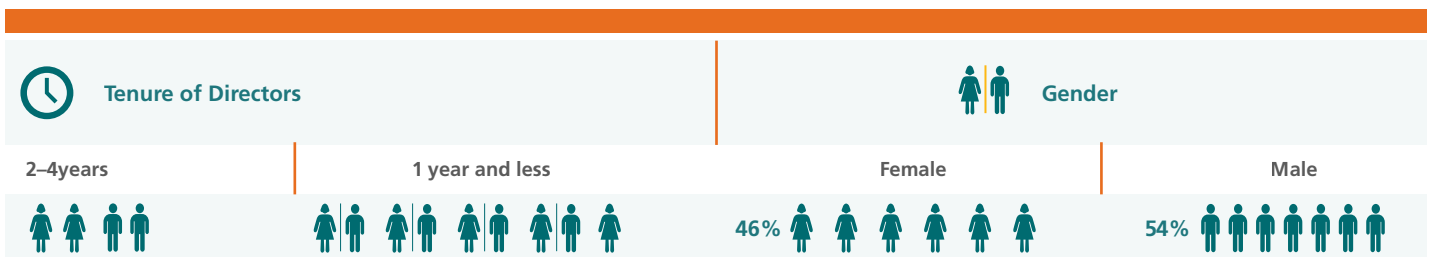
- Yongama Pamla
- Rachel Makwela
- Motsamai Karedi
- Khethukuphila Ngubane

The independence of Non-Executive Directors is periodically assessed by the CoJ's Group Governance Shareholder Unit prior to appointment and/or re-appointment during the Annual General Meeting.

Board Diversity

Board diversity is prioritised and viewed as a key component of

value creation. To this end, the Shareholder and the Board have adopted a policy to promote broader diversity at board level, specifically focusing on diversity of gender, race, culture, age, field of knowledge, skills, and experience. Promoting diversity also facilitates proactive and constructive engagement with management.



Section 3 Board and Committee Meetings

The Board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties in line with King IV. The Board has delegated roles and responsibilities to its three (3) committees, namely the Audit and Risk Committee

(ARC), Social and Ethics, Human Resources and Remuneration and Transformation Committee (SEC, HR & REMCO), and the Transactions and Service Delivery (TSD) Committee, based on relevant legal requirements, as well as what is appropriate for the JPC.



Cross-Functional Responsibilities

The board acknowledges the cross-functional responsibilities that exist between committees. These committees are regulated and statutory, and have a framework to monitor their activities and responsibilities. To avoid parallel decision-making, joint committees are convened for specific items that have a cross-functional impact.



Yolisa Ngzabazi
Chairperson

SEC, HR, & REMCO Committee

The mandate of the Social and Ethics, Human Resources and Remuneration, and Transformation Committee (SEC, HR & REMCO) includes the statutory duties of a Social and Ethics Committee, in accordance with applicable regulations.

The committee assists in determining the key components of remuneration and performance review criteria.

In addition, it evaluates, monitors, and makes the appropriate recommendations to the Board in terms of its scope and mandate.

Four independent Non-Executive Directors:

Ms Ntombikayise Ntini (NED)
Ms Sandy Collophen (NED)
Ms Bettycourt Teffo (NED)
Mr Moeketsi Rabodila (NED)

Key focus areas for 2024/25 FY:

- Promoting good corporate citizenship
- Enhancing ethical leadership and conduct practices
- Strengthening stakeholder relationships and corporate social investment
- Managing communication and marketing-related matters
- Providing oversight of ethics management
- Overseeing the Diversity and Inclusion Forum
- Human Capital Management
- Reputational Management



Thapelo Mashamaite
Chairperson

Audit and Risk Committee

The Audit and Risk Committee (ARC) maintains an effective working relationship with management and other board committees.

The internal audit and risk management function assists the ARC with its review of risk management controls and procedures.

One Non-Executive Director:

Mr Fulufhelo Ratshikhopha (NED)

Four Independent Audit Committee Members:

Ms Yongama Pamla (IAC)
Ms Rachel Makwela (IAC)
Mr Motsamai Karedi (IAC)
Mr Khethukuphila Ngubane (IAC)

Key focus areas for 2024/25 FY:

- Integrated Annual Report and Annual Financial Statements
- Budget and Business Plan, including the mid-term adjusted Budget Plan
- Supply chain management (SCM) reporting and acquisition plans
- Strategic Risk Register
- The financial position and performance of the business are reviewed quarterly
- Compliance management
- Information and communication technology (ICT) and governance thereof
- Internal and external audits





The Transactions and Service Delivery (TSD) Committee considers and recommends transactions for acquisitions, developments, and disposals for approval.

**Sivuvisiwe Gwebani
Chairperson**

**Four independent
Non-Executive Directors:**

**Consider and recommend to the
Board and Council for approval of the
following:**

**Transactions and Service
Delivery**

Mr Mxolisi Zondo (NED)
Ms Bettycourt Teffo (NED)
Mr Simon Motha (NED)
Ms Tshepang Thatelo (NED)

- Alienation of property
- Acquisition of property sales and developments
- Amending, acquiring and/or cancellation of servitudes
- Property donations
- Property-related transactions such as leases, mixed-use properties, and management agreements
- Monitoring compliance with legislation
- Outdoor advertising and cell masts
- Property management and development

Table 24: JPC Board Committees

Meetings Held During the Quarter	JPC Board	Audit & Risk Committee	Transactions & Service Delivery Committee	SEC, HR REMCO Committee
Meeting	23 July 2024	11 July 2024	16 July 2024	18 July 2024
MMC-Chairperson's Quarterly Review Meeting	13 August 2024			
GRGC Meeting	23 August 2024			
Special Meeting	27 August 2024	19 August 2024 22 August 2024		

Table 25: Board Meeting Dates

During the period under review, the board approved the following submissions recommended by the sub-committees:

Matters considered by the Board

The Board is satisfied it has fulfilled its responsibilities for the reporting period in terms of its approved charter.

- JPC Fourth-Quarter Performance Report for 2023/24 FY
- JPC First-Quarter Acquisition Plan for 2024/25 FY
- Code of Conduct and Ethics Policy
- Employee Health and Wellness Policy
- Overtime Policy
- Job Evaluation Policy
- Payroll Management Policy

Table 26: Board-Approved Submissions Recommended by the Sub-Committees



Section 4

Entity Remuneration Policy

The Directors of the Board are appropriately rewarded as prescribed by the director's emoluments framework.

Name of Director	Meetings Attended	Emoluments
Simon Motha	05	R52 000.00
Sabelo Mtolo	02	R22 000.00
Bettycourt Teffo	04	R40 000.00
Tshepang Thatelo	03	R34 000.00
Ellen Rakodi	02	R20 000.00
Ntombikayise Tini	03	R32 000.00
Fulufhelo Ratshikhopa	07	R70 000.00
Mxolisi Zondo	05	R38 000.00
Sandy Colloppen	01	R12 000.00
Moeketsi Rabodila	01	R12 000.00
#Sivuyisiwe Gwebani	01	R00.00
Thapelo Mashamaite	01	R12 000.00
#Yolisa Ngxabazi	01	R00.00
Independent Audit Committee Members		
Xola Lingani	01	R9 200.00
Yongama Pamla	03	R24 000.00
Thabang Chiloane	01	R8 000.00
Rachel Makwela	03	R24 000.00
Khethukuphila Ngubane	02	R16 000.00
Motsamai Karedi	02	R16 000.00
Total		419 600.00

Table 27: Director Emoluments for Meetings

The discrepancy in payments to Independent Audit Committee (IAC) members stems from differences in value-added tax (VAT) status: one member is a registered VAT vendor and therefore submits invoices inclusive of VAT. Two (2) NEDs, namely Sivuyisiwe Gwebani and Yolisa Ngxabazi, do not claim for board fees; however, they claim for data or travelling expenses as they are government employees.

Disclosure of Interest

Prior to each meeting of the Board or of its sub-committees, a specific agenda item is included for the declaration of any conflicts of interest and their nature. During the period under review, no conflicts of interest were recorded.

The attendance registers and declaration of conflict of interest records are kept on file by the Company Secretary and remain open for scrutiny.

In addition to the specific agenda item, Section 75 (5) of the Companies Act stipulates that if a Non-Executive Director or an independent Audit Committee has a personal financial interest in any matter the entity is involved with, a declaration of conflict of interest be submitted annually. These declarations are also kept on file by the Company Secretary.



Name	Basic Salary	Travel Allowance	Housing Allowance	Leave Encashment	Acting Allowance	Performance Bonus/13th	Final Leave Pay	Non-Pensionable Allowance	Company Contribution	TOTAL
Helen Botes	R686 063	R62 500	R-	R329 304	R-	R-	R-	R-	R13 203	R1 091 070
Sizeka Tshabalala	R429 980	R30 000	R-	R64 795	R-	R-	R-	R-	R101 862	R626 638
Mduduzi Makhunga	R433 234	R24 000	R-	R-	R-	R-	R-	R-	R101 790	R559 025
Sipho Mzobe	R423 722	R30 000	R2 723	R-	R-	R-	R-	R-	R100 041	R556 486
Phaqa Mhlongo	R476 138	R-	R-	R-	R-	R-	R-	R-	R85 117	R561 255
Tshepo Mokataka	R455 404	R-	R-	R-	R-	R-	R-	R-	R105 851	R561 255
Imraan Bhamjee	R552 964	R24 000	R-	R-	R-	R-	R-	R-	R116 453	R693 417
Dlamini Gontse	R309 062	R-	R3 199	R39 559	R-	R-	R-	R-	R68 781	R420 602
Kgatuke Mathibela	R-	R-	R-	R-	R-	R-	R-	R-	R2 534	R2 534
Sifiso Mabizela	R357 246	R-	R-	R-	R-	R-	R-	R-	R63 235	R420 481
Sathekge Ogotlhe	R441 500	R-	R-	R-	R-	R-	R-	R-	R63 246	R504 746
	R4 565 312	R170 500	R5 923	R433 658	R-	R-	R-	R-	R822 114	R5 997 507

Table 28: Executive Management Remuneration for the Period Under Review

The discrepancy in payments to EXCO members stems from resignations and appointments that resumed duties in the middle of the year.



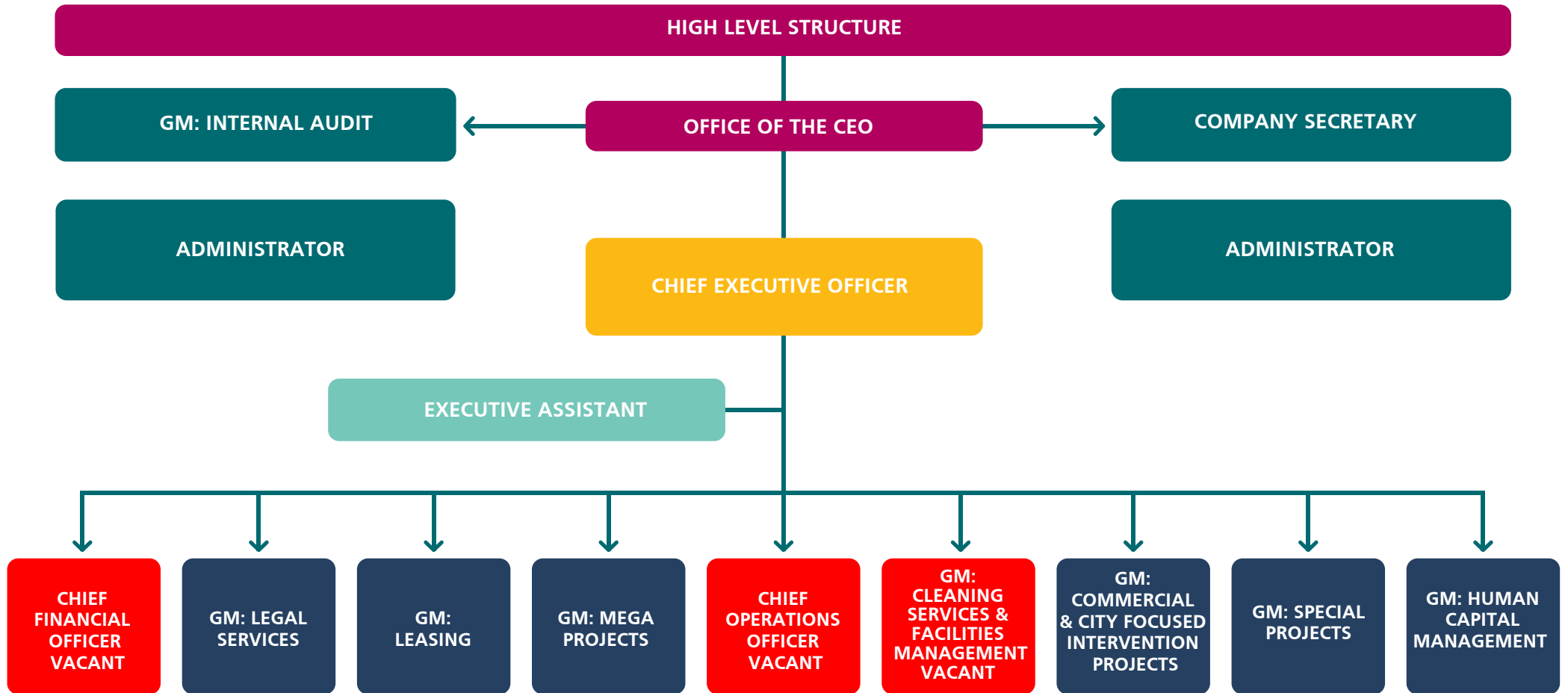


Figure 2: High-Level Structure



Section 5 Risk Management

The JPC’s Board monitors risk through the ARC, which ensures an effective risk management process and system is in place. The committee recommends risk strategies and policies that need to be set, implemented, and monitored. JPC management is responsible for identifying, assessing, and monitoring risks reported to the various governance structures, as per the Risk Reporting Framework.

The JPC has a Risk Management Strategy that follows an enterprise-wide risk management system, in which all identified risk areas are managed systematically and on an ongoing basis at departmental level. The risk registers are treated as a working risk management document because risks are subject to change; as such, any changes are recorded and managed.

Management monitors and evaluates the implementation and efficiency of controls and actions to improve current controls in the risk register.

The JPC submits its risk management reports to the City of Johannesburg’s Group Risk and Governance Committee. The committee assesses all risk affecting the CoJ and its municipal entities in a holistic manner and makes recommendations to the City Manager and Council on the general effectiveness of risk management processes in the City of Johannesburg.

Risk Management Process

Risk identification and assessment is an ongoing process, which will be further enhanced since the movement of the risks has been stagnant. The JPC’s management

conducts an annual strategic and operational risk assessment by following a comprehensive Risk Management Framework. This approach ensures that the organisation proactively addresses risks and strengthens its internal control environment to meet strategic goals, while maintaining compliance with regulatory standards that govern the entity.

Strategic Risk Register

Key risk indicators have been developed and linked to risk categories and risk impacts. These key risk indicators are aligned to the organisation’s key performance indicators (KPIs) in order to monitor the defined milestones and targets in pursuit of the set objectives. The entity has adopted a 5 x 5 (25) rating scale method as reflected in Table 29.

IMPACT	Critical 5	Low -	Moderate 10	High 15	Very High 20	Very High 25
	Major 4	Low -	Moderate 8	High 12	High 16	Very High 20
	Moderate 3	Low 3	Moderate 6	Moderate 9	High 12	High 12
	Minor 2	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
	Rare 1	Low 1	Low 2	Low 3	Low 4	Low 5
		Rare 1	Unlikely 2	Possible 3	Likely 4	Almost Certain 4
LIKELIHOOD						

Table 29: Rating Scale Method Adopted by JPC





The strategic risks outlined in Table 30 prompt reporting to EXCO and the ARC, allowing them to intervene, treat, and monitor these risks more closely to ensure expected performance is achieved. A residual risk rating level of amber (high) and above (red – very high) must be reported to EXCO and the ARC to allow early intervention, as per the JPC’s adopted Risk Management Framework.

A total of 13 (thirteen) strategic risks were identified in the 2024/25 financial year.

No changes were made to the strategic risk rating during the first quarter. Thirteen strategic future mitigation plans are scheduled to be implemented in quarter one, cumulative from quarter four of 2023/24. However, of the 13 mitigation plans, none have been implemented thus far. Table 30 depicts the overall achievement in the implementation of strategic risk mitigations for the quarter under review.

Considering the information contained

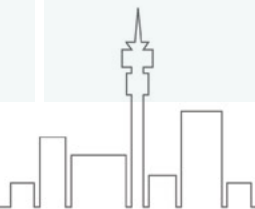
in Table 30, there is a heightened level of concern regarding the risks that have exceeded their risk tolerance thresholds. These risks, if not effectively managed to reduce JPC’s residual risk exposure, threaten the achievement of its key strategic objectives. They could also impact JPC’s vision of being a trusted manager of City of Johannesburg assets, responsible for maximising the social, economic, and financial value of the CoJ’s property portfolio.



LEGEND



No.	Risk Description	Inherent Risk Exposure	Residual Risk Exposure	Movements	Interventions / Actions to Improve Management of the Risk
01	Inability to maximise revenue	Very High	High	↔	<ul style="list-style-type: none"> Implement the outdoor advertising master plan as it depends on the City's finalisation of the new by-laws. Develop a financial turnaround strategy (i.e. growth of outdoor income, increasing land sales, land acquisitions, property development, property management, and repairs and maintenance for other departments), which includes lease renewal. Manage and reduce dependency on the CoJ's assistance. Verify traders and collection of rental. (Leases are dependent on the rollout of a permit system by the Department of Economic Development (DED)).
02	Inadequate facilities management	Very High	High	↔	<ul style="list-style-type: none"> Manage asset life cycles. Conduct facilities assessments. Develop a detailed, three-tiered facilities management plan: <ol style="list-style-type: none"> Proactive, ongoing, day-to-day facility maintenance; Addressing findings from the building assessment. Implement preventative maintenance programmes. Develop employment and occupant engagement programmes to encourage proactive reporting. Implement energy efficiency practices and technologies. Provide safety and compliance training. Establish emergency response plans. Develop and implement sustainability programmes. Manage suppliers and contracts. Utilise facilities management software. Provide skills development and training. Establish an independent facilities committee. Proactively implement repair and maintenance strategies. Accelerate setting up of effective governance structures on OHSA. Conduct quarterly conditional assessment of all the facilities. Hold quarterly meetings with stakeholders of the various facilities to identify their needs and challenges. Educate residents about cleanness until it makes sense to them. The JPC-approved organogram should be filled with competent officials to effectively execute the cost-benefit analyses of corporate buildings. Engage with the OHSA department on health and safety issues.



LEGEND



No.	Risk Description	Inherent Risk Exposure	Residual Risk Exposure	Movements	Interventions / Actions to Improve Management of the Risk
03	Loss of value of City-owned land and properties	Very High	High	↔	<ul style="list-style-type: none"> Conduct audit and verification of the asset register. Approve and implement the Land Strategy and Asset Management Plans. Partner with Group Forensic and Investigation Services (GFIS), the Johannesburg Metropolitan Police Department (JMPD), and the South African Police Service on the land invasion strategy. Continuously promote fraud prevention and fraud hotline awareness with GFIS. Initiate an awareness campaign.
04	Unhygienic conditions prevailing at CoJ buildings	Very High	High	↔	<ul style="list-style-type: none"> Review placing of cleaning staff at JPC or obtain the requisite salary budget from CoJ. Capacitate the cleaning function with sufficient cleaning staff, equipment, cleaning materials, cleaning supervisor, and management . Approve and adopt the hybrid model for cleaning. Sign Service Level Agreement with all City departments regarding the recoverability of the cleaning services rendered. Ensure monthly cleaning and deep cleaning. Engage with organised labour at Local Labour Forum to agree on cleaners' salaries.
05	Non-compliance with legislation, policies, and procedures	High	Low	↔	<ul style="list-style-type: none"> Monitor changes in labour and statutory laws, and ensure adherence. Conduct ongoing probity and regulatory and legislative compliance reviews of bid processes. Perform quarterly reporting on the JPC compliance checklist. HR to conduct annual awareness workshops. Review all policies annually. Update the JPC Compliance Management Framework, which is aligned to the City-Wide Compliance Management Framework. Implement consequence management. Work with GFIS on fraud corruption issues and implement based on consequence management measures.



LEGEND



No.	Risk Description	Inherent Risk Exposure	Residual Risk Exposure	Movements	Interventions / Actions to Improve Management of the Risk
06	Inability to attract investment	High	Medium	↔	<ul style="list-style-type: none"> Hold an investors property conference/summit to attract investors to the City. Timeously conclude the property development agreement and leases. Hold a property summit. Ensure legal compliance with bid specification.
07	Inadequate contract management	Very high	High	↔	<ul style="list-style-type: none"> Secure a budget for JPC to appoint dedicated contract management officials. Portfolio management will appoint dedicated staff to manage and monitor new and current leases of facilities. Implement integrated automated contract management system to be implemented.
08	Inadequate ICT delivery and electronic storage system	Very high	High	↑	<ul style="list-style-type: none"> The implementation of the Electronic Document and Records Management System (EDRMS) will ensure adherence to regulations over three years, while safeguarding personal information. The project has commenced, with Phase 1 having been completed via extraction of business analytics for every documented process, and then developing a methodology and framework that will incorporate electronic documents and records management to ensure compliance with the Protection of Personal Information Act (POPIA) and other regulations. Training to enable employees to use the system is underway. Prepare an onboarding pack for all new recruits, which should also cover ICT induction processes for JPC.



LEGEND



No.	Risk Description	Inherent Risk Exposure	Residual Risk Exposure	Movements	Interventions / Actions to Improve Management of the Risk
09	Negative public perception	Very high	High	↔	<ul style="list-style-type: none"> Re-establish the Marketing Communications Unit. Integrate internal and external communication channels through policy and strategy. Communicate clear change management processes. Rebrand the organisation. Cascade the stakeholder matrix down to all JPC employees. Implement business processes and systems integration (link the JPC Call Centre to the Property Information Management System and the Total Records and Information Management System, which will improve the tracking and monitoring of stakeholder and client inquiries). Conduct roadshows on the CoJ asset per region. Ensure the Client Business Organisation responds timeously to all queries. Facilitate external stakeholder engagement aligning JPC strategic objectives. Organise a property indaba and create outdoor advertisements. Educate residents and other stakeholders on how the JPC works. Encourage stakeholders to report any crime committed against the JPC. Induct the media on the JPC's and City's processes.
10	Inadequate acquisition of land to support the CoJ's Spatial Development Framework	High	High	↔	<ul style="list-style-type: none"> Obtain approval for and implement a Land Strategy.



LEGEND

 INCREASE
  DECREASE
  NO MOVEMENT




No.	Risk Description	Inherent Risk Exposure	Residual Risk Exposure	Movements	Interventions / Actions to Improve Management of the Risk
11	Insufficient capacity and misalignment of skills for current business model and demand	High	High		<ul style="list-style-type: none"> Review the Human Capital Strategy and Operating Model. Develop and implement an integrated talent management system and process. Review and implement updated human capital policies and procedures Develop a line management guide in relation to HR processes. Capacitate human capital in line with reviewed structure.
12	Incomplete asset register	Very high	High		<ul style="list-style-type: none"> Ensure Asset Register is checked quarterly
13	Environmental, Social and Governance (ESG) Risk	High	Medium		<ul style="list-style-type: none"> Draft and implement a comprehensive ESG Policy within the organisation.

Table 30: Strategic Risk Register



Risk Maturity Assessment Approach

Based on the Risk Maturity Assessment conducted using the Maturity Model outlined in the City of Johannesburg Metropolitan Municipality's (CoJ's) Enterprise Risk Management Framework,

the Maturity Model allows CoJ entities to use a single, effective Risk Management Framework to manage their Risk Management Programme, while providing reports to meet any standard their internal

or external stakeholders require. JPC is deemed to have reached an established maturity level, as depicted in Figure 3 below.

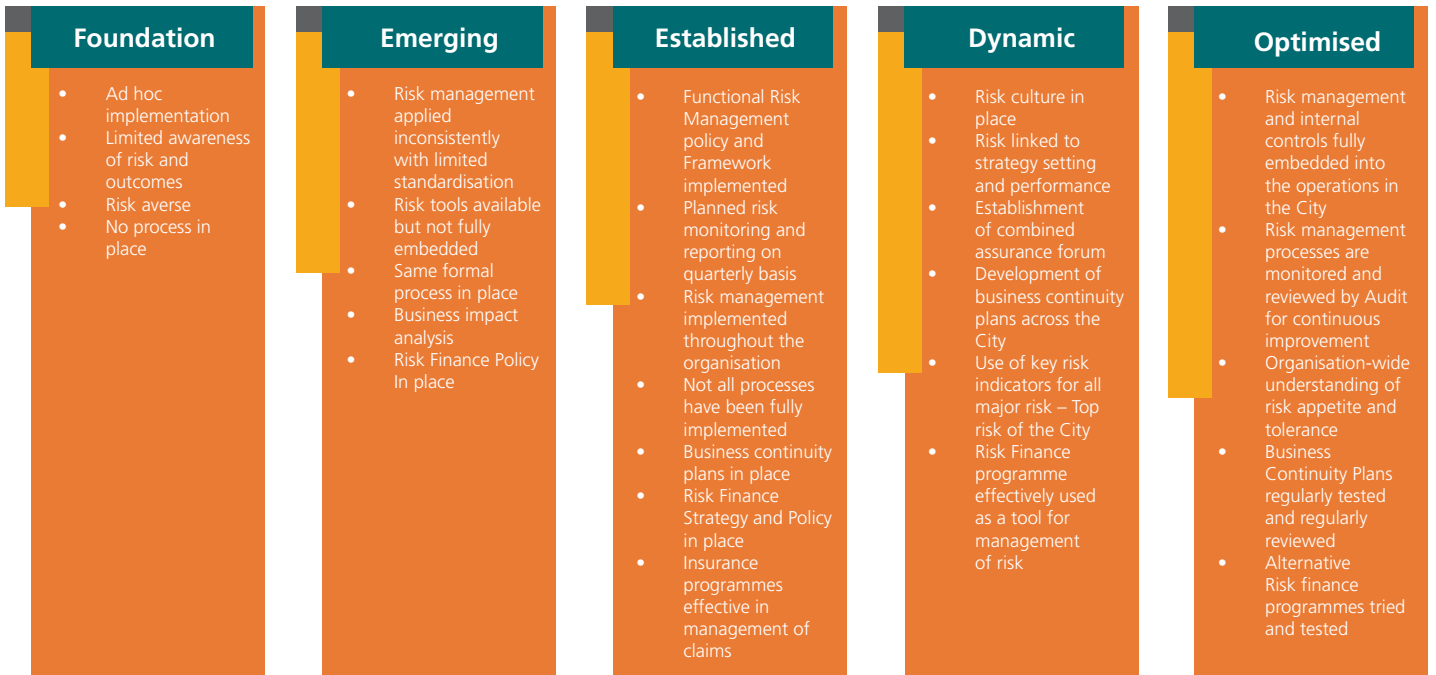


Figure 3: Risk Maturity Levels

Section 6 Company Secretarial Function

This function is responsible for developing systems and processes to enable the Board and sub-committees to perform their oversight role. It is also responsible for all the statutory returns with the Companies and Intellectual Property Commission. The Company Secretary advises the Board on corporate governance matters, the requirements of the Companies Act, and other relevant regulations and legislation.

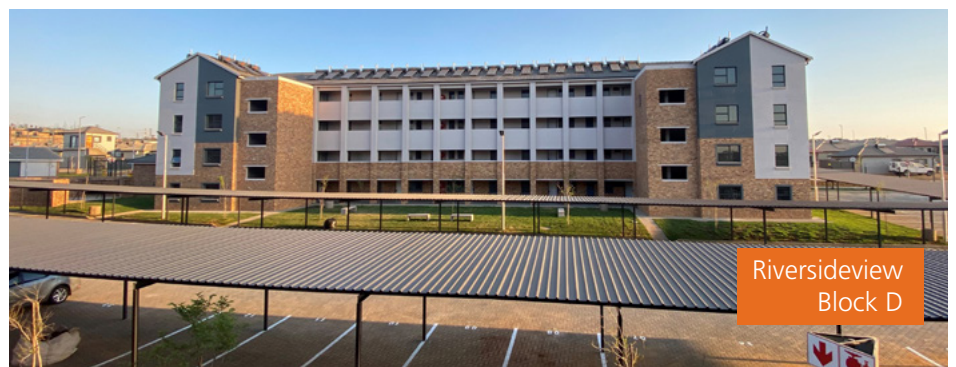
In addition, this role provides guidance to management on all governance matters and acts as a link between the Shareholder, the Board, and management.

Section 7 Stakeholder Engagement

The entity values its Shareholder and stakeholders, including tenants, employees, and suppliers, and engages with them through regular communications and meetings to ensure their interests are considered in the decision-making process.

Section 8 Anti-Corruption and Fraud

JPC has zero tolerance for fraud and corruption and related irregularities. This is in line with the JPC's Anti-Fraud Policy. This policy is compliant with the Prevention and Combating of Corrupt Activities Act, 2004, and its related regulations. It is also aligned with the Shareholder's anti-fraud policy.



Section 9 Sustainability and Corporate Social Responsibility

JPC is committed to sustainable development and environmental stewardship. The entity's corporate social responsibility initiatives will focus on community development, employee wellbeing, and environmental conservation.

Section 10 Compliance with Laws and Regulations

The Board is responsible for ensuring that the Johannesburg Property Company complies with applicable laws, regulations, guidelines, and standards per 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 and includes identification, measurement, management, and monitoring.

The focus areas include the Municipal Finance Management Act (MFMA) Circular 68 (irregular, fruitless and wasteful expenditure), MFMA Section 65(2) (e) (thirty-day late payment reporting), declaration of interest by the employee, POPIA, as well as other Acts that are core to JPC. A review has been undertaken to ensure compliance with core Acts and to ensure that adequate and effective controls are in place and regularly monitored.

At each ARC meeting, an update on compliance is presented. This update includes significant legislative developments within the environment in which JPC operates. Key areas of non-compliance, if any, are also brought to the attention of this committee.

Management performs a quarterly assessment of the level of compliance with key legislation to ensure that adequate controls are in place and implemented accordingly. During the period under review, the risk and compliance unit embarked on a process of reviewing the core Acts to ensure the entity is complying. The process began with the risk profiling of individual legislation, subsequent to which existing controls were assessed for adequacy and effectiveness in ensuring that the organisation complies with the spirit of the law.

During the first quarter of the 2024/25 FY, and/or other forms of sanction were issued against the Company, and no directors or senior management members were accused of or held liable for non-compliance with any laws, regulations, or codes of conduct.

Irregular and Fruitless Expenditure

During the quarter under review, JPC and Portfolio has not recorded any new irregular, fruitless and wasteful expenditure. However, JPC recorded the continuation of irregular expenditure in respect of leases, fleet, and information technology (IT) in the sum of **R36 292 207**.

Failure to Pay Service Providers Within 30 Days

For the first quarter of 2024/25, no invoices were paid after 30 days.

Declaration of Interest

During the first quarter of 2024/25, 62% of employees declared their interest.

Regulatory Compliance

The JPC compliance universe reflects 55 (40 core and 15 generic) pieces of legislation with which the Company needs to comply. However, for reporting purposes, only core Acts with a potentially high impact are monitored and reported.

Management performs a quarterly assessment on the level of compliance with key legislation to ensure that adequate controls are in place and implemented accordingly. The risk and compliance unit embarked on a process of reviewing the certain core Acts (as outlined in Table 31) to ensure the entity is complying. The process began with the risk profiling of individual legislation, subsequent to which existing controls were assessed for adequacy and effectiveness in ensuring that the organisation complies with the spirit of the law.



Riversideview
Block D





Regulatory Requirements	Information Technology	Records Management	Human Capital
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)	Compliant	Compliant	Compliant
Protection of Information Act, 1982 (Act No. 84 of 1982)	Compliant	Compliant	Compliant
Protected Disclosures Act, 2000 (Act No. 26 of 2000)	Compliant	Compliant	Compliant
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	Compliant	Compliant	Compliant
National Archives and Record Service of South Africa, 1996 (Act No. 43 of 1996)	In progress	Non-Compliant	Non-Compliant

Table 31: Summary of Regulatory Act

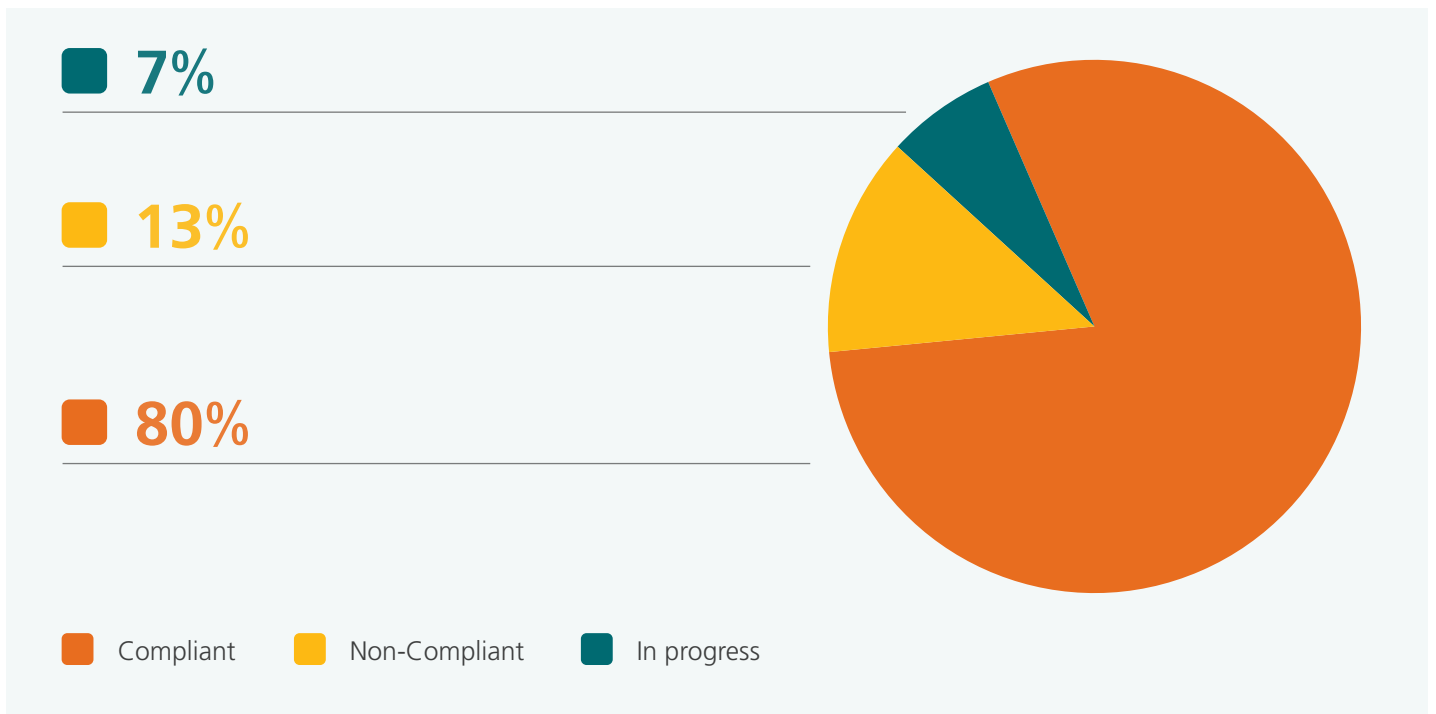


Figure 4: Compliance Regulatory Requirements for 2024/25 Financial Year





a world class African city



Chapter 3 Service Delivery and Performance



Section 1 Asset Management

The City’s portfolio has a total value of R10.2 billion, comprising 28 949 properties as of the quarter ending 30 September 2024. Table 32 provides a high-level summary, outlining the number of properties and value per region.

Region	No. of Properties	Value %	Historical Book Value
Region A	1 708	11%	R1 159 860 282.28
Region B	3 515	16%	R1 624 945 096.10
Region C	2 577	11%	R1 142 504 083.86
Region D	5 909	8%	R831 106 682.23
Region E	4 343	16%	R1 644 670 853.18
Region F	5 281	16%	R1 679 319 746.97
Region G	5 320	17%	R1 767 810 983.28
Outside CoJ	296	4%	R429 026 050.01
Grand Total	28 949	100%	R10 279 243 777.90

Table 32: High Level Portfolio Summary

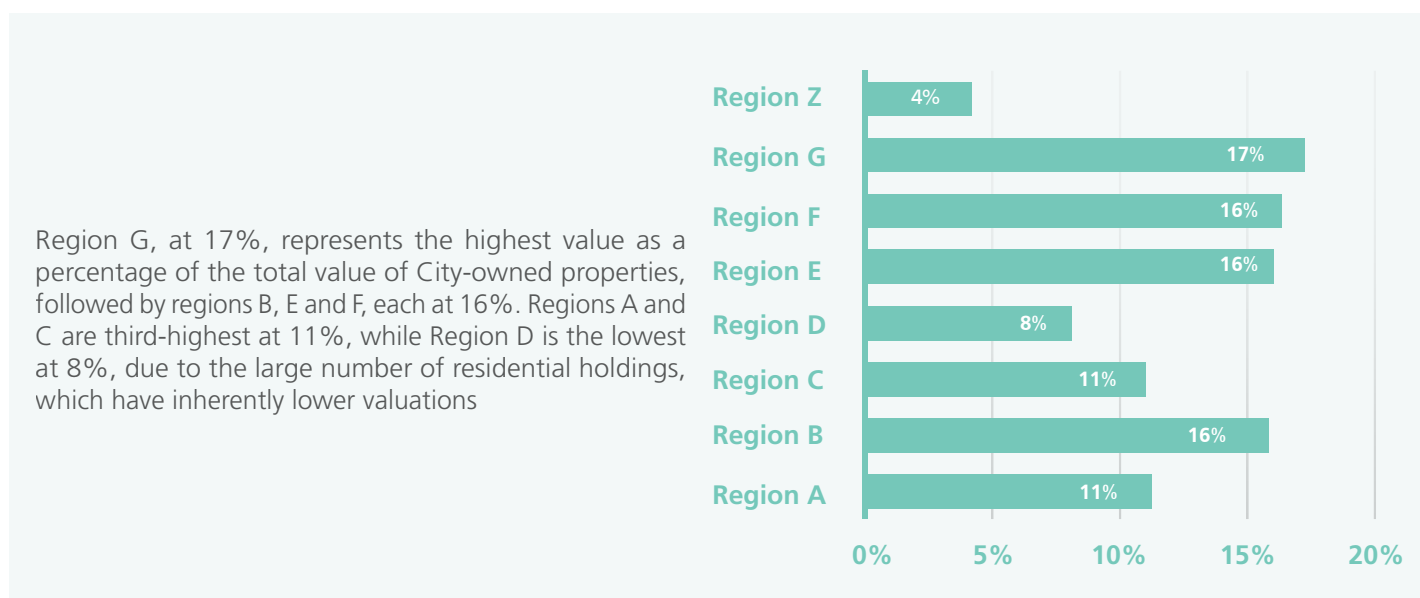


Figure 5: Summary per Region – % Value





Asset Register Movements

Tables 33 and 34 depict the movement updates of the Asset Register in relation to the property transfers that occurred during the fourth quarter of the 2024/25 financial year.

Movement Category	Jul-24	Aug-24	Sep-24	TOTAL
Acquisitions	3	2	2	7
Disposals	-26	-26	-7	-59
Net movement	-23	-24	-5	-52

Table 33: Monthly Movements by Value

Movement Category	Jul-24	Aug-24	Sep-24	TOTAL
Acquisitions	R14 328 744.00	R3 210 636.00	R7 060 000.00	R24 599 380.00
Disposals	-R1 119 591.00	-R80 644.00	-R475 715.00	-R1 675 950.00
Net movement	R13 209 153.00	R3 129 992.00	R6 584 285.00	R22 923 430.00

Table 34: Monthly Movements by Quantity

Acquisitions

Seven (7) properties to the value of **R24 599 380** were taken on during the reporting period as follows:

- Two (2) properties were acquired on behalf of the CoJ Housing Department using the allocated capital budget.
- One (1) property was transferred to the CoJ in terms of the Conditions of Township Establishment.
- One (1) property was vested to CoJ.
- One (1) property was transferred back to CoJ as rectification by the CoJ Housing Department.
- Two (2) properties were subjects of consolidation.

These properties are situated in Regions A, C, and F. The regional representation of the properties is outlined in the graph in Figure 6

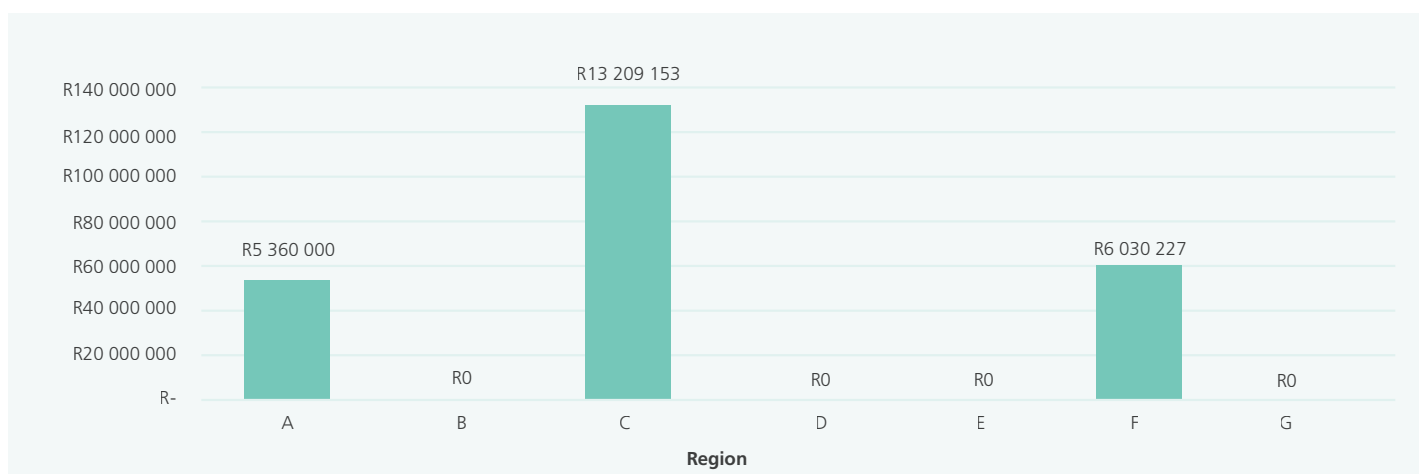


Figure 6: Acquisition Values per Region





Disposals

Fifty-nine (59) properties to the value of **R1 675 950.00** were disposed of in the reporting period shown in Figure 7

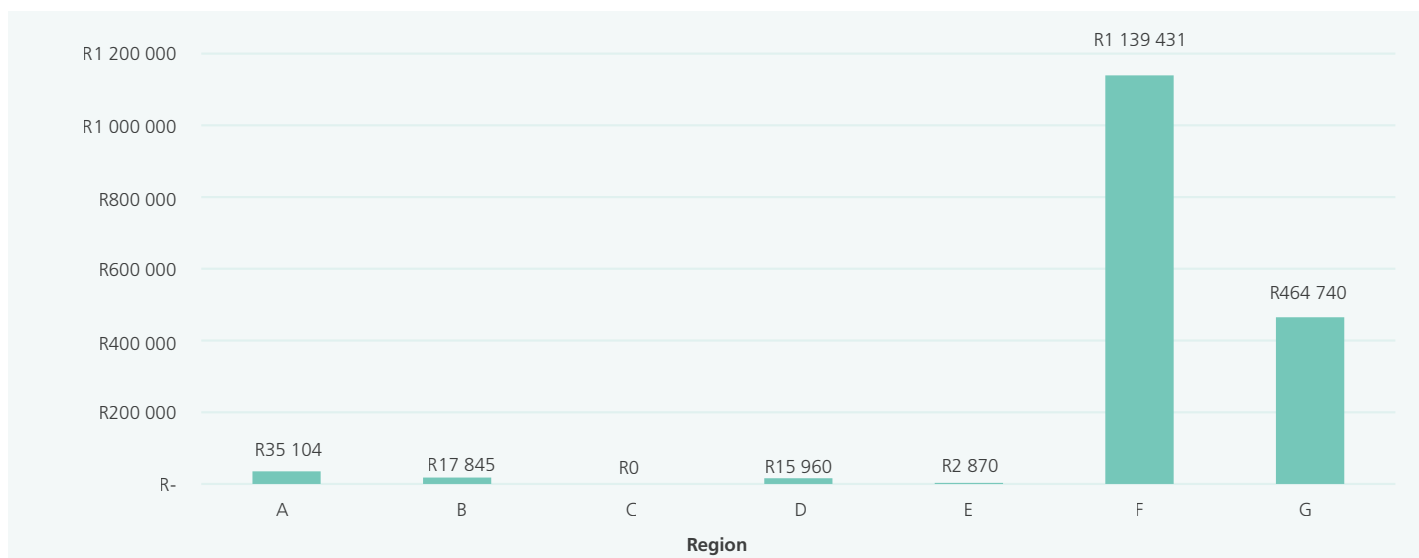


Figure 7: Disposal Values per Region

Housing Conversions

Thirty-two (32) properties relate to the transfer of residential homes to beneficiaries, which are carried out in terms of the City’s service delivery mandate for the provision of housing through the CoJ Housing Department.

The properties reported on in this document were transferred to beneficiaries during the reporting period in fulfilment of the City’s housing delivery mandate as prescribed by the Housing Act. All thirty-two properties are full title residential houses.

Unbundling

Two (2) properties were subjects of unbundling—sectional title schemes were registered on these two properties and all units were transferred to beneficiaries. Twenty-six (26) properties were subjects of consolidation.

Recon Clean-Up Item

Investigation of one (1) property revealed that it does not exist spatially, meaning that it is not a registered property. It was therefore removed from the Asset Register as part of the deeds reconciliation clean-up process.

Net Movements

This section provides an indication of the movement impact on the value of the Asset Register. The reporting period shows a positive net movement of **R22 923 430**, which translates to an increase of 0.22% of the entire portfolio, as outlined in the Table 35.

Month	Opening Balance	Movement	Closing Balance
July 2024	R10 256 320 347.90	R13 209 153.00	R10 269 529 500.90
August 2024	R10 269 529 500.90	R3 129 992.00	R10 272 659 492.90
September 2024	R10 272 659 492.90	R6 584 285.00	R10 279 243 777.90
Net Movement		R22 923 430.00	
		0.22%	

Table 35: Net Asset Register Movement in Value





Section 2

Commercial and City-Focused Intervention Projects

Section 2.1: Development Facilitation Unit

Mixed-Use Development Transactions

Development and long-term lease agreements were concluded during the quarter under review in respect of seven (7) properties—Portions 246 and 247 of the Farm Braamfontein (known as the Parkhurst Bowling Club), Erf 419 Klipspruit, Erven 159–169 and 530 Cottesloe, Erven 13, 14, and 15 Orlando Ekhaya—resulting in a total investment of over **R3.7 billion**.

The Urban Design Framework for the

Orlando Ekhaya Precinct is currently being revised. The outcome of this revision will impact on the development of Erf 16 Orlando Ekhaya, whilst Erven 31, 36, and 41 were successfully packaged for release to the market for development and lease during the first quarter of the financial year.

Jabavu Extension 6, located on the former Jabavu Stadium and Homemakers

site, received Township Establishment approval. This mixed-use development will also yield at least 768 Reconstruction and Development Programme (RDP) units to house the informal settlement on site, whilst the retail and recreation facilities will provide much-needed job opportunities in this part of Soweto. The Department of Human Settlement concluded a Service Level Agreement with JPC for the management of the social housing component of the development.



Council Chambers inside





Projects at Construction Phase/Stage

Project Name : Lifestyle Complex Development: Erf 53 Alan Manor

2024/25 FY Project Developments

Erf 53 Alan Manor is located at the corner of Caro and Constantia Avenues, situated in the South of the City of Johannesburg in Region F. The site is surrounded by the prestigious suburbs of Mondeor, Winchester Hills, Meredale, Mulbarton, and Aspen Hills.

The development of this lifestyle complex will comprise 83 units upon completion.

The development on this Erf will consist of a two-storey-building project, comprising four residential typologies: two-bedroomed units and one-and-a-half beds.

- The first phase of 32 units of this development was completed on 15 April 2023.
- The second phase of another 32 units will commence by the end of August 2024.

Project Challenges/Delays

The developer has delayed commencing Phase 2 due to slow sales in Phase 1.

Project Opportunities/Focus

- Job creation during the construction period.
- Skills transfer.
- Property ownership by first time homeowners.

Project Status

- 32 units have been completed.
- 27 units have been sold.



Lifestyle Complex Development





Projects at Construction Phase/Stage

Project Name: Jabulani Housing Development
Project Description: Erven 14 & 15 Jabulani Ext. 1 (Proposed Portion 15 of Erf 2612)

2024/25 FY Project Developments

As part of the Jabulani CBD Precinct, the Jabulani Development Company (Pty) Ltd together with Calgro M3 have initiated plans to develop rental housing units in partnership with International Housing Solutions on the proposed Portion 15 of Erf 2612 Jabulani Extension 1 (Parcel A).

The land parcel is located directly below/to the south of the Soweto Theatre site and is bordered to the west by Legogo Street. The Estimated development value is **R300 million**.

- The development on this erf aims to cater for approximately 576 sectional housing units.
- A full development professional team has been appointed and is currently working towards the implementation of the Joburg Water requirements, i.e. in the form of provision of engineering services that will cater for the newly created portions. In this regard, a stormwater catchment area has been constructed by the developer. The first phase of the development of 396 units was completed in June 2023.
- 55% of the 396 units have been sold to date.
- Construction of the second phase, comprising 180 units, commenced on 01 September 2024.
- The project spend to-date is **R15 million** (excluding VAT).

Project Status

- 396 units have been completed and 55% have been sold.
- 224 units have been sold.
- The project spend to-date is **R15 million** (excluding VAT).



Project Challenges/Delays

The developers have delayed commencing Phase 2 due to slow sales in Phase 1. They attributed the sluggish sales to increased interest rates and affordability challenges, resulting in reduced buying power.

Project Opportunities/Focus

- Job creation during the construction period
- Skills transfer
- Property ownership by first-time homeowners



Jabulani Housing Development





Projects at Construction Phase/Stage

Project Name: Riverside View Mega Housing Development
Project Description: The remainder of Portion 5 of the Farm Diepsloot 388-JR, part of the remainder of Portion 1 of the Farm Diepsloot 388-JR

2024/25 FY Project Developments

- The project is located on the remainder of Portion 5 of the Farm Diepsloot 388-JR, part of the remainder of Portion 1 of the Farm Diepsloot 388-JR-CoJ. The development was awarded to Valumax Northern Farms (Pty) Limited.
- The Riverside View Mega City is an exciting mega-scale integrated housing development project located within one of the fastest growing economic nodes within the City of Johannesburg Metropolitan Municipality.
- The project's proximity to Steyn City, which represents arguably one of the most affluent developments in the country, serves as a token of integration as well as a direct antidote to former exclusionary spatial planning practices.
- In addition, the project's proximity to Diepsloot aids in the transformation of housing provision in that the project provides a healthy alternative to the expansion of the Diepsloot informal settlement area. The development is structured in such a way that (in terms of tenure models) individuals who reside in informal settlements are able to access housing opportunities in the Riverside View Mega Housing Project

The development yields:

- 10 414 total residential units

Breakdown of units (Development Yields/Total Housing Mix):

- 3 113 single residential GAP/FLISP units
- 4 332 high-density walk-up RDP units.
- 2 969 high-density walk-up rental units.

Project Challenges/Delays

- Protection of land and vacant buildings from illegal occupation/invasion.
- Community unrest/project stoppages – caused by unregulated business forums.
- Eskom—as the supplier of the bulk of electricity for the project—caused various delays during the lifecycle of the project.
- Delays in approval of USDG budgets by CoJ or budget cuts – resulting in delays with implementation of bulk infrastructure programmes.
- Delays in approval of Human Settlement Development Grant budgets by the Gauteng Department of Human Settlements (GDHS) or budget cuts – resulting in delays with construction of RDP top-structures and services.
- Delays in payments of invoices by CoJ and GDHS – created cashflow pressure.
- Delays with beneficiary identification and allocation once RDP buildings are completed – puts vacant buildings at risk of invasion and results in high security costs for the developer.

Project Opportunities/Focus

- The development intention is based on the principles of integrated development, which serves as a direct remedy to former exclusionary practices and to address the critical housing backlog that exists in the Diepsloot area.
- The objective of the project is to directly target informal settlements within Region A and to eradicate informal settlements and provide beneficiaries with formal housing.

Project Status

The project is in the final stages of construction.

Progress made to-date

To date, 10 089 units have been completed:

- Housing units completed to date, registered and occupied: 8 253
- Housing units under construction/registered/occupied: 1 836 total
- Cumulative jobs created to date: 22 648



Riverside View Mega Project Development





Projects at Construction Phase/Stage

Project Name: Paterson Park : Erven 42 – 46 Victoria Ext. 3

2024/25 FY Project Developments

- Paterson Park precinct has been earmarked for the development of a high-density mixed-income residential development in support of the Louis Botha Corridor.
- It includes several erven north of the Paterson Park area (currently occupied by both Johannesburg Roads Agency and Pikitup depot).
- Roads Agency and Pikitup depot functions need to be relocated to alternative sites to make land available for the mixed-income residential development. These old depots comprise Erven 409, 110, and 111 Norwood (Pikitup depot) in the former and Erven 6, 7, 8 and 9, Orchards (JRA depot). Numerous consultations were held with the various depots.
- The residential development is anticipated to yield significant financial returns of direct income to the City through sales as well as continued income as a result of rates and taxes.

The development yields

- The proposed development will yield a mixed income residential development comprising 744 units.
- The total project area approximately is 3.5 hectares and the estimated development cost is R550m.

Project Opportunities/Focus

- To link more development opportunities to the public transport backbone introduced by the Rea Vaya along Louis Botha Avenue
- Packaging and preparations of the alternative site identified for the relocation of the JRA and PIKITUP depots to make land available for housing development opportunities for a mixed income residential development comprising 744 units



Project Status

- Section 14(2) approval obtained.
- Landscaping and construction of parking completed.
- Relocation strategy for City Parks completed.
- Request for proposal (RFP) for the appointment of the Development Facilitator for the relocation of the depots advertised and closed; bid evaluation completed and the bids were non-responsive.
- Re-issue of the RFP for the appointment of the Development Facilitator for the relocation of the JRA and Pikitup depots.

RFP (first phase of 744 mixed income residential development) for development and sale/long-term lease of the site to be released.



Patterson Park Development

Project Challenges/Delays

- Delays to relocate CoJ depots to make land available for housing development
- Lack of funding



Section 2.2: Acquisition & Municipal Unit

Acquired Properties

Acquisition of properties on behalf of the CoJ Department of Human Settlements was accomplished during the period under review.

Property Description	Beneficiary Department	Amount	Commission
Holding 42 Sonnedal	Department of Human Settlements	R3 060 000	R306 000
Holding 45 Sonnedal	Department of Human Settlements	R5 917 020	R591 702
Holding 103 President Park	Department of Human Settlements	R3 500 000	R350 000
Total		R8 977 020	R897 702

Table 36: Property Acquisitions

Service Delivery

The Unit has received numerous requests for the allocation of Council-owned properties for service delivery purposes in line with the mandate of the requesting entity. Two (2) properties were released to the Department by means of a Permission to Occupy and Build (PTOB) agreement in this quarter.

Acquisitions at Negotiation Stage

Council approved twelve (12) acquisitions to the value of **R46.3 million** during the quarter under review. However, transfer is anticipated within the second quarter, pending negotiations with the property owners.

Management of Sanitary Lanes City-Wide (Released Properties)

Four (4) properties to the value of **R12 000** were processed for management contracts. The numbers have dropped drastically in comparison to the previous financial years due to various challenges encountered by adjoining property owners.

Transactions Approved at EAC Level

Seven (7) properties to the value of **R3.7 million** have been approved by the Executive Adjudication Committee (EAC) for various development leases.

Section 3 Informal Trading Unit

Income Collection

During the reporting period for the first quarter ending September 2024, the Informal Trading Unit has collected **R233 788.42** for the stalls and shops occupied by traders.





Stakeholder Engagement

Table 37 depicts the facilities that have had movement in the number of vacant stalls, paying occupied stalls, and non-paying traders. The figures in the table are extracted from the rent roll and verified by Informal Trading Officials at the facilities.

Facility	No. of Stalls	Vacant	Occupied	Paying	Non-Paying
Yeoville	166	0	166	3	163
Jeppie	108	0	108	54	54
Hillbrow	193	7	186	6	180
Rosebank	9	1	8	8	0
Hoek	52	0	52	0	52
Bara	462	0	462	20	442
Fordsburg	128	0	128	110	18
Diepsloot	25	0	25	0	25
Big Ben	14	3	11	4	7
New Doornfontein	13	0	13	13	0
Kwa Mai Mai	226	0	226	103	123
Faraday	100	0	100	42	58
Dobsonville	161	161	0	0	0

Table 37: Stall Occupations by Informal Traders

Leasing of Shops and Stalls Located at Various Public Transport Facilities and Trader Markets

The non-payment of rental by traders is one of the major challenges in the Informal Trading Unit. The issuing of trading permits by the Department of Economic Development (DED) and the subsequent signing of leases between informal traders and JPC will assist in combating non-payment, as well as subletting and hijacking of stalls by traders. These leases will include all trader particulars, including the monthly rental amount. The signing of leases will act as a legally binding document to manage the relationship between informal traders and JPC.

Most traders currently do not have leases, making it challenging for the Informal Trading Unit to hold them accountable for

non-payments. The unit has encountered discrepancies between the rent roll and the traders occupying stalls, such as subletting and vacant stalls, stemming from the absence of formal lease agreements.

The unit is currently in the process of reconciling verified traders and traders on the rent roll. Traders who have been successfully verified, who are still occupying the stalls and have outstanding debts will be prioritised for obtaining their leases and will have to acknowledge their outstanding debts to bring their accounts up to date. The Unit is engaging with the Legal Department internally to determine how to handle traders occupying stalls not registered in their names, particularly where the original owner has an outstanding debt.

Verification of Informal Traders

The informal traders' verification plan was drafted by DED and JPC officials. As part of this process, team leaders were selected to oversee the implementation of the plan in various transport facilities and markets. The process began with stakeholder consultation to obtain buy-in for the plan. The verification process is aimed at auditing the traders occupying the CoJ trading stalls and updating the rent-roll prior to permit system roll out. The verification forms were signed by traders and signed by the traders committee. The traders not listed on the rent roll have been recorded on the suspense register.

The overall total number of verified traders is 384, with 169 verified traders on the rent roll and 215 traders on the suspense register (traders who are not on the rent roll). The verification will continue in the next quarter. Table 38 depicts the number of verified traders in the various markets.





Name of Facility	Verification Forms	Suspense Register	Total Number Verified
Kliptown	42	40	82
Hillbrow	52	8	60
Rosebank	6	0	6
New Doornfontein	9	2	11
Big Ben	9	6	15
Jeppe	20	84	104
Kwa Mai Mai	31	75	106
Total	169	215	384

Table 38: Verified Traders

Piloting of Permit System

To address the complexities associated with the permit system, dry-runs will be conducted at various market sites. This is necessary to account for the diverse dynamics encountered, such as the size of the market, the number of traders, and the number of stalls. During the quarter under review, the system was piloted at Jeppe Market. Three (3) examples of the permit system were printed to test the system. The Department of Economic Development will confirm the official date of the launch of the permit system.

Challenges

The Informal Trading Unit is grappling with the following challenges influencing its ability to generate revenue, and to secure and maintain the facilities:

- **Non-payment of rent:** Many traders are not paying their rent, which affects revenue collection.
- **Subletting of stalls:** Issues arise from traders subletting their stalls, complicating management and accountability.
- **Lack of leases:** Most traders do not have formal leases, making it difficult to enforce rent payments and manage stalls effectively.

- **Discrepancies in rent roll:** Discrepancies between traders listed on the rent roll and those occupying the stalls lead to problems such as subletting and vacant stalls.
- **Security issues:** Continuous burglaries and crime taking place within the facilities, such as pickpocketing and robberies, are a significant concern.
- **Facility maintenance:** Capacity to secure and maintain cleanliness and repairs of the facilities is inadequate.
- **Non-payment for utilities:** The Transport Department is not paying for water and electricity, resulting in cut-offs.
- **Resistance to leases:** Some traders are resistant to entering into formal lease agreements.
- **Tension between traders and taxi associations:** Competition amongst informal traders and taxi operators for the space in which to operate results in conflict
- **Sense of entitlement:** Some of the traders have a sense of entitlement, and want to claim family inheritance of the municipal stalls.
- **Takeover by taxi associations:** Takeover of the management of

certain aspects of transport facilities by taxi associations poses an imminent threat.

- **Capacity challenges:** There is a staff shortage to manage 46 taxis rank facilities Citywide. Some facilities lack administrators.

These challenges are part of the broader issues faced by the Informal Trading Unit, impacting its ability to generate revenue and maintain the facilities effectively.

Mitigating Measures

- **Trader engagement:**
 - Communicate the lease renewal process and its importance to traders.
 - Engage with traders to ensure they understand the benefits and obligations of having formal leases.
 - Hold regular meetings with traders to discuss issues, provide updates, and address concerns. This can help build trust and cooperation.





- **Verification and audits:**
 - Continue with the verification and auditing of traders and stalls to address discrepancies in the rent roll versus actual occupancy.
- **Credit control measures:**
 - Implement stricter credit control measures to ensure timely rent payments.
 - Lock stalls where traders are not paying their rent to enforce compliance. This is dependent on security capacity.
 - Conduct workshops and information sessions to educate traders on the importance of timely rent payments.
 - Offer multiple payment options, such as online payments, mobile payments, and in-person payments, to make it convenient for traders.
- **Debt acknowledgment:**
 - Require traders with outstanding debts to acknowledge their debts and set up payment plans to bring their accounts up to date.
- **Debit order mechanism:**
 - Implement a debit order mechanism to facilitate easier and more reliable rent payments.
- Encourage traders to use this system to avoid missed payments and reduce administrative burdens.
- **Facility maintenance:**
 - Collaborate with JPC Project Managers and the Transport Department to develop and execute plans for maintaining and repairing distressed facilities.
 - Ensure that facilities are kept clean and secure to provide a better trading environment.
- **Implementation of CoJ Informal Trading Policy:**
 - Enforce the CoJ Informal Trading policy to address issues such as stall allocations, trader rights and duties, law enforcement, and permit issuance.
 - Use the policy as a framework to manage and regulate informal trading activities effectively.
 - Ensure all traders have formal lease agreements. This will make it easier to enforce rent payments and manage stalls effectively.
 - Make sure the lease agreements clearly outline the terms, including rent amounts, payment schedules, and consequences for non-payment.
- **Security enhancements:**
 - Johannesburg Metropolitan Police Department (JMPD) must implement a hybrid security model to address current security challenges.
 - Increase security measures to reduce crime and burglaries within facilities.
- **Stricter by-law enforcement:**
 - Enforce by-laws more strictly to eliminate illegal activities within trading facilities to help reduce crime and create a safer environment for traders and customers.
 - Ensure that traders comply with all regulations to maintain order and safety.
- **Utilities management:**
 - Work closely with other departments, such as the Legal Department and Transport Department, to address issues such as non-payment for utilities and security challenges.
- **Risk management:**
 - Develop, implement, and monitor a Risk Register with mitigating actions.



Metro Centre Street view





Section 4 Mega Projects

Project Name: Southern Farms

2024/25 Project Developments

The Southern Farms Biodiversity Development Project concept entails the establishment of a network of conservation-based inclusionary mixed-use precincts. The Precinct Plan provides for seven (7) sub-precincts or “urban villages” referred to as Precincts A, B, C, D, E, F and G. Each of these precincts is designed to be a self-sustaining human settlement that integrates into the larger Southern Farms Development.

Phasing of the Project

Given the nature and size of the Southern Farms Project, the implementation will need to follow a phased approach. Therefore, the development will be undertaken in two phases.

Phase 1 (Precincts A1, A2, C1, C2 and C3) located to the west of the N1 Highway, on either side of the Golden Highway (R553), is best suited for immediate development and will be the focus area to start the project.

In terms of the development sequence, **Phase 2 (Precincts B, D, E, F, and G)**, which is primarily located to the east of the N1 highway, will be developed once **Phase 1** has been completed and the bulk and link infrastructure has been upgraded to the east of the N1 Highway. **Precinct E** will only be developed once the privately owned properties have been acquired for the development.

The precincts will include the following components:

- Residential (bonded, Finance Linked Individual Subsidy Programme (FLISP) residences, rentals, RDPs/sites, and services)
- Public facilities and infrastructure such as government schools, government social amenities, emergency medical services, government hospitals and clinics, municipal offices, etc.
- Private land use such as retail, commercial, industrial-warehousing, and medical (private)

The total number of residential units is estimated at 42 000 units. However, this is subject to township approval for all the land portions, as well as Site Development Plans being approved for all residential 3 stands.

Phase 1

Phase 1 comprises multiple mixed-precinct parcels and covers 936 hectares of the site. The mixed-use precincts will seamlessly combine residential units, retail establishments, industrial developments, and more. Phase 1 will also include the construction of filling stations, schools, community facilities, businesses, restaurants, sports facilities, commercial facilities, industrial warehouses, and storage facilities, as well as public open spaces.

The residential yield for Phase 1 is 12 363 housing units. It includes the following typologies:

- Multi-storey RDPs = 4 495
- Res. 3 multi-storey FLISP = 4 819
- Res. 1 single storey FLISP = 317

Ownership of the Southern Farms Land

The majority of the project land is Council-owned. However, 11 privately owned portions located in Precinct C will have to be acquired by the City so that the developer can be in control of all the development portions of land. A report for the acquisition of these privately owned portions is currently in the system awaiting Council’s approval.

Project Status

- The township establishment, environmental impact assessment, and water use license applications for Phase 1 are currently underway. Phase 1 of the Southern Farms Mega City project will include Precinct A1, A2, and C1, C2, C3 – located to the west of the N1 highway. Phase 1 is anticipated to yield approximately 15 195 units.
- Applications for Phase 1 for the establishment of 17 townships were submitted to planning for processing and approval. Anticipated township establishment approval is expected by the end of September 2024.
- The City of Joburg, through the Department of Human Settlements, still needs to confirm the 2024/25 budget allocation before the Southern Farms Project can proceed with its bulk and link infrastructure programme using USDG funding.
- Installation of infrastructure will commence some time towards the end of 2024, subject to township approval and issuance of the water use license, as well as budget confirmation by CoJ for this process.
- Environmental impact assessment approval has been obtained for all 17 townships.
- Although the Southern Farms area covers 4 000 hectares, a significant portion of it is taken up by the Olifantsvlei Nature Reserve, which extends across 2 000 hectares. To facilitate this critical development, it is imperative to de-proclaim the Nature Reserve in accordance with the applicable legislation. The Reserve, which was officially proclaimed in 1957, has never been managed or operated, and has not functioned in accordance with the provisions of the Protected Areas Act. As a result, no loss in protected areas will be incurred if this land is de-proclaimed. A letter was sent to the MEC of the Gauteng Department of Environment seeking the Department’s assistance and requesting that it starts the de-proclamation process.
- A draft advertisement for the appointment of the Community Liaison Officer (CLO) is with JPC’s CEO for approval before distributing it in the relevant wards.
- An Acquisition Report has also been submitted to JPC’s Transactions Committee for acquiring the 11 privately owned portions of the land that are within the Southern Farms Precinct, as this is critical in ensuring that the Southern Farms Project is established as one large uninterrupted integrated development.

Developable Land vs Undevelopable and Environmentally Sensitive Land

The Southern Farms project area, including the privately owned land parcels, is approximately 3 997 hectares in size. Of the total project area, approximately 2 902 hectares is unsuitable for development due to environmental sensitivities, heritage, and major road reserves (PWV 5 and K-routes). The majority of these will form part of the Biodiversity Conservation Area, representing approximately 73% of the total project area. Only a relatively small portion of the total project area—approximately 1 094 hectares (27%)—is considered suitable for development.



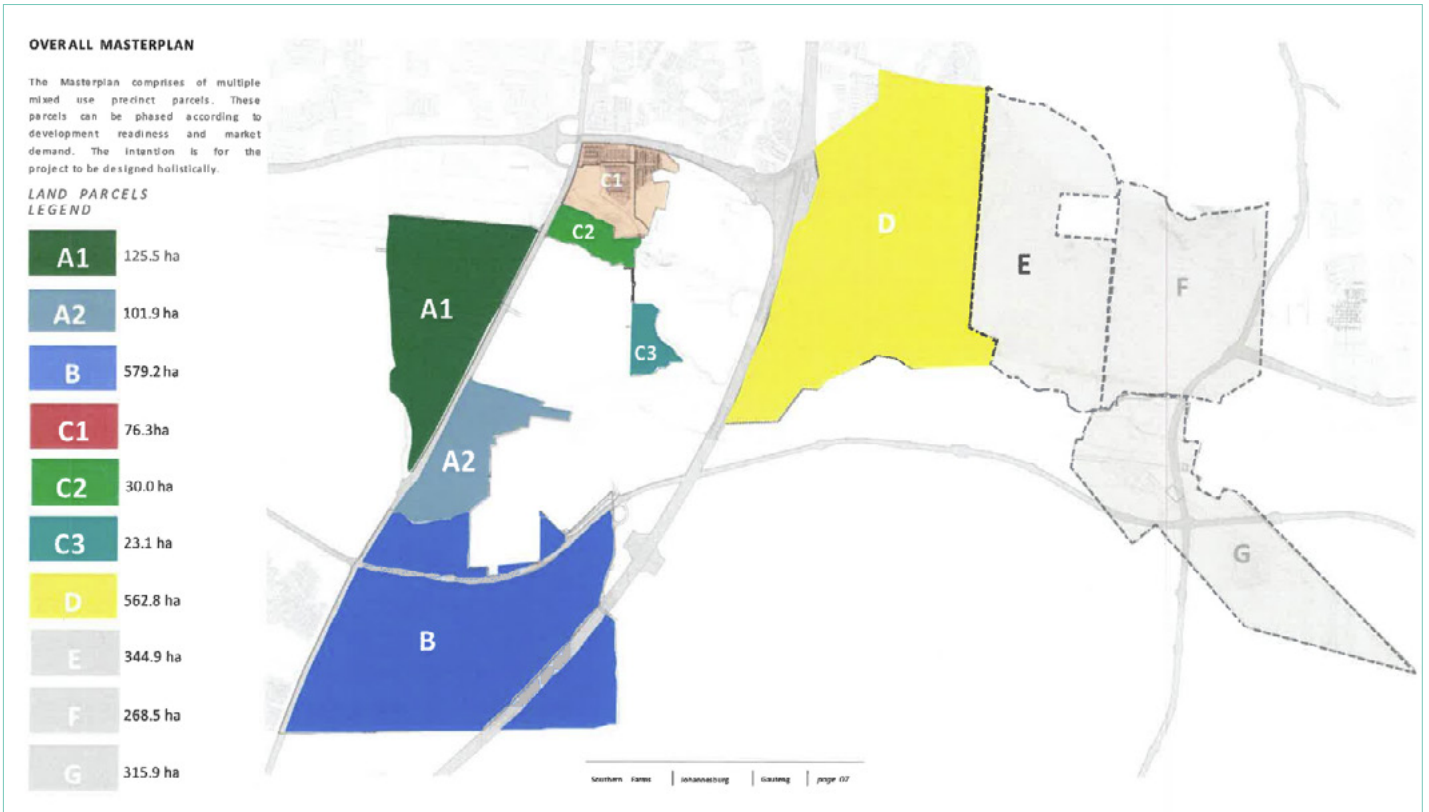


Figure 8: Southern Farms Masterplan

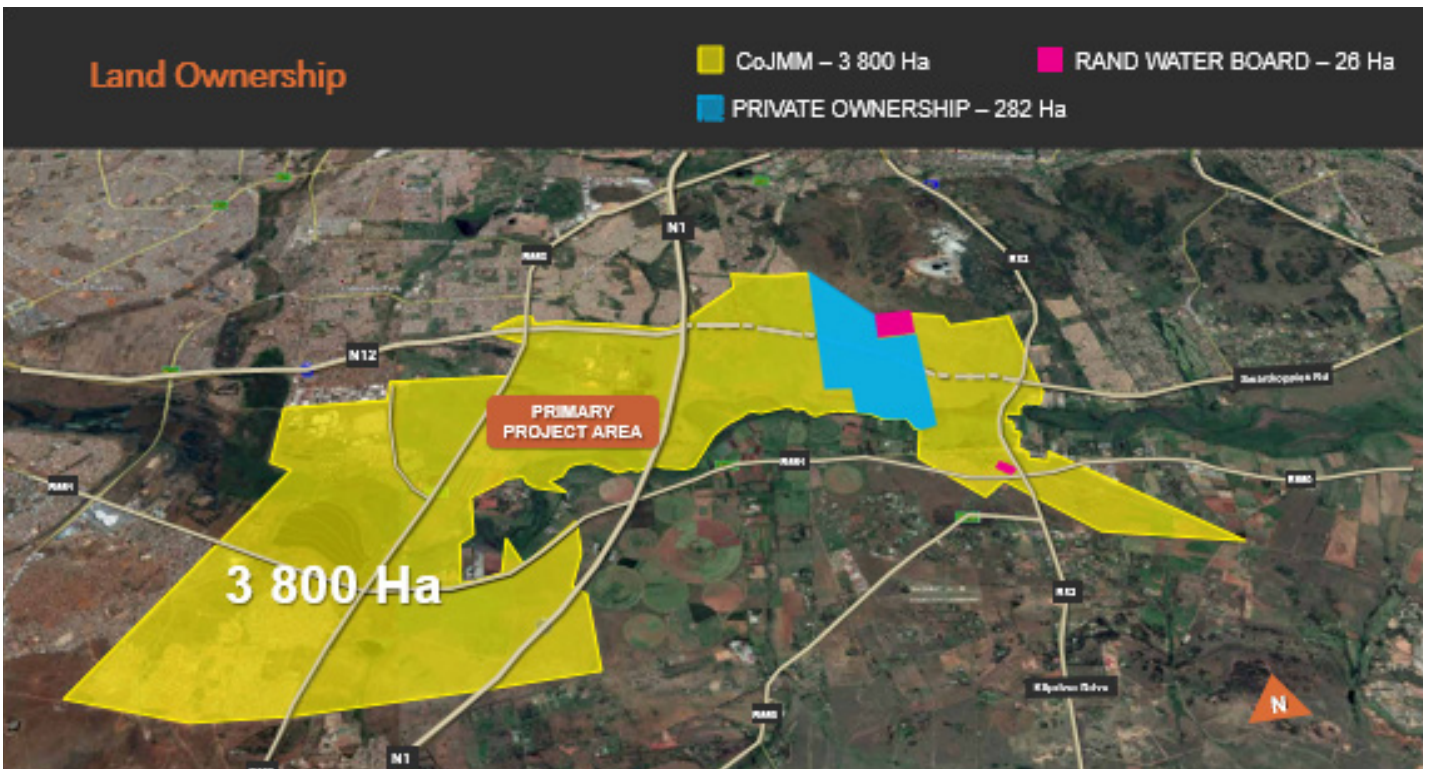


Figure 9: Southern Farms Development Precinct Plan





Project Name: Soweto Gateway

2024/25 FY Project Developments

This proposed development is a mixed-use initiative, accommodating diverse land uses and taking advantage of the site's location as an entrance into the Soweto/Baralink Node. It will reinforce surrounding activities, such as institutional, educational, local manufacturing, training facilities, and commercial enterprises. It will be supported by medium- to high-density, mixed-income residential developments, community facilities, recreation areas, and public spaces within a well-balanced and sustainable urban structure that is connected and accessible to the rest of Soweto and the City. It is envisaged that it will be an iconic entrance point into Soweto—a place to live, work and play.

Way forward

Conclude township establishment and proclamation.



Figure 10: Map of Soweto Gateway Site

Project Status

- Property Plan completed.
- Section 14 (2) obtained.
- On 29 November 2023, the City Manager approved the award of the RFP 33/2023 FY/PF for the development sale and/or lease of Portion 159 of the Farm Diepkloof 319 IQ, to the Kgalema Motlanthe Foundation Trust Joint Venture (KLM – JV) with Columbia Falls Properties 80 (Pty) Ltd. At a meeting with the KLM – JV (7 months after the award) on 12 June 2024 to finalise the agreement, the JV indicated that the development was not feasible for them and that they did not wish to proceed with the development. They followed up with a letter on 18 June 2024 to the CEO of JPC, reiterating their repudiation of the award.
- In terms of the EAC award, it was resolved that in the event of the JV's withdrawal, the second highest bidder would be awarded the tender.
- The second highest bidder, Calliper Consulting Engineers (Calliper), was approached and indicated its eagerness to accept the award and to proceed with the development.
- A letter of award was sent to Calliper on 1 July 2024 and an acceptance letter was received on 2 July 2024.
- Environmental authorisation has obtained from the Gauteng Department of Agriculture and Rural Development.
- Township establishment is currently underway.
- The draft Agreement has been negotiated between the parties and has been signed by Calliper. It is awaiting signature by JPC's CEO.
- Ncube Incorporated Attorneys have been appointed to handle the removal of the restrictive condition in the title deed.
- Section 33 notices were sent to National and Provincial Treasury for their comments. Notices were also advertised in the newspapers and on the JPC website for comments, together with an Information Statement and the Draft Agreement.
- Following the comments received from both treasuries, a section 33 report is currently advancing through the committee approval process.



Figure 11: Aerial View of Soweto Gateway Site





Project Name: Power Park Student Accommodation

2024/25 Project Developments

The Power Park Student Accommodation Project aims to provide high-quality living spaces for students, with modern amenities and a vibrant community atmosphere. The development is strategically designed to cater to the needs of approximately 2 348 students across two phases. It aims to enhance students' university experience with modern amenities and a supportive community environment.

Phase 2 has commenced, focusing on earthworks to facilitate the construction of an additional 1 500 beds. This phase is designed to harmonise with the architectural style and community feel established in Phase 1.

Current earthworks activities

- **Excavation:** Site preparation is ongoing, with excavation work being conducted to create a solid foundation for the new buildings.
- **Grading:** The site is being graded to facilitate proper drainage and structural integrity.
- **Soil testing:** Soil stability assessments are being performed to ensure safety and compliance with building standards.

Community impact

- **SMME empowerment:** 11 small, medium, and micro enterprises (SMMEs) have been empowered during Q1, promoting local economic growth.
- **Job creation:** A total of 33 additional jobs have been created in Q1, benefiting the community of Soweto and surrounding areas.

Next Steps

- **Finalise Phase 1:** Complete final touches and prepare for the official opening in due course.
- **Advance Phase 2:** Continue with earthworks and transition to the construction phase, ensuring that design and construction standards align with Phase 1.

The Power Park Student Accommodation Project is progressing successfully, with Phase 1 nearing completion and Phase 2 actively underway. The commitment to providing quality living spaces is evident, and the project promises to enhance the student experience significantly.

The project not only addresses student housing needs but also supports local economic development, demonstrating a commitment to community engagement and sustainable growth.

Project Status

- **Completion rate:** 80%
- **Building type:** Purpose-built student accommodation
- **Capacity:** Approximately 848 students in single rooms
- **Amenities:** Includes essential urban amenities such as study areas, common rooms, laundry facilities, and a fitness centre
- **Construction value to date:** R130 million
- **Activities:** Construction final finishes, utility connections, and landscaping are underway to prepare for the opening in due course.

Project Challenges/Delays

Challenges encountered:

- **Weather conditions:** Rain has occasionally impacted the schedule, but the project team is actively managing these delays.
- **Utility coordination:** Working with existing underground utilities has required careful planning to avoid disruptions.





Project Name: Orlando Ekhaya Waterfront Development

2024/25 Project Developments

The Orlando Ekhaya precinct is a mixed-use development located at the eastern entrance to Soweto. This area is centred around the Orlando Dam and Orlando Towers, which are vibrant attractions and popular for various adventure activities. The precinct aims to become a regional hub for:

- Affordable housing
- Affordable student accommodation
- Retail outlets
- Sports and recreation
- Tourism attractions
- Investment opportunities

Development Objectives

- Promote a variety of land uses that take advantage of its prime location near the Baralink Node.
- Complement and enhance existing commercial, educational, retail, hospitality, and training facilities.
- Improve connectivity between neighbourhoods, enhance urban spaces, diversify land use, activate waterfront areas, and identify key development projects within the precinct.
- Centre development around the Orlando Dam and Towers, which are known for adventure activities.
- Ultimately, establish a proud destination for the local community that enhances Soweto's identity.

The Orlando Ekhaya Precinct is making significant progress, with three properties awarded to developers for affordable housing and student accommodation. There is a clear commitment to delivering quality living spaces, which will enhance the experiences of both residents and students. This project addresses housing needs while also fostering local economic development, sustainable growth, job creation, and support for SMMEs, reflecting a strong commitment to community engagement and sustainability.

Property Description

Erven 13, 14 & 15 Orlando Ekhaya

Project Status

Released and awarded through an open public tender process.

Project Development Type

Mixed-use development focused on affordable housing and student accommodation

Property undergoing necessary town planning process.

Erven 31, 36 & 41 Orlando Ekhaya

Scheduled for release via an open public tender process in October 2024. The properties have undergone various land studies (i.e. valuation of the properties, and geotechnical and environmental studies)

Mixed-use development emphasising commercial, educational, retail, conferencing, institutional, sports, recreation, and training facilities

Erf 38 Orlando Ekhaya

Scheduled for release via an open public tender process in Q3

Mixed-use development featuring a commercial recreation facility that includes various sports facilities, wellness centres, conference centres, restaurants, and a recreation resort with ancillary uses

Vision for the Precinct

The objective is to revitalise Soweto into a dynamic urban district that offers job opportunities, diverse amenities, and essential social services. This initiative aims to enhance the local economy and support small businesses. Key features of the proposed mixed-use area include:

- A striking entrance to Orlando Ekhaya that draws in tourists.
- Job creation for the local community.
- Support for SMMEs.
- A vibrant, 24-hour hub for nearby residents.
- Affordable housing and student accommodation options.





Section 5 Special Projects

The Special Projects Business Unit is in the business of making improvements to land and buildings so that their end value exceeds the initial value in such a way that returns are maximised in support of economic development and service delivery.

The Business Unit also repurposes projects to propose a range of development opportunities and precinct linkages that would provide additional support and stimulus for the development of the properties, thus enhancing its development potential and increasing income to the CoJ.

Section 5.1: Property Analysis

Johannesburg Inner City Revitalisation

The Johannesburg Inner City Revitalisation is to be implemented in the following two phases:

Phase 1: Short Term

The following properties are CoJ-owned and heritage-protected and have been deemed unsafe for human habitation. The High Court has since issued evacuation orders for the following buildings:

Name of Building	Property Description	Current Use
1. Vannin Court	Erf 5216 Johannesburg	Residential
2. MOTH Building	Erf 1349 Berea	Residential
3. Casa Mia	Erf 1865 Johannesburg	Residential

Table 39: Buildings Deemed Unfit for Human Habitation

JPC is part of the CoJ Inner City Executive Team, led by the City Manager and the Group COO, that is in the process of evacuating the occupants from the uninhabitable buildings in line with the evacuation declaratory orders obtained from the courts.

JPC has provided the Executive Team with a list of appropriate sites (e.g. applicable zoning and correct size) to be used as potential evacuation sites. The other departments are conducting an occupancy audit and affordability assessment, evacuation site land preparation (cleaning, rubble removal, land grading, and installation of services) and stakeholder engagements.

We anticipate having the occupants of all three buildings evacuated by no later than the end of October 2024.

In terms of the plan, the CoJ Inner City Executive Team intended to demolish the buildings immediately after evacuation to prevent re-invasion.

However, this has been halted by the Provincial Heritage Resources Agency of Gauteng (PHRAG), which insists that due to the Court's declaratory order, the buildings are heritage-protected. PHRAG requires a formal heritage application, including a comprehensive structural assessment report, to be submitted to their office for approval prior to demolition.

Once the building has been evacuated, JPC will immediately secure and make Vannin Court uninhabitable, while the Johannesburg Social Housing Company (JOSHCO) will do the same for the MOTH building and the Casa Mia building. JPC intends to release Vannin Court out on tender for mixed-income residential development by no later than mid-October 2024.

Phase 2: Long Term

Derelict and problematic buildings (both private and government-owned) have been identified as significant contributors to Inner City decay. These buildings include:

- Slumlorded buildings
- Abandoned buildings
- Hijacked (illegally occupied) buildings
- Dilapidated and uninhabitable buildings

JPC has identified various strategic interventions to regain control of these buildings, including:

- **Abandonment:** Properties are acquired through a process whereby owners voluntarily relinquish properties to the CoJ in lieu of outstanding debt.
- **Purchase:** Properties are sometimes acquired on the open market for strategic purposes. This may include acquiring adjacent properties to enable the efficient development of City-owned property.





- **Mixed-use development:** Properties are acquired to facilitate a mixed-use building. This may include a linear market on the ground floor, storage facilities for traders, and workshop spaces (for artisans) on the first and second floor, and residential units (whether via CoJ, Human Settlement, JOSHCO, or private developers) on the remaining upper floors.
- **Expropriation:** Properties are acquired in terms of the Expropriation

Act. This method should only be used once the acquisition agreement has been rejected or has been unsuccessful. Properties should only be expropriated in the public's interest and for the public good. This may be due to properties being neglected, unsafe or being utilised for unlawful activities.

- **Donations:** The Municipality may approach landowners and negotiate the acquisitions of land through a

donation process. The Municipality may use incentives (tax exemptions) during negotiations.

In order to address the buildings challenge of problematic buildings, a working group comprising JPC, the Johannesburg Development Agency, and CoJ Development Planning was created.

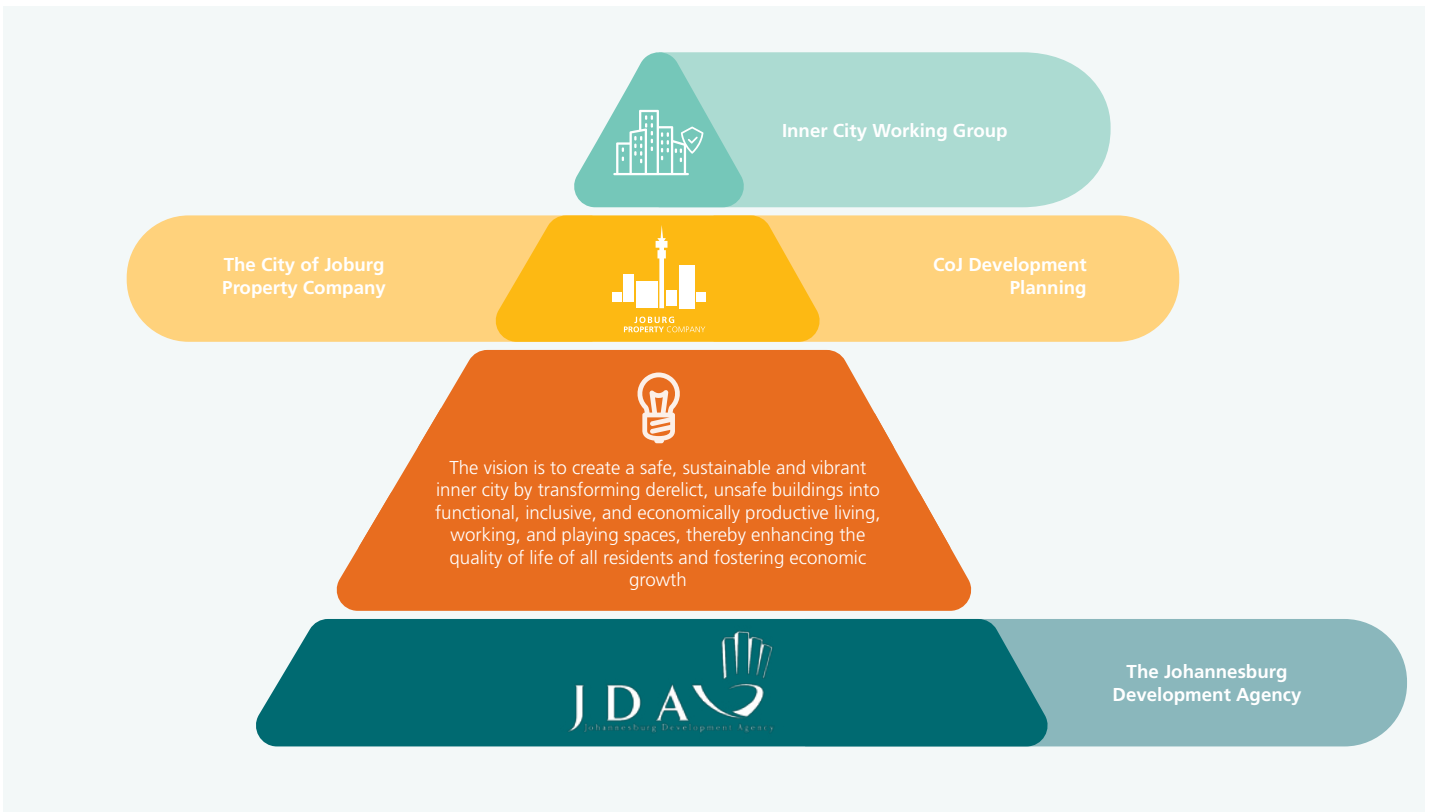


Figure 12: Inner City Working Group





Through a coordinated and seamless approach, the working group agreed to address Inner City decay, which includes problematic buildings, using a precinct approach. The precincts should consider:

- Identification of problematic buildings and mechanisms of regaining control.
- Identification and assessment of heritage issues to ensure integration of cultural preservation in redevelopments, as well as clear guidelines for addressing heritage issues.
- Densification opportunities.
- Comprehensive structural assessment.
- Infrastructure audit and upgrade.
- Market demand analysis.
- Public environment upgrade.
- Joint approach with CoJ Human Settlement to determine housing development requirements for both CoJ and private developers and required temporary alternative

accommodation.

- Potential partnerships (development and/or facilities maintenance).
- Development of a robust financial model that will ensure private sector access to funding.

Creation of a baseline study that will provide data on project planning, project design, and decision-making processes. Components of the baseline study include:

- Site and surroundings analysis – Detailed description of the precincts, geographical location, size, current and historic land use patterns, zoning, an environmental study relating to chemicals that could be released during demolition (e.g. asbestos), a socio-economic profile, and demographics of the area.
- Economic activities such as employment rates, income levels, and main sources of livelihood.
- Availability and condition of

utilities (water, sewer, electricity), transportation network within the Inner City, and future upgrade plans of these utilities.

- Legal and regulatory conditions – This relates to zoning, land use regulations, environmental property regulations, property ownership and tenure, as well as future laws relating to buildings and urban management.
- Stakeholder management.

The working group prioritised the following precincts, with other precincts to be incorporated later:

- Usindiso Precinct
- Kwa Mai Mai Precinct
- High Court Precinct
- Lillian Ngoyi Precinct

The plan below shows the linkages between the precincts.

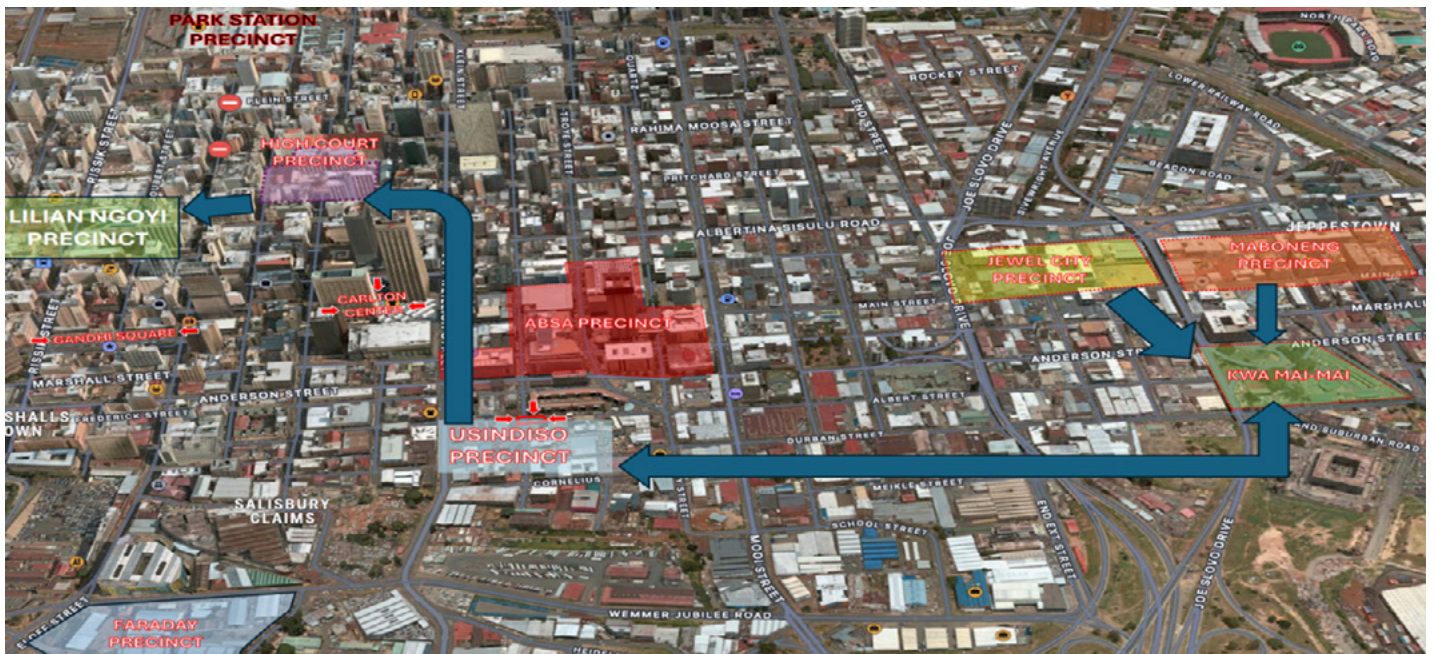


Figure 13: Linkages Between Precincts





Usindiso Precinct

Forty-two (42) privately owned problematic buildings have been identified and JPC has appointed a tracing company to locate the registered owners of these buildings.

- The municipal accounts of 3 of the 42 problematic buildings are in arrears of more than R1 million.
- The following three (3) CoJ-owned problematic buildings are located within the precinct:
 - Erf 1210 Marshalltown
 - Erf 342 and 343 City and Suburban
 - Erven 272, 273, 274, 279 and Portions 269, 271 and 280 City and Suburban

Erf 1210 Marshalltown

Zoning: Industrial

Current use: Portions of the building remaining after the fire

Proposed use: The site, together with Erven 342 and 343 City and Suburban (CoJ owned) and Erven 339, 340, 341, 144, 345, 346 and 347 City and Suburban (privately owned), is to be consolidated and redeveloped in support of the Usindiso Block Regeneration Project. The Usindiso Block is to be developed as a medium- to high-density mixed-use node, with good quality, affordable rental housing units of different typologies as the main driver.

Plan of action:

- A comprehensive structural assessment is to be completed by a Structural Engineer by the end of October 2024.
- A Heritage Specialist is to be appointed by mid-October 2024 and to submit the heritage application by the end of October 2024.
- A Town Planner is to be appointed for the consolidation and rezoning of the properties in support of the Usindiso Block Regeneration Project.
- A section 14 (2) report was approved by JPC Transactions and the Executive Management Team (EMT), and we anticipate having the report approved by Sub Mayoral, Mayoral and Council by November 2024.
- The site is to be consolidated with Erven 342 and 343 City and Suburban (CoJ-owned) and Erven 339, 340, 341, 344, 345, 346 and 347 City and Suburban (privately owned) in support of the Usindiso Block Regeneration Project.
- The report for the privately owned properties, Erven 339,



Figure 14: Usindiso Block – Marshalltown

340, 341, 344, 345, 346 and 347 City and Suburban was approved by JPC Transactions and the EMT, and we anticipate having the report approved by Sub Mayoral, Mayoral and Council by no later than end November 2024.

Erf 342 and 343 City and Suburban

Zoning: Industrial

Current use: 3-storey buildings with residential units and shops on the ground floor.

Proposed use: The site, together with Erf 1210 Marshalltown (CoJ-owned) and Erven 339, 340, 341, 144, 345, 346 and 347 City and Suburban (privately owned), is to be consolidated and redeveloped in support of the Usindiso Block Regeneration Project. The Usindiso Block is to be developed as a medium- to high-density mixed-use node, with good quality, affordable rental housing units of different typologies as the main driver.

Plan of action:

- Occupancy audit to be conducted by no later than end October 2024.
- Relocation strategy to be finalised by no later than end November 2024.
- A section 14(2) report was approved by JPC Transactions and the EMT, and we anticipate having the report approved by Sub Mayoral, Mayoral, and Council by November 2024.
- A Town Planner is to be appointed for the consolidation and rezoning of the properties in support of the Usindiso Block Regeneration Project.





Erven 272, 273, 274, 279 and Portions 269, 271 and 280 City and Suburban

Zoning: Industrial

Current use: Old filling station used as an illegal taxi holding area

Proposed use: Filling station with ancillary uses.

Plan of action:

- A request was submitted to the Department of Mineral Resources and Energy to confirm whether the site license exists and/or is valid. JPC is still awaiting feedback
- A section 14 (2) report was approved by JPC Transactions and the EMT, and we anticipate having the report approved by Sub Mayoral, Mayoral, and Council by November 2024.

Kwa Mai Mai Precinct

- Twenty-seven (27) privately owned problematic buildings have been identified in the Kwa Mai Mai Precinct, and a tracer has been appointed to locate the registered owners of these buildings.
- The municipal accounts of three of the 42 bad buildings is in arrears of more than R1 million.
- There are three CoJ-owned problematic buildings within the precinct.
- CoJ Human Settlements has submitted a report to Council requesting permission to acquire more than 13 land parcels located within the Kwa Mai Mai precinct from Transnet
- The working group and CoJ Human Settlement is to appoint an Urban Designer to develop a precinct plan of the area to provide a framework for guiding development and identifying catalytic projects, by no later than the end of November 2024.
- We anticipate having the precinct plan completed by no later than June 2025.

High Court Precinct

- More than 80% of the building is in a good condition and comprises, among others, the High Court, Marble Towers, the Post Office Mall anchored by Boxer, Schreiner and Pitjeng Chambers, and the National Prosecuting Authority offices.
- The 20% of the buildings that are problematic include Erven 1093 to 1095 Johannesburg (Tower House), Erven 4803 and 4804 Johannesburg, and Erf 4850, 611, 4548 Johannesburg.
- JPC is to obtain the rates account balance of the problematic buildings from revenue and locate the owners to enable us to determine the appropriate approach of gaining control of these buildings.

- Street traders occupy the pavements, making it difficult for pedestrians to navigate the streets.
- Small street traders play music at high volumes, disrupting court proceedings.

Lillian Ngoyi Precinct

- Thirty-five (35) privately owned problematic buildings have been identified; JPC has appointed a tracing agent to locate the registered owners of these buildings.
- The municipal accounts of more than six (6) of these buildings are in arrears of more than R1 million.
- Lillian Ngoyi Street was recently damaged by an explosion and the contractor that was appointed to repair and reinstate the street has since been terminated.
- Public infrastructure upgrades have been proposed

Section 5.2: Leasing and Sales Unit

Johannesburg Inner City Revitalisation

The Unit is currently negotiating and finalising the lease of Erf 170 Newtown with Brickfields Housing Company for social housing development at an estimated development cost of **R18 247 583**. We anticipate having the contract finalised and signed by the end of November 2024.

Fifteen (15) properties to the value of **R634 million** are to be released out on tender for development lease and/or sale at the beginning of the second quarter of 2024/25 and we anticipate having the agreements finalised and signed at the end of the second quarter and the beginning of the third quarter.

Construction of the following three (3) projects is to commence in the second quarter and the beginning of the third quarter:

Erven 495–501 & 516 Vrededorp (R60 million): Town planning approvals, site development plans, and building plans have been obtained. The funding application is at an advanced stage and the Developers anticipate obtaining financial closure by the beginning of November 2024. The Developers are to utilise their equity to commence civil works by the end of October 2024. The building works are to commence by 25 January 2025. The advertisement for the appointment of a CLO is underway and is anticipated to be finalised by the end of September 2024.

Erven 114, 116 and 118 Bertrams (R35 million): Town Planning approvals, site development plans, and building plans have been obtained. Funding and planning approvals have been obtained and construction is to commence in February 2025.

Erven 1633, 1637, 1638 and 1640 Turffontein (R40 million): Town planning approvals have been obtained. The funding application has been submitted and the Developers anticipate obtaining the term sheet by mid-October 2024. Financial closure is expected by the end of November 2024, and construction is to commence between February and March 2025.





Section 5.3: Leasing and Space Planning

Office Accommodation and Parking facilities for CoJ Departments and Entities for 9 years, 11 months

JPC embarked on a competitive bidding process to secure leased office accommodation and parking facilities for all CoJ departments and entities for a period of 9 years, 11 months. Listed below are the buildings that have been earmarked for the various departments.

- BCX Building (Region A) Ward Councillor
- 137 Daisy Street (Region E)
- Old Mutual Building (JRA/Transport)
- BCX Building (Region A)
- Traduna Centre (Region F User departments)
- 66 Jorrisen Place (DED)
- 66 Jorrisen Place (Pikitung)
- Libridge Building (Ombudsman)
- JD House (GICT)
- Eureka House (Region F, Springfield)
- Sappi Building (GSPCR)
- Sappi Building (GRAS/GFIS)
- Libridge Building (Metro Centre)
- Standard Bank Building (Metro Centre)

EAC approval reports were submitted to the EAC for the extension of leases in respect of Community Development Libraries for all regions of the City.

EAC reports were submitted for the extension of leases in respect of 222 Smith Street (Human Settlements), Turbine Hall (Joburg Water) and Braampark (JPC and Group Governance).

Project Challenges/Delays

No challenges or delays were experienced

Project Status

New leases have been activated with effect from 1 September 2024.

- 06/2023FY/JPC
- 07/2023FY/JPC
- 08/2023FY/JPC
- 09/2023FY/JPC
- 10/2023FY/JPC
- 12/2023FY/JPC
- 13/2023FY/JPC
- 14/2023FY/JPC
- 15/2023FY/JPC
- 16/2023FY/JPC
- 17/2023FY/JPC
- 18/2023FY/JPC

(All leases were signed in July 2024)

Project Opportunities/Focus

Below are the opportunities that JPC will be providing the departments and entities in terms of office space:

- Safe, secure and OHS-compliant office accommodation
- Continuous service delivery including back-up power supply and water.
- Access to public and constituencies



Council Chambers wall art & stairway





Section 6 Outdoor Advertising

Project Description: Consent letters

Issuing letters of consent to the City of Johannesburg's Building Control: The Outdoor Advertising Unit of the Department of Development Planning is to process applications to be submitted by various lease holders (on the JPC database with signed lease agreements) for the signs situated at Council-owned properties for consideration in terms of the CoJ's outdoor advertising by-laws.

To date, we have issued letters of consent to the media owners listed below, allowing the Development Planning Department to process their applications for obtaining by-law approvals.

- JCDecaux SA (Pty) Ltd
- Primedia Outdoor (Pty) Ltd
- FrontSeat One (Pty) limited

So far, 174 applications have been submitted to apply for various advertising formats.

Project Challenges/Delays

- Current by-laws do not allow gantries to be digitalised, which will affect the approval of these signs.
- By-law approvals takes some time to be issued by the Department of Development Planning.
- Revenue collection will be affected if high-value signs are not approved in terms of the by-laws, e.g. gantry signs.
- Low occupancy (sites are not booked) will affect revenue collection as the majority of current erected signs are not booked by media buyers (no advertisement).

Project Opportunities/Focus

- Increase revenue to the City.
- Improve the profitability of out-of-home advertising media within the City.
- Address illegality and declutter the City.
- Ensure that all outdoor advertising media owners are properly contracted to display their signs.
- Ensure that the outdoor advertising sector is aligned with the transformation objectives of the City of Johannesburg.

Section 7 Information Technology

Project Description	2024/25 FY Project Developments	Status
Digital transformation (Electronic Document and Records Management System – EDRMS)	<ul style="list-style-type: none"> • Process mapping for departments (business process and analysis) is completed • File plan drafts – two units left for completion (Stakeholder Management and Cleaning Department); assets review is required. • Training for the entire system – Managers' training is complete. • Document module rollout is going live (on-the-spot training) – 39 uploads and review by Managers are completed. • Implementation of the Asset Management module is underway. 	Ongoing over a period of 36 months
JPC site connectivity	<ul style="list-style-type: none"> • JPC and Metropolitan Trading Company (SOC) Limited (MTC) held a meeting to discuss connectivity of the JPC sites and additional sites. • MTC forwarded a JPC connectivity proposal for all sites. • JPC's Information Technology (IT) Unit started the SCM process to request proposals. • A memo for approval to go out on tender was sent to the CEO's office. 	50% complete
Website hosting	<ul style="list-style-type: none"> • Budget was approved for a 12-month hosting period. • The motivation was approved for website hosting. • The scope of work is being finalised, in line with Marketing Department requirements. 	75% complete
Microsoft Defender for Endpoint	<ul style="list-style-type: none"> • Migration from McAfee EPO to Microsoft Defender for Endpoints has been completed. 	100% complete
Backup continuity and disaster recovery	<ul style="list-style-type: none"> • Deploy Microsoft ASR Replication appliance on-premises. • Configure Recovery Services Vault on Azure. • Replicate one proof of concept (POC) server to Azure. • Test disaster recovery of POC server. 	50% complete





Project Description	2024/25 FY Project Developments	Status
Microsoft Azure Arc	<ul style="list-style-type: none"> Create PowerShell script for Azure Arc agent deployment. Create Managed Identity (JPC-Security-MDC-Servers) with expiry set for 24 January 2025. Deploy a single server script for Windows Server that is onboarded to Azure Arc. Confirm Windows Server is onboarded to Azure Arc. Create the Azure Arc multiple server script. Confirm that the Windows Server extension is enabled for AMA and MDE. 	100% complete
Microsoft Azure Update Manager	<ul style="list-style-type: none"> Create an Automation Account. Enable Update Management for Servers Configure Update Settings: Machines, Update Classifications, and Schedule Settings. Schedule Update Deployments: Define the Maintenance Window, Start Time, and Frequency for Updates. Monitor and Review. 	100% complete
Microsoft Defender for Cloud	<ul style="list-style-type: none"> Enable Microsoft Defender for Cloud on JPC subscription. Enable the auto-provisioning of the Log Analytics agent and other required extensions. Define and customise security policies for subscriptions and resource groups. Set up Security Alerts and Notifications. Connect VMs to Defender for Cloud. Monitor and respond to alerts. 	100% complete
Windows Hello For Business	<ul style="list-style-type: none"> Enable Windows Hello for Business: Navigate to Devices > Windows > Windows Enrolment. Select Windows Hello for Business and configure the settings as needed. Configure Additional Settings: Set up PIN complexity requirements. Configure biometric settings (e.g., fingerprint, facial recognition). Assign the Windows Hello for Business policy to the JPC Intune devices group. 	75% complete
Microsoft Sentinel	<ul style="list-style-type: none"> Implementation: Sentinel Configuration: Sentinel Settings Configuration: Workspace Settings Configuration: Sentinel RBAC Configuration: Microsoft Data Connectors (Microsoft) Configuration: Content Hub Solutions (Microsoft) 	100% complete

Project Challenges/Delays	Project Opportunities/Focus
<p>Digital Transformation - EDRMS:</p> <ul style="list-style-type: none"> Automation for all established workflow process due to budget Additional licensing for all laptop users due to budget Reliance on primacy systems with CoJ as per the CoJ Smart City Programme User availability System workspace not aligning with File Plans <p>JPC Site connectivity</p> <p>MTC forwarded a JPC connectivity proposal for all the sites; however, the proposal did not include the following services:</p> <ul style="list-style-type: none"> Mimecast mail filtering 3G/LTE with APN for 400 users, with a monthly shared pool of 1TB – with a management portal DR – either a full rack hosting solution or cloud hosting for virtual servers and storage MTC responded that they would not be able to provide these services <p>Backup continuity and disaster recovery</p> <p>Migration to Azure is not supported on Windows Server 2008 R2 servers; therefore these servers need to be upgraded to a minimum compatible version (Server 2012 and higher) or decommissioned.</p>	Automated centralised systems for all business processes



Section 8

Client Business Operations

Business Operations

Currently, one hundred and thirty-two (132) transactions are at various stages of the committee system. The largest number is in the S79: Economic Development Committee, which has not tabled its items for a number of meetings. The breakdown of the forty-one (41) matters arising is reflected in Table 40.

Name of Committee	Number of Submitted Reports – Awaiting Tabling	Outstanding
Matters Arising: Section (79) Economic Development	34	04
Matters Arising: Section (79) Human Settlement	0	01
Matters Arising: Inner City Sub-Mayoral	0	02

Table 40: Number of Transactions in the CoJ System

Open Petitions

In the quarter under review, the CoJ's Petitions Unit undertook a process of resuscitating historical petitions which had not been resolved. Through this exercise, JPC was identified to have six (06) outstanding historical petitions. CBO has not received new petitions in this quarter.

Petition Number	Description of Petition	Status
P104/02/16	Conversion to a multi-purpose centre and verification of ownership of Mampuru Hall in Dube	Open – Awaiting submission from the author
P222/06/17	Request for construction of churches on institution sites (Site 554, 838, 1017, 383) – from Naledi Ext. 2 Soweto	Open – Report submitted to the Committee Coordinator and awaiting tabling
P250/04/18	Request for institutional land allocation for Building of a church on Stand No. 1915 Cnr Nkelenga & Manamane Streets, Stand 521 Cnr Umvumvu & Shimapana Streets, Stands 1002 Monee Street, Stand 11324 Cnr Nkelenga & Monamane Streets, Stand No 1883 Cnr Nkelenga & Mulembu Street – from Lefhereng Ward 53	Open – Report submitted to the Committee Coordinator and awaiting tabling
P221/04/19	Request for fencing, maintenance, security or demolishing of a structure on Erf 419 between Twala and September Street due to its dilapidated condition and it being a criminal hide-out – from Ward 25 Region D	Open – Report submitted to the Committee Coordinator and awaiting tabling
P107/11/19	Closure of passageways in Kenilworth	Open – Awaiting submission from the author
P65/02/21	The illegal occupation of Municipal-owned property adjacent to Forest Farm Centre on the Western Bank of the Braamfontein Spruit, opposite Field and Study Centre Bryanston	Open – Awaiting submission from the author
P135/01/24	Request for removal of illegal occupants at Parkhurst Bowling Club and Soccer Club on Victory Road, Parkhurst (Portion 246 and 247 Farm Braamfontein 53IR) in Ward 117 covering Ward 87, Ward 117, Ward 90, Ward 80 and Ward 99 Region B.	Open – Report submitted to the Committee Coordinator and awaiting tabling

Table 41: Open Petitions





Client Servicing Unit

The Client Servicing Unit (CSU) attended to a total of two hundred and ninety (290) walk-in clients for the period under review relating to general property information, zoning, and ownership. A total of ten (10) enquiries were forwarded to Asset Management for further analysis. The assessments are conducted to determine whether properties are eligible to undergo circulation processes. These include matters wherein a caveat exists on a particular property and/or if there is information on hand that suggests potential transactions and/or complexities requiring resolution by either a CoJ entity or department, or another sphere of government before JPC can transact.

JPC Performance Service Standards

In compliance with its service level standards (SLS), the JPC has adhered to the CoJ’s Shareholder Compact relating to client service functionality and turnaround times. Ten (10) SLS are applicable for JPC. Table 41 outlines the SLS over the current financial period.

It should be noted that the reasons for the average fluctuation percentage of the quarterly SLS are in line with the evidence provided by affected business units. The following KPIs were not measured and therefore their performance was not scored.

KPI 1.6 was not measured as “No completion of sale or lease and registration of servitudes of Council-owned land” took place within 6 months after Council approval in terms of Section 14(2) of the Municipal Finance Management Act.

KPI 1.7 was not measured as “No tender was placed after Council and CoJ Executive Adjudication Committee. No request for internal allocation for land and buildings with budget was received from departments and entities” during this period.

KPI 1.8 was not measured as no request for internal allocation for land and buildings was received from departments and entities during this period.

Core Service	Service Level Standard	July	August	Sept	YTD TOTAL	Variance explanation
SLS 1.1 – Response in acknowledgement of requests, enquiries and complaints	Within 1 day of logged call	163	114	164	441	None
SLS 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	116	68	117	301	None
SLS 1.3 – The performance of emergency work for JPC-managed facilities	Within 1 day of logged call	69	68	69	206	None
SLS 1.4 – Performance of minor works on facilities managed by JPC	Within 2 days of logged call	27	29	35	91	None
SLS 1.5 – Performance of major works on facilities managed by JPC	Within 5 days of logged call	5	2	2	9	None
SLS 1.6 – Completion of 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 MFMA	0	0	0	0	None
SLS 1.7 – Placement of tender after Council approval and CoJ EAC	Within 4 months of CoJ EAC approval	0	0	0	0	None
SLS 1.8 – Internal allocation of land and buildings to City departments and entities PTOB (Permission to occupy and build and lease office space from third parties)	Within 60 days of application and budget confirmation	0	0	0	0	None
SLS 1.9 – Performance of surveys on the condition of plant and equipment to allow assessment of the required repairs and maintenance of facilities managed by JPC	Quarterly	0	0	15	15	None
SLS 1.10 – Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application	07/07= 100%	08/08= 100%	10/10= 100%	10/10= 100%	None

Table 42: Service Level Standards





Section 9 Marketing and Communications

During the quarter under review, the following interventions/activities were undertaken:

Nelson Mandela Day

The JPC organised a Nelson Mandela Day, which was a resounding success. The event was held on 18 July 2024 when JPC's employees rallied together to embody the spirit of service and community that Mandela championed throughout his life. A range of events were organised aimed at making a tangible difference in the local community.

One of the highlights of the day was a collaborative effort to enhance the Randburg Civic Centre, Market and Taxi rank. Equipped with gardening tools, cleaning supplies, and a wealth of enthusiasm, JPC employees came together to rejuvenate various areas of the centre and its surroundings.

They undertook tasks ranging from cleaning up, to removing rubble, repairing windows, and general maintenance. These efforts not only enhanced the physical surroundings but also fostered a sense of pride and ownership among both the staff and the community. The events included cleaning up and doing maintenance work at the Randburg civic centre, the market and taxi rank, as well as the Bara taxi rank.



Media Coverage

The Marketing and Communications Department dealt with a number of media queries, which it responded to promptly. The media queries related to the Orange Grove Waterfall, Orlando Ekhaya, the CEO's contract coming to an end in September, Walter Sisulu Square of Dedication, Mofolo South Properties, and Portion 46 of Farm Houtkoppes 193 IQ.



Outreach and Awareness Campaigns

On 30 and 31 July 2024, informal trading verifications and engagements with traders were seamlessly conducted at Kliptown and Bara as part of the Department of Economic Development's informal traders' permit system.

To ensure that all informal trading activities comply with city by-laws and regulations, a verification of traders and stalls was conducted at Fordsburg on 16 August 2024. This would allow the City to better manage services such as waste management, water, and sanitation in trading areas.



On 21 and 22 August 2024, the JPC team conducted a verification process for informal traders at the Hillbrow Market to ensure compliance with regulations. This initiative aimed to support a fair and safe trading environment for all traders.

Additionally, the team performed an audit on stalls at the Kwa Mai Mai Market, focusing on compliance and the organisation of the trading environment.





On 22 August 2024, the team participated in a civic education drive in Diepsloot, together with other City departments. On 26 August 2024, JPC participated in a community-based planning meeting, held at Danie van Zyl Hall.



On 13 September 2024, the JPC team visited Region F in Kensington, at Royal Oak and Leicester, to engage with residents about the management of sanitary lanes. During this informative session, the team shared details about the processes involved and provided guidance on how residents can apply.

Management of Sanitary Lanes Process





Newsletter

The department continues to publish internal newsletters designed to keep employees informed and engaged with the latest developments within the company. These newsletters serve as a vital communication tool, sharing important updates, highlights of team achievements, and upcoming events. By fostering a sense of connection, we aim to ensure that every employee feels valued and in the loop regarding our shared goals and initiatives.

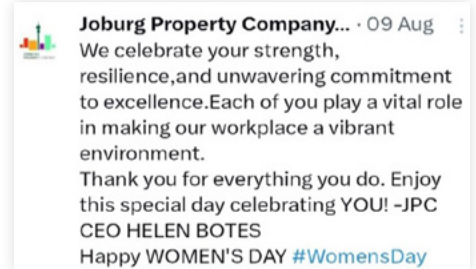


Brand Visibility and Social Media Updates



In celebration of Women's Month, we conducted an inspiring interview with Sizeka Tshabalala, General Manager of the Property Portfolio, in collaboration with Joburg Pulse Radio. During the interview, she shared her remarkable journey in the property industry and highlighted the crucial role JPC plays in the development of the City.

Additionally, the department remains active on social media, consistently updating and informing the community about our initiatives, projects, and events. This ongoing engagement builds a stronger connection with residents and keeps everyone informed about the exciting developments in our City.



Section 10

Cleaning Services and Facilities Management

Cleaning Services Unit

Workplace cleanliness is essential because it creates a healthier environment and also helps employees to be more productive and efficient. Regular dusting, vacuuming, and disinfecting surfaces also help eliminate germs, allergens, and dust particles, reducing the risk of illnesses and allergies.

Description	Status	Spent to Date	Budget
Cleaning materials	RFQ 130/2025 FY supply and delivery of cleaning materials for taxi ranks was awarded to Kingship Management.	R1 915 785.93	R5 374 000.00
PPE	In process	N/A	R2 832 741.33
Cleaning materials	RFQ 01/2024FY/JPC Awarded Makhabu Trading Projects 11/09/2024 for Region G	R877 119.88	R5 347 000.00

Table 43: Operational Expenditure – Cleaning

Description	Status	Spent to Date	Budget
Cleaning Equipment high-pressure washer machine	Awarded to Inyonen Galali Construction	R1 912 950.00	R2 694 000.00
Walter Sisulu Square	Stage 3	R7 289 209.75	R15 000 000.00

Table 44: CAPEX Expenditure – Cleaning

Deep Cleaning of Buildings

A mass deep cleaning was excellently executed as requested on various dates, which included offices, balconies, entrances, receptions, bathrooms, corridors, staircases, and basements. All surfaces were also disinfected, auto scrubbed, and deep cleaned.

Challenges

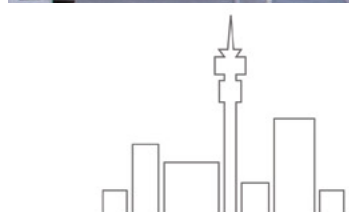
Services have been suspended due to the unit's substantial outstanding payments to JPC.

Cleaning Campaign

- The deep cleaning campaign is ongoing and has received positive feedback from stakeholders, complimenting JPC to continue doing the good work, adding that their facilities are now in a good and habitable condition.
- The cleaning team has received various emails as a gesture of thanks for a job well done from stakeholders.
- Four teams are executing the deep cleaning at various corporate buildings.



Metro Centre





a world class African city



Chapter 4 Human Capital Management



Section 1 Human Resources and Organisational Management

Deep Cleaning of Buildings

The JPC’s Human Capital (HC) enables the business to provide an environment that is empowering and conducive to excellence and high performance. To support the new JPC’s strategic intent, vision, mission, and values, an HC Strategy and a Culture and LeaderShift Programme were developed as a blueprint for high performance.

Critical to implementation of the strategy is effective sponsorship, coalition, and championing of HC programmes, as well as HC capability and capacity. Through effective employee engagement, a change management programme will ensure the embedment of an ideal culture, strengthen the core of HC service delivery, and support the JPC in acquiring necessary new capabilities.

HC will embark on the following critical initiatives:

- Culture and LeaderShift journey.
- Determining organisational critical, priority, and scarce skills, as well as functional and leadership competency frameworks.
- Fostering engagement and consultative processes with labour to enhance sound employment relationships.

- Capacitating HC to ensure effective delivery of people management practices.
- Developing a cadre of exceptional property management and development practitioners.
- Designing and implementing an Onboarding Programme for both new and existing employees.
- Digitising HR processes, e.g. a careers webpage and a high potential assessment system.

Section 2 Human Capital Landscape

Organisational Management

The approved staff establishment comprises **2 148** positions. The total number of vacant positions as of June 2024 is **633**, of which **545** are unfunded and **88** are funded.

Employee Remuneration and Cost Including Executives

The quarterly salary bill for July to September 2024 amounts to **R134 581 764.31**. The remuneration cost includes employees transferred to the City pool “excess employee database”, who will remain on the JPC payroll until they are placed elsewhere within the City or Municipal-owned entities (MOEs).

The following transactions occurred during the quarter one payroll:

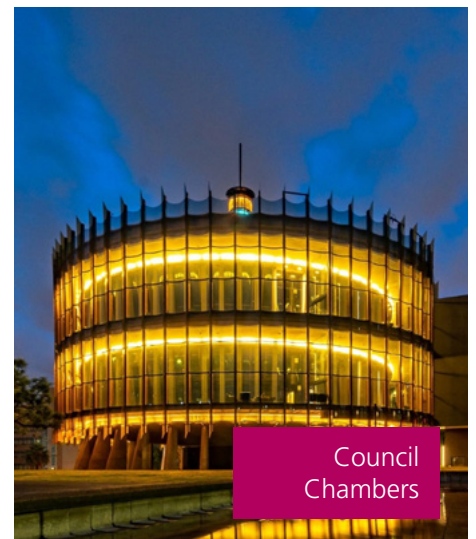
- Leave encashments
- PFA notch adjustments to qualifying employees with back payment for July 2024

Overtime

The total overtime expenditure for the first quarter of the 2024/25 financial year amounts to **R6 953 829**, accrued by an average of 448 employees per month.

Recognising that high overtime may pose a risk to employee wellbeing, along with the associated costs, strategic measures are needed to manage workload and schedules more effectively. Human Capital, in collaboration with the Cleaning and Facilities Department, has identified ways to reduce overtime from previous months. The departments work closely to enable an effective and cost-efficient shift pattern, particularly in areas where overtime occurs most frequently.

The graph in Figure 15 illustrates overtime expenditure per month for the first quarter, showing a notable peak between August and September 2024. This increase was primarily driven by an escalation in Council meetings related to major mayoral projects.





Consequently, the Cleaning Department saw a rise in overtime hours worked, driven by the implementation of salary adjustments within the Cleaning Unit. Human Capital Management enforced an overtime verification process, whereby overtime submitted for payroll input is verified using the authorisation granted by the CEO. This resulted in delayed overtime payments, as the Cleaning and Facilities Department needed to audit their submitted input before resubmitting for payment, hence the low overtime payment in July.

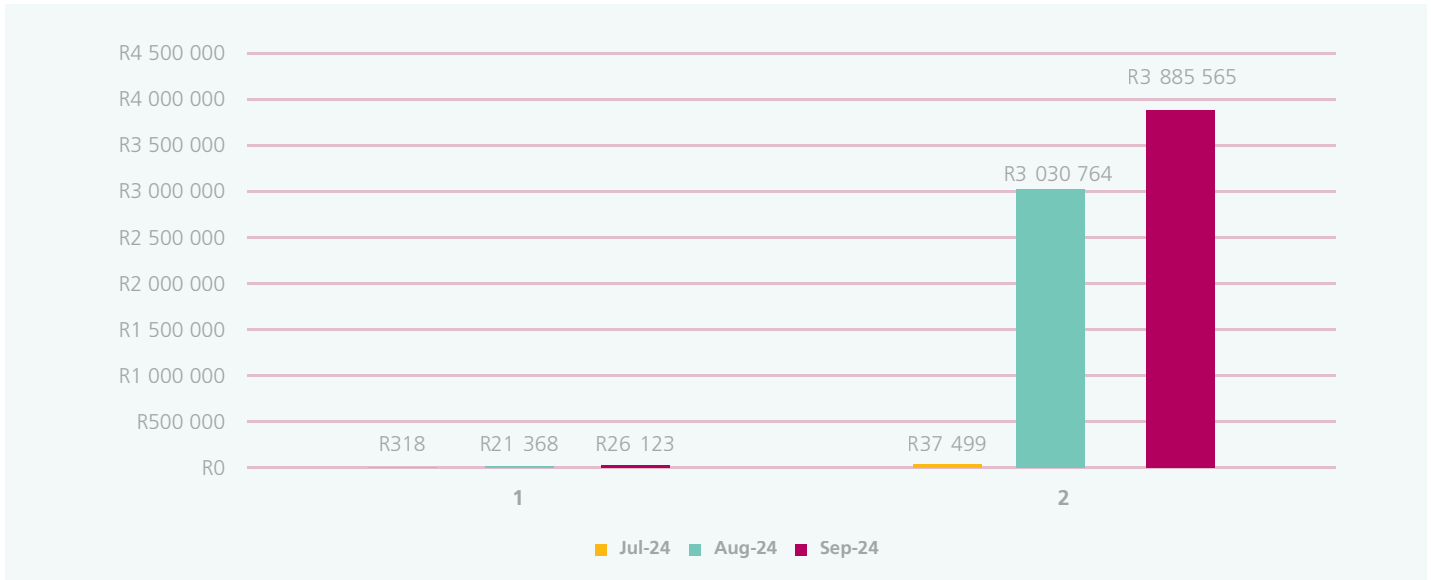


Figure 15: Quarterly Overtime Expenditure 2024/25

Staff Movements

As indicated in Figure 16, at a rate of 0%, staff turnover was low and was primarily a result of the following:

Terminations:	Deceased:	Retirements:
Three (3) terminations occurred in this quarter.	Two (2) employees passed away.	One (1) employee retired.

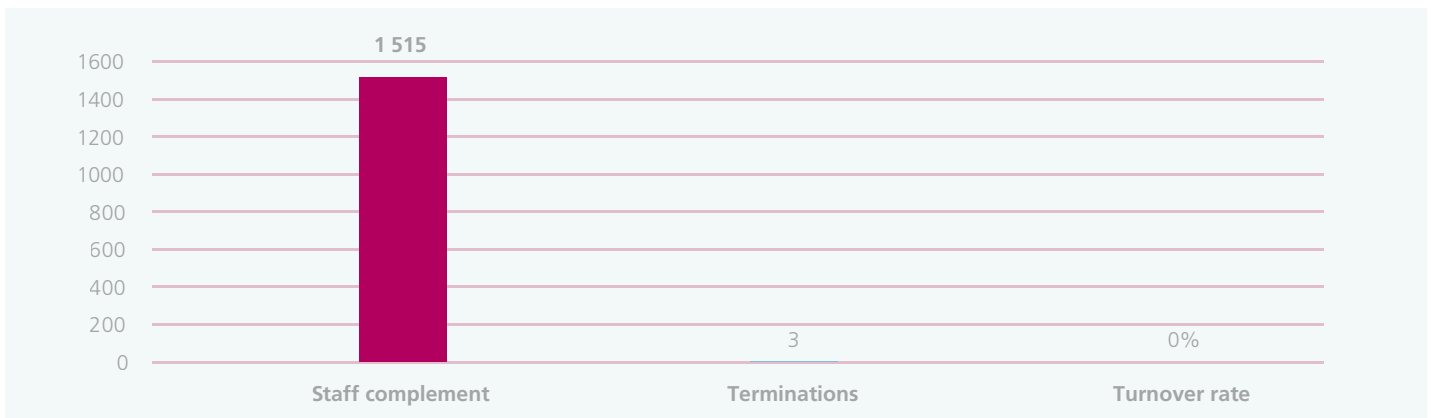


Figure 16: Staff Turnover Rate End June 2024 – YTD

Several requests have been made for the extension of retirement, which will be managed through a mentorship programme to be implemented in October 2024. This will enable the sharing of knowledge and shadowing of pre-retirees by the younger generation for sustainability and an empowered workforce.





Section 3 Key Vacancies

The process of filling strategic and critical positions will be revisited to capacitate the business so that it meets its strategic goals. The positions outlined in Table 45 were advertised in the 2023/24 financial year and will receive first preference when the recruitment drive commences for the 2024/25 financial year.

Position	Department	Status
Chief Operation Officer	Operations	The role profile has been reviewed to align with JPC's strategy. These positions were advertised in the 2023/24 financial year and will have to be readvertised and aligned to the City of Johannesburg Metropolitan Municipality's (CoJ's) new directive of sourcing through the Strategic Appointment Panel.
Chief Financial Officer	Finance	
Human Resources Assistants	Corporate Support	
Assistant Manager: Credit Control	Finance & SCM	
Property Administrators	Property Management	
Stakeholder Consultants	Marketing & Communications	
Committee Officers	Finance & SCM	

Table 45: Key Vacancies





Section 4 Employment Equity and Workforce Demographics

The total JPC employment equity demographics in the table below include permanent and temporary employees. As of September 2024, the total workforce is **1 515**, inclusive of two (2) temporary employees for employment equity reporting purposes.

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management (1&2)	0	0	0	0	0	1	0	0	0	0	1
Senior Management (3&4)	6	0	1	0	4	0	0	0	0	0	11
Professional qualified & experienced specialists and mid-management (5&6)	19	1	2	2	23	1	3	3	0	0	54
Skilled & qualified workers, junior management, supervisors, foremen, superintendents (7&8)	85	5	6	5	94	14	2	0	1	0	212
Semi-skilled and discretionary decision making (9&10)	44	5	1	0	13	9	0	0	0	0	72
Unskilled and defined decision making (11)	304	0	0	1	849	9	0	0	0	0	1 163
Total Permanent Staff	458	11	10	8	983	34	5	3	1	0	1 513
Temporary Employees	1	1	0	0	0	0	0	0	0	0	2
GRAND TOTAL	459	12	10	8	983	34	5	3	1	0	1 515

Table 46: Employment Equity and Workforce Demographics

Racial Split – March 2024	Target	Actual	Current Numerical
Africans	81%	95.20%	1 443
Coloureds	3.30%	3%	46
Indians	3.20%	1%	15
Whites	12.70%	1%	11
TOTALS	100%	100%	1 515
People with Disabilities	2%	0.46%	6

Table 47: Racial Demographics of the Economically Active Population





Objectives of the EESD Forum

The primary objective of the EESD Forum is to ensure that JPC adheres to its legal obligations under the Employment Equity Act (EEA) and the Skills Development Act (SDA). The forum aims to promote equitable representation in the workplace and facilitate continuous employee development to enhance productivity and growth within the organisation.

Communication, Awareness and Nomination Process

In July 2024, an internal communication was distributed to all employees to raise awareness, encourage participation in employment equity and skills development initiatives, and ensure the nomination/election of suitable candidates for the EESD Forum. JPC conducted the Employment Equity and Skills Development Awareness and Nomination/Election across various departments from 8 to 12 July 2024.

The nomination process was inclusive, covering all regions from A to F, ensuring every JPC employee had the opportunity to participate. Forum members were carefully selected from various departments to ensure broad and equitable representation. Special emphasis was placed on inclusivity across all occupational levels, ensuring that all designated groups, such as

women, people with disabilities, and individuals from previously disadvantaged backgrounds, were well represented. Nominations were based on employees' skills, leadership potential, and willingness to contribute to the forum's objectives.

Current Composition of the EESD Committee

The EESD Committee comprises 24 members, ensuring diverse representation of the company's workforce, which embeds inclusivity commitment. The following members have been nominated from all regions, A to F, across the organisation. The following members were elected as part of the Executive Committee and will primarily ensure ongoing, two-way communication between the committee and senior management.

- Simphiwe Ngejane: Senior Manager: EESD
- Nelson Koma: EESD Chair
- Zinhle Dongo: EESD Deputy Chair
- Kayuri Maharaj: EESD Secretary
- Jeremiah Motau: EESD Deputy Secretary
- Maryn May: Project Coordinator
- Jeanette Gongotha: Project Coordinator

- Athi-Enkosi Duda: Project Coordinator
- Mfundo Mdlalana: EESD HR Rep
- Kgomotso Molepo: EESD HR Rep

Impact of Organisational culture

The integration of Employment Equity and Skills Development has a far-reaching impact on organisational culture. It fosters inclusion, fairness, learning, and collaboration, while promoting ethical leadership and strengthening the organisation's reputation for social responsibility. Employees are more engaged, innovative, and aligned with the company's goals, leading to a more dynamic and resilient organisational culture. The overall outcome is a healthier, more equitable workplace that is better positioned to adapt and thrive in the future. By making EESD a core part of the organisational strategy, we aim to create a culture that drives sustainable growth, diversity, and employee engagement and satisfaction.





Racial and Gender Split with Gap Analysis Against EAP Targets

The JPC workforce status is based on the current provincial economically active population (EAP) as at the end of September 2024.

EAP Target				JPC Actuals					
Demographics	Male%	Female%	Target Total%	Male%	Female%	Total%	Male No.	Female No.	TOTAL NUMBER
Africans	45%	35.9%	80.9%	30.30%	64.88%	95.18%	459	983	1 442
Coloureds	1.70%	1.60%	3.30%	0.79%	2.24%	3.04%	12	34	46
Indians	2.10%	1.10%	3.20%	0.66%	0.33%	0.99%	10	5	15
Whites	7.00%	5.70%	12.70%	0.53%	0.20%	0.73%	8	3	11
Foreign Nationals							1	0	1
Total	55.80%	44.30%	100.00%	32.34%	67.66%	100.00%	490	1 025	1 515
People with Disabilities			2.00%			0.40%			6

Table 48: JPC Workforce Demographics in Terms of EAP Target

Gender and Racial Split Analysis

JPC’s gender distribution comprises 68% female and 32% male representation. No significant changes in percentages were recorded for terminations or in the racial split.

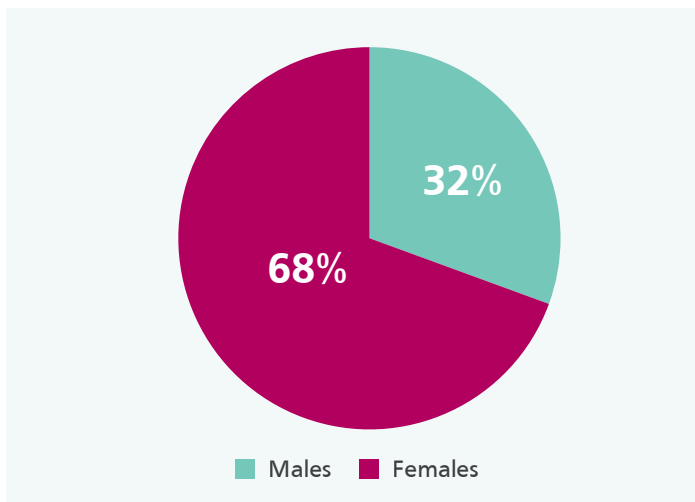


Figure 17: Gender Split

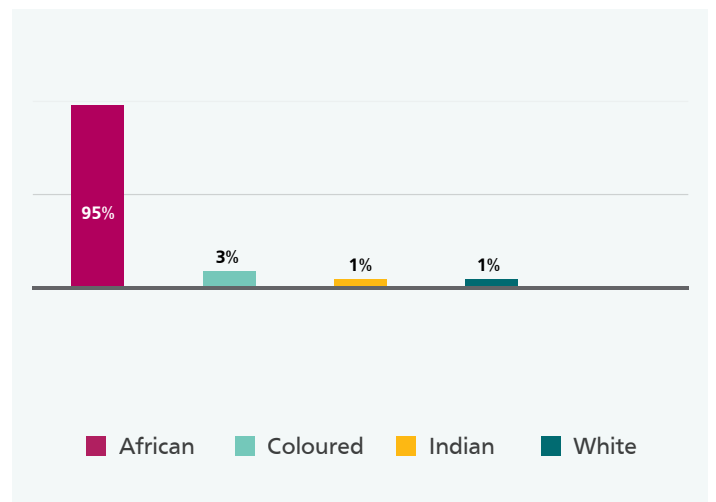


Figure 18: Racial Split





Section 5

Employee Capacitation

Implemented Training and Development Initiatives to Address Competency Gaps

During the quarter under review, HC Management has been consolidating the Individual Development Plans to ensure a more targeted approach to development, as well as publicising the training calendar.

Section 6

Disciplinary Matters and Outcomes

Current Internal Cases

Most disciplinary cases are historical and predate the period under review. These cases encompass a broad range of violations, including breaches of company policies and the Municipal Finance Management Act (MFMA). Currently, six (6) disciplinary matters are in progress, with disciplinary proceedings set to determine the outcome or resolution. An additional two (2) cases have been concluded.

Nature of Incident	Status	Action Taken
Fraud and corruption	Resolved	Dismissed
Irregular expenditure, insubordination and misrepresentations	Ongoing	-
Irregular expenditure	Ongoing	-
Bribery and misrepresentation	Ongoing	-
Bribery and misrepresentation	Ongoing	-
Abscondment	Ongoing	-
Irregular expenditure, insubordination and misrepresentations	Ongoing	-
Bribery and corruption	Resolved	Final written warning and two days suspension

Table 49: Disciplinary Cases

Grievances were primarily focused on workplace environment and ill treatment. Two (2) cases have been resolved successfully, with appropriate actions taken to address concerns.

Nature of Grievance	Status	Action Taken
Harassment	Ongoing	-
Ill-treatment	Ongoing	-

Table 50: Grievances





External Disputes

During the period under review, two (2) matters have been referred for external dispute resolution. The first case, involving an unfair labour practice, is being handled by the South African Bargaining Council and remains unresolved. The second matter, a review application, is with the Labour Court and is yet to be finalised.

Forum	Date Resolved	Status
SALGBC	28 August 2024	Closed: Application was dismissed
Labour Court	Pending	Ongoing

Table 51: External Matters

Section 7 Union Representation

As per the union representation and membership graph in Figure 19, 70% of employees belong to SAMWU (South African Municipal Workers' Union), 29% belong to IMATU (Independent Municipal and Allied Trade Union), and 1% are non-union members subject to agency shop fees

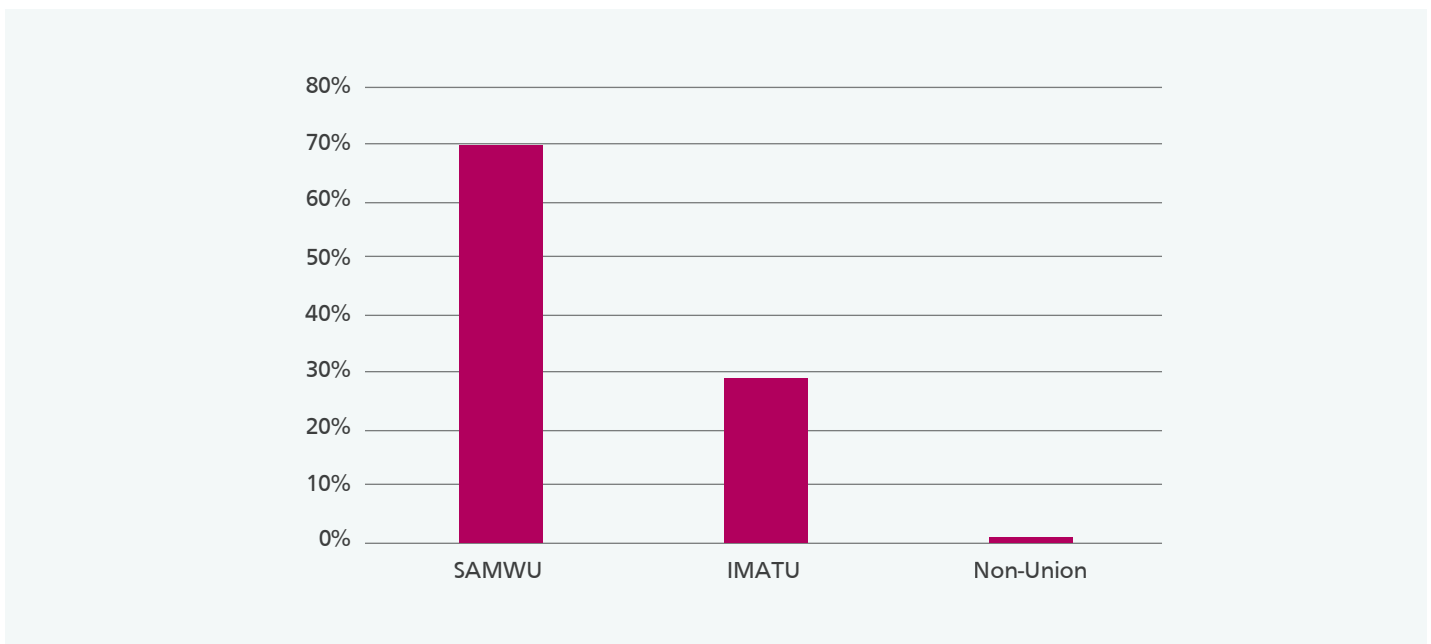


Figure 19: Union Representation as at September 2024





Section 8 Leave Provision

The leave encashment during the quarter under review equates to **R3 081 577**. Peak months during the new financial year were July and September, as employees were looking to mitigate the financial strain of not yet having received cost-of-living increases for this financial year.

Month	Days Encashment	Financial Impact
Jul-24	422	R1 114 935
Aug-24	368	R624 213
Sep-24	1 576	R1 342 430
Totals	2 366	R3 081 577

Table 52: Leave Encashment: Q1 – 2024/25 (July 2024–September 2024)

Absenteeism: 2024/25 YTD (July – September 2024)

The absenteeism rate per department at JPC for Q1 stands at 8%, which is high based on the acceptable South African threshold of 3.6% to 6%. The high rate of unplanned leave is attributed to an outbreak of flu during the winter season. This calculation aligns with national standards aimed at upholding optimal employee performance and attendance within the organisation.

Abscondment Cases with Cost

To date, the total cost of abscondments amounts to **R3 634 405.23**. This cost reflects salaries paid to employees who were absent without authorisation from line management. Their salaries have been halted pending disciplinary proceedings

upon their return. Employees have signed an Acknowledgement of Debt, enabling the organisation to recover these costs effectively while the disciplinary process is ongoing.

Progress to Date

- The disciplinary process has commenced.
- Of the sixteen (16) employees who were reported, nine (9) reported back to work and the days on which they were absent without leave were captured as unpaid leave to recover the salary amount that was paid while they were not on duty.
- For employees owing substantial amounts to the organisation,

repayment arrangements were initiated through Acknowledgement of Debt agreements, enabling the recovery of outstanding amounts while line managers proceed with disciplinary processes, supported by Human Capital.

- Six (6) cases resulted from the employee verification process, whereby employees who failed to verify themselves had their salaries halted.

In total there are thirty (30) live abscondment/AWOL cases, as depicted according to their offences in Figure 20.

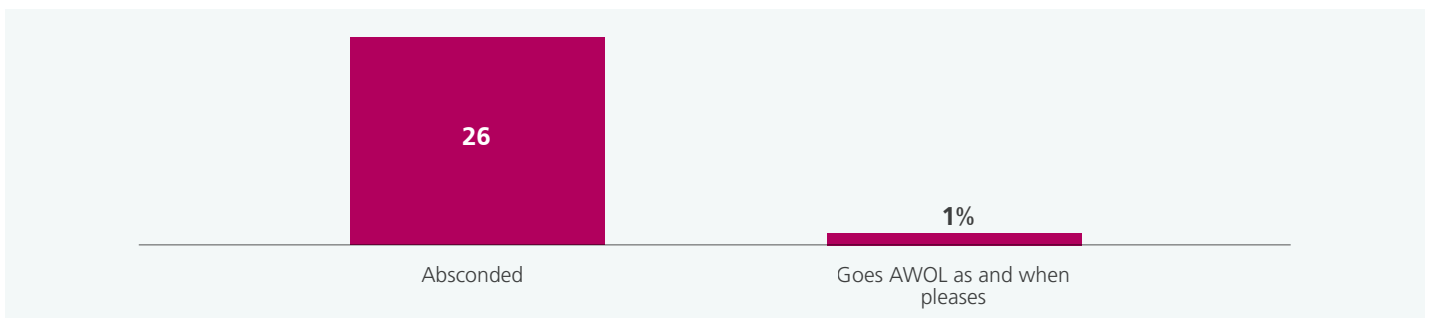


Figure 20: Abscondment Matters

Figure 20 indicates a total of sixteen (16) employees who have absconded and eight (8) with other behavioural issues leading to absence without leave.





Section 9

Employee Benefits

Table 53 illustrates the distribution of JPC employees' membership across accredited pension funds. Pension fund membership is compulsory for all JPC employees, with the exception of the Chief Executive Officer, medically boarded employees already receiving pension fund payments, and temporary employees. Pension fund contributions increase in line with salary increases, as per the salary and wage collective agreement.

Pension Fund Membership	Total	Remarks
eJoburg Retirement Fund	1 471	Defined contributions
City of Johannesburg Pension Fund	33	Defined benefits
Municipal Employees Pension Fund	3	Defined contributions
Municipal Gratuity Fund	2	Defined contributions
Joint Municipal Pension Fund	1	Defined benefits
Non-Membership	5	CEO exception rule, temporary employees and medically boarded employees
Total	1 515	

Table 53: Distribution of JPC Employee Pension Fund Membership

Accredited Medical Aid Schemes Membership Distribution

Table 54 specifies the accredited medical aid schemes and distribution of membership to each scheme as at the end of September 2024. The provision is based on the 60/40 principle as set out in the Main Collective Agreement. The current maximum medical aid employer contribution rate to the accredited medical schemes is **R5 277.38** for the 2024/25 financial year pending ongoing wage negotiations.

Medical Aid Scheme	Membership
Bonitas	184
Discovery	9
Sizwe Hosmed	40
KeyHealth	77
LA Health	208
SAMWUMed	218
Total Membership	736

Table 54: Distribution of JPC Employee Medical Aid Fund Membership

Declaration of Interest

Staff communication was issued to circulate the 2024/25 Declarations of Interest form, with the submission deadline set for 30 September 2024.





a world class African city



Chapter 5 Financial Performance



Section 1

JPC Statement of Financial Position as at 30 September 2024

	Note	2025	2024	Variance	Variance %
Assets					
Current Assets		1 211 876 026	1 251 384 866	39 508 840	3.16%
Cash and cash equivalents	1	2 000	2 000	–	0.00%
Receivables from exchange transactions	2	962 065 761	930 832 341	–31 233 420	–3.36%
Loans to Shareholder	3	249 666 616	318 594 198	68 927 582	21.63%
Receivables from non-exchange transactions		141 649	141 649	–	0.00%
Prepayments		–	–	–	0.00%
VAT receivables	4	–	1 814 678	1 814 678	100.00%
Non-Current Assets		166 903 728	103 593 610	–63 310 118	–61.11%
Property, plant and equipment	5	75 530 666	77 050 864	1 520 198	1.97%
Intangible assets	6	207 986	223 223	15 237	6.83%
Deposits	7	62 624 359	1 222 722	–61 401 637	–5 021.72%
Deferred tax asset	8	25 096 801	25 096 801	–	0.00%
Current tax receivable	9	3 443 916	–	–3 443 916	100.00%
Total Assets		1 378 779 754	1 354 978 476	–23 801 278	–1.76%
Liabilities					
Current Liabilities		1 274 701 683	1 290 634 981	15 933 298	1.23%
Payables from exchange transactions	10	301 886 188	345 490 310	43 604 122	12.62%
Current tax payables	11	–	6 556 084	6 556 084	100.00%
Finance lease obligation	12	7 359 054	8 279 331	920 277	11.12%
Loans from Shareholder	13	944 188 360	920 355 724	–23 832 636	–2.59%
Provisions	14	3 478 569	7 757 269	4 278 700	55.16%
VAT payable	15	15 593 249	–	–15 593 249	–100.00%
Operating lease liability	16	2 196 263	2 196 263	–	0.00%
Non-Current Liabilities		28 684 618	28 684 618	–	0.00%
Finance lease obligation	12	28 001 618	28 001 618	–	0.00%
Employee benefit obligation	17	683 000	683 000	–	0.00%
Total liabilities		1 303 386 301	1 319 319 599	15 933 298	1.21%
Net assets		75 393 453	35 658 877	–39 734 573	–111.43%
Share capital	18	5 142 721	5 142 721	–	0.00%
Accumulated surplus/(deficit)	19	70 250 732	30 516 156	–39 734 573	–130.21%
Total Net Assets/(Liabilities)		75 393 453	5 658 877	–38 929 000	–109.17%

Table 55: JPC – Financial Position (30 September 2024)





Notes to the Statement of Financial Position

1. The petty cash float is maintained at R2 000 every month.
2. Included in trade receivables is a provision for bad debts related to facilitation fees to the value of R34 million. The total outstanding debt from related parties is R957 million. JPC Finance has held engagements with all departments owing the City in September 2024. The majority have indicated that they, in consultation with merchant payments, are pushing to transfer payments over to the JPC, within the bounds of the City-wide cash availability.
3. This item represents the City of Johannesburg Metropolitan Municipality (CoJ): Portfolio loan account with JPC and the sweeping account of R249.6 million. The cash position of JPC decreased, as JPC is continuing to make payments to related party loans in an effort to reduce its reliance on City-provided funding for its day-to-day operations.
4. VAT input exceeded VAT output in the month of June, thus the VAT receivable in the prior year. In the first quarter, as can be seen in note 15, VAT output exceeds VAT input.
5. Property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Where possible, the useful life of fixed assets has been extended due to their good condition. The increase in asset value can be attributed to the acquisition of laptops through a finance lease.
6. Intangible assets comprise computer software that has been procured or internally generated. The decrease in asset value is a result of amortisation expense as per Generally Recognised Accounting Practice (GRAP) 31. The City is currently working on the SAP system to be implemented in the near future.
7. Electricity deposits (R1.2 million) with Eskom are for the Baragwanath informal trading facility and the Lenasia facilities management buildings. Interest on the deposit is accrued at financial year-end. The JPC entity also paid, in the first quarter, deposits amounting to R61.4 million on buildings occupied by the City.
8. Deferred tax has been calculated to account for movements in the balance sheet and temporary differences. Due to the profitability of the prior period, deferred tax assets were utilised in the financials of the 2024/25 financial year.
9. Provisional tax payment of R10 million was made for the 2023/24 financial year. The R3.4 million asset is netted-off with the income tax expense incurred in the 2023/24 financial year.
10. This item consists of current liabilities that will become due and payable in the next 12 months. These liabilities include accruals, related party accruals, etc. Comparatively, JPC has had a decrease in trade payables year-on-year due to payment of creditors in the required time frame.
11. Provisional tax payment of R10 million was made for the 2023/24 financial year. The R3.4 million asset is netted-off with the income tax expense incurred in the 2023/24 financial year.
12. The R35.3 million (current portion of R7 359 054 plus non-current of R28 001 618) is as a result of the finance lease entered into in May 2023 for the acquisition of motor vehicles and in November 2023 for the acquisition of new laptops.
13. This item relates to loan accounts payable between JPC and various CoJ departments for the JPC and its insourced cleaners' payroll, as well as transactional loan accounts for the acquisition of property for the CoJ. Improved receipts from related party receivables will allow JPC to pay its related party liabilities, thus reducing this amount.
14. The provision relates to bonuses due to EXCO members for the 2022/23 and 2023/24 financial year. Payment of R4.2 million was made in the first quarter.
15. VAT payables is R15.2 million as at 30 September 2024, as JPC has had more VAT output than VAT input.
16. This item includes a GRAP 13 adjustment for the straight-lining of operating leases over the lease duration of office accommodation buildings. The GRAP 13 straight-lining is to be performed at year end.
17. Provision on post-retirement medical aid raised is based on the 2023/24 actuarial valuation report in respect of personnel that qualify for the benefit. The reports are prepared annually and a new value will be calculated and provided by the actuaries at year end.
18. There are no changes to the share capital of JPC in the current financial year.
19. The statement includes accumulated surpluses and losses from the previous and current financial year.





Section 2

JPC Statement of Financial Performance as at 30 September 2024

	Note	Year-to-date			Annual	Variance %
		Actual R'000	Budget R'000	Variance R'000	Budget R'000	
Revenue						
Revenue from Non-Exchange Transactions		164 257	164 375	-118	657 501	-0.07%
CoJ – Subsidies received	1	164 099	164 099	–	656 397	0.0%
Other income	2	158	276	-118	1 104	-42.7%
Revenue from Exchange Transactions		67 006	94 187	-27 181	376 748	-28.9%
Cleaning services recoveries	3	55 694	68 853	-13 159	275 413	-19.1%
Management fees	4	3 818	2 754	1 064	11 014	38.7%
Commission on Portfolio rentals	5	2 750	5 875	-3 125	23 500	-53.2%
Commission on outdoor advertising	6	209	3 737	-3 528	14 949	-94.4%
Assets under management fees	7	1 750	1 928	-178	7 710	-9.2%
Facilitation fees	8	2 084	7 964	-5 880	31 856	-73.8%
Ad hoc fees	9	–	–	–	–	0.0%
Cell mast	10	700	3 077	-2 376	12 306	-77.2%
Other Income		2 477	1 790	857	7 159	36.7%
Interest received	11	2 009	1 790	219	7 159	-7.2%
Other income	12	438	–	438	–	100.0%
Total Revenue		233 710	260 352	-26 642	1 041 408	-10.2%
Expenditure						
Board of Directors' fees and expenses	13	430	726	-296	2 902	-40.7%
Office operational expenses	14	53 850	93 534	-39 684	374 136	–
Contracted expenses	15	1 345	7 935	-6 590	31 740	-83.0%
Cleaning materials	16	–	1 844	-1 844	7 374	-100.0%
Repairs and maintenance (R&M)	17	–	7 038	-7 038	28 150	-100.0%
Salaries	18	134 482	139 252	-4 770	557 007	-3.4%
Interest paid	19	320	4 252	-3 932	17 008	-92.5%
Depreciation	20	3 549	5 773	-2 224	23 091	-38.5%
Impairment losses		–	–	–	–	100.0%
Provision for bad debts		–	–	–	–	0.0%
Total Expenditure		193 975	260 352	-66 377	1 041 408	-25.5%
(Deficit)/Surplus Before Taxation		39 735	–	39 735	–	–
Taxation		–	–	–	–	–
Net (Deficit)/Surplus		39 735	–	39 735	–	–

Table 56: JPC – Financial Performance (30 September 2024)





Notes to the Statement of Financial Performance

1. This item refers to the subsidy provided to JPC for the 2024/25 financial year. The subsidy covers salary, rental, fleet and repairs, and maintenance expenditure for the financial year.

A service provider has been appointed to assist with collections on expired leases and the lease renewal process.
2. JPC received refunds from Old Mutual for employees who have been placed on medical boarding.
3. Cleaning service costs are billed and recovered for services rendered. This is lower than budget as a result of the continued closure of the Metro Centre.
4. JPC earns a 10% management fee for facilitating and managing repairs and maintenance (R&M) and capital expenditure (CAPEX) projects for the CoJ's departments and other Municipal-owned entities (MOEs). Income slightly exceeds budget as JPC undertook more assignments from departments than anticipated.
5. The CoJ Rental Collection Commission, Servitudes, and Rates & Taxes is 53.2% below budget, which is in line with rental collections in Portfolio. There is currently an undertaking to renew leases, which will increase the amount of revenue Portfolio can collect and the commission receivable by JPC.
6. Outdoor advertising commission collected in Portfolio is below budgeted objectives, as contracts with advertisers and the conclusion of the by-laws are still to be resolved.
7. This item relates to the management fee for the administration of the CoJ's fixed asset register and is slightly below budget.
8. Facilitation fees for the current financial period are below budget due to challenges relating to site preparation for the projects to initiate. Soweto Gateway, which is among the projects contributing to the facilitation fee, has been awarded and JPC is currently working on contractual agreements.
9. No budget is provided for ad hoc fees as they relate to the recovery of property services within JPC from MOEs and are utilised as and when the need arises.
10. Cell mast revenue is below budget by 77.2% for the first quarter and is expected to pick up in the second quarter with the inclusion of upliftment fees.
11. JPC accrued interest on the sweeping account for Q1 as the account is in surplus of R249.6 million.
12. Other income relates to rental recovery for Forum 1.
13. Board of Directors' fees and expenses are in line with board activity, as well as costs associated with conducting various strategic sessions. Overall, for the year-to-date, the expenditure is below the budget allocated.
14. General and operating expenditure is 42.4% below the YTD budget. The expenditure will increase in Q2 and start aligning to the budgeted amount.
15. Contracted expenses are 83.0% below the YTD budget; the expenditure is expected to increase in Q2.
16. Cleaning materials are 100% below the YTD budget. Appointment of the service provider will be made in Q2 and expenditure will fall in line with the budget.
17. Repairs and maintenance are 100% below the YTD budget. Appointment of the service provider will be made in Q2 and expenditure will fall in line with the budget.
18. Salary expenditure is 3.4% below the YTD budget. The annual increase of 4.5% has not been paid; it will be back-dated from July 2024 and paid in October (Q2).
19. JPC incurred no interest on the sweeping account as the account has been in surplus. The interest incurred relates to finance leases.
20. Depreciation is 38.5% below the YTD budget due to lower-than-budgeted additions in the prior year.





Section 3

JPC Statement of Cashflows as at 30 September 2024

Overview

The statement of cash flows indicates how the entity has generated its cashflows and what it has done with its cash. A review of JPC's statement of cash flows at 30 September 2024 indicates:

- Constrained inflow of monies from trade receivables and the subsidy.
- Higher cash outflows to suppliers

than inflows from service rendering, as JPC abides by the provisions of the Municipal Finance Management Act (MFMA) to settle its suppliers within 30 days.

- Utilisation of CAPEX budgets to capacitate the JPC's information technology (IT) infrastructure and the cleaning services.

- Reducing financial obligations for loans from the Shareholder, with funding of the entity sourced through operating rather than financing activities with the Shareholder. This is indicated by an R45 million outflow from its financing activities.

	30-Sep-24	30-Jun-24
Cash flows from operating activities		
Rendering of services	111 659 608	355 042 999
Subsidies	164 099 250	623 131 002
Interest income	2 008 891	24 789 432
	277 767 749	1 002 963 433
Payments		
Employee costs	-134 481 590	-517 335 747
Suppliers	-21 213 733	-258 882 340
Finance costs	-319 735	-2 034 056
Taxation paid	-10 000 000	34 621
	-166 015 058	-778 217 722
Net Cash Flows from Operating Activities	111 752 691	224 745 711
Cash flows from investing activities		
Purchase of PPE	-1 912 950	-
Purchase of deposits	-61 401 637	-
Purchase of intangible assets	-	-
Net Cash Flows from Investing Activities	-63 314 587	-
Cash Flows from Financing Activities		
Net movement of Shareholder's loan	-45 094 946	-211 373 295
Finance lease payments	-3 343 158	-13 372 416
Net Cash Flows from Financing Activities	-48 438 104	-224 745 711
Net Increase/(Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents at 01 July 2023	2 000	2 000
Cash and Cash Equivalents at 30 June 2024	2 000	2 000

Table 57: JPC – Cashflow Statement (September 2024)





Section 4

Portfolio Statement of Financial Position as at 30 June 2024

	Note	Sep-24	Sep-23	Variance
Assets				
Current Assets		168 126 663	169 400 481	-1 273 818
Trade and other receivables		143 092 994	146 187 035	-3 094 040
Debtors – Rentals	1	156 472 788	158 654 880	-2 182 092
Doubtful debts – Move provision	2	-61 568 527	-73 471 415	11 902 888
Debtors – Other: CoJ	3	2 957 881	2 711 397	246 484
CoJ Portfolio - VAT claim/payable account	4	10 490 764	8 436 566	2 054 198
JPC Portfolio loan account	5	2 459 191	23 786 438	-21 327 247
Capital expenditure: Current year	6	11 076 275	-	11 076 275
Capital expenditure: Prior year	6	21 204 623	26 069 170	-4 864 547
Cash and cash equivalents		25 033 669	23 213 447	1 820 222
Standard/ABSA Bank - Tenant deposit account	7	25 033 669	23 213 447	1 820 222
Non-Current Assets		-	-	-
Total Assets		168 126 663	169 400 481	-1 273 818
Equity and Liabilities				
Current Liabilities				
Trade and other payables		307 272 881	237 344 722	69 928 159
Standard Bank CoJ loan account - Bank sweeping	8	120 491 617	167 059 448	-46 567 831
Accruals	9	39 532 203	22 215 210	17 316 993
Receipts in advance – Rentals	10	9 377 407	10 065 112	-687 706
Deposits received: Tenants	11	11 310 950	11 310 950	-
JPC Portfolio loan account	12	2 290 619	-	2 290 619
JPC Portfolio loan account: Commission	12	82 731 914	-	82 731 914
Property portfolio loan: MOEs	13	387 655	212 079	175 576
JMPD	14	38 634 429	19 649 587	18 984 842
Prepaid – Deposit received on land sales	15	2 424 850	6 741 098	-4 316 248
Creditor (Khulu Outdoor)	16	91 237	91 237	-
Non-Current Liabilities		-	-	-
Total Liabilities		307 272 881	237 344 722	69 928 159
Net Assets		-139 146 218	-67 944 240	-71 201 977
Accumulated Surplus/(Deficit)		-139 146 218	-67 944 240	-71 201 977
Total Net Assets and Liabilities		-139 146 218	-67 944 240	-71 201 977

Table 58: Portfolio – Financial Position (30 June 2024)





Notes to the Portfolio Statement of Financial Position

1. This item refers to the debtors balance as per the age analysis.
2. This relates to the current provision for bad debts related to outstanding debtors in the lease register. The bad debts are comprised primarily of informal trading debtors and will be proposed for write-off by Council in the current financial year.
3. This relates to rental accommodation of Councillors and community participation projects. It was agreed with CoJ that the JPC Portfolio will pay the monthly rentals for the office space, and in turn the City will refund Portfolio for expenses incurred.
4. VAT generated by the Portfolio is declared to the CoJ each month. VAT is consolidated in the CoJ's VAT return, which in turn is submitted to the South African Revenue Service.
5. The JPC Loan account reflects the commissions due to JPC, 25% on rentals and outdoor advertising, 10% on land sales, and includes amounts received and paid on behalf of the CoJ Portfolio.
6. The approved budget for CAPEX is R81.8 million for the year 2024/25, and to date, R12.9 million has been spent.
7. The amount reflects tenant deposits held in the CoJ trust account, including interest, as well as payments received for the Rissik Post Office insurance claims.
8. The sweeping account is in overdraft due to projects that were previously accounted for as CAPEX being reclassified and accounted for as operational expenditure. Portfolio is only reimbursed for CAPEX projects.
9. This item reflects accruals raised, of which R39.5 million is still to be paid.
10. This item reflects rental paid in advance for 30 years by RMB Properties, which is allocated on a straight-line basis, with 11 years remaining on the contract.
11. This item refers to tenant deposits held in the trust account.
12. The JPC loan account reflects the commissions due to JPC, 25% on rentals, 10% on land sales and assets under management, and also includes amounts paid on behalf of the CoJ Portfolio.
13. The property portfolio loan account reflects amounts due to MOEs based on the income received on their behalf. MOE rentals are paid into the JPC Portfolio main account and are normally paid over to MOEs the following month.
14. This amount relates to the Johannesburg Metropolitan Police Department's security services for the securing of informal trading facilities and properties.
15. This item relates to the full land purchase price that has been paid over to JPC Portfolio including bank guarantees. However, the transfer of land to the client has not taken place.
16. This item reflects payments received from Khulu Outdoor. However, as no contract exists, amounts are due and payable to clients.





Section 5

Portfolio Statement of Financial Performance as at 30 June 2024

	Note	YTD Actual Sep 2024	YTD Budget Sep 2024	Variance	Variance %	Approved Budget 2024/25
Revenue						
Rent of facilities and equipment	1	15 128 409	19 330 500	-4 202 091	-21.74%	77 322 000
Interest received – Arrear debtors	2	1 793 542	1 062 000	731 542	68.88%	4 248 000
Outdoor advertising – CoJ	3	2 057 219	100 000 000	-97 942 781	-97.9%	400 000 000
Total Income		18 979 171	120 392 500	101 413 329	-84.24%	481 570 000
Expenditure						
Contracted services: Business advisory: Project management and research	4	–	11 752 577	11 752 577	100.0%	47 010 307
Contracted services: Business advisory valuer	5	–	668 173	668 173	100.0%	2 672 693
Refuse removal	6	–	595 750	595 750	100.0%	2 383 000
Grass cutting services	7	–	414 000	414 000	100.0%	1 656 000
RM: buildings	8	–	10 234 000	10 234 000	100.0%	40 936 000
Bad and doubtful debts	9	–	12 185 250	12 185 250	100.0%	48 741 000
Advertising, publicity and marketing	10	–	789 500	789 500	100.0%	3 158 000
General expenses: Assessment rates	11	255 301	284 750	29 449	10.3%	1 139 000
Internal recoveries: JPC commission	12	4 573 321	11 800 750	7 227 429	61.2%	47 203 000
Internal recoveries: Internal charges cleaning	13	3 401 916	12 933 000	9 531 084	73.7%	51 732 000
Depreciation: Other assets	14	–	160 250	160 250	100.0%	641 000
Total Expenditure		8 230 538	61 818 000	53 587 462	86.69%	247 272 000
Surplus/(Deficit)		10 748 633	58 574 500	47 825 867	81.6%	234 298 000

Table 59: Portfolio – Financial Performance (30 June 2024)





Notes to the Portfolio Statement of Financial Performance

- CoJ Rentals: The overall revenue anticipated from rental collection is recorded at 21.74% below the targeted budget of R19 330 500. Delays in the approval of reports by the Executive Adjudication Committee 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 have also constrained income received from the rental of facilities and equipment.
- This item reflects interest charged on overdue tenant accounts. The interest generated on the debtors' accounts is 68.88% above the targeted YTD budget.
- Income derived from outdoor advertising and promotions is 97.9% below the budget. JPC is currently finalising the signing of new outdoor advertising contracts.
- This line item relates to expenditure spent on contracted services: business advisory project management and research. To date, the expenditure is 100% below the YTD budget. Appointments are in progress and expenditure should materialise in the second quarter.
- Contracted services: Business advisory valuer: This quarter recorded a 100% underspend compared to the YTD budgeted expenditure. Appointments are in progress and expenditure should materialise in the second quarter.
- Contracted services: Refuse removal: No expenditure recorded this month.
- Contracted services: Grass-cutting services: No expenditure was recorded this month.
- This line item relates to R&M costs on buildings: 100% below budget on this line item has been recorded this month. The expenditure is expected to pick up from the second quarter.
- Bad and doubtful debts: No expenditure was recorded in the first quarter.
- Advertising, publicity and marketing: 61.2% below the YTD budget expenditure was recorded in the first quarter. The expenditure is expected to pick up from the second quarter going forward.
- General expenses: Assessment rates are 10.3% below budgeted expenditure in the first quarter.
- Internal recoveries: JPC commission is showing at 59.4% below the YTD budget. The delay in the conclusion of new leases, lease renewals, servitude registrations, and land sales will result in JPC not meeting its target.
- Internal recoveries: Internal charges cleaning: 73.7% below budget expenditure.

Section 6

Capital Projects and Expenditure

Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
City-wide revamping of the Informal Trading Stalls and Linear Markets	2284	5 250	–	5 250	0%	The budget is to be spent on the refurbishments of Kwa Mai Mai and installations of security measures such as clearview fencing and gates at the Fordsburg Market.
Orlando Ekhaya Waterfront Development Renewal Park Orlando Ekhaya D Regional	2522	12 000	10 919	1 081	91%	Project completed
Computer Equipment – New computer upgrades (acquisition and installation of the digital security and ICT WAN)	2669	2 600	–	2 600	0%	This project deals with access, security, installation of camera, and biometrics. The bid specifications have been outlined. At this stage, the budget can only cater for the installation of security cameras.





FINANCIAL PERFORMANCE



Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
Erf 43-46 Victoria Ext. 3 (Paterson Park Node) Victoria Ext. 3 E Regional	4142	1 726	–	1 726	0%	-
Office Space Optimisation Programme New Precinct Redevelopment Johannesburg F City Wide	4184	6 586	–	6 586	0%	-
Marlboro Station Project Land Preparation	6309	400	–	400	0%	The contract with the contractor ends in March 2025; the contractor is on the ground.
Inner City Rejuvenation Programme/Project	22740	6 000	–	6 000	0%	A report is currently waiting to be tabled at Council for the acquisitions of buildings. Following Council approval, negotiations with the property owners will commence.
Acquisition of various properties in Soweto	23543	800	158	642	20%	A tracing agent has been appointed and is locating the beneficiaries to ensure that the acquisitions can be finalised.
Acquisition of cleaning equipment	23560	2 694	1 913	781	71%	The final cleaning equipment will be acquired in the coming quarters.
23776_Walter Sisulu Square Upgrade	24027	15 000	–	15 000	0%	Waiting for the security project to be completed (palisade fencing completed, anticlimbing wall 60% completed). An advert for the appointment of the Quantity Surveyor to spend the Rm CAPEX will be put out for tender on 4 October 2024 for priced and unpriced BOQs





Project Name	Project Number	Budget 2024/25 (R 000)	YTD Actuals (R 000)	Variance (R 000)	% Spent	Status
JPC Furniture fittings/office alterations and equipment	31126	4 000	–	4 000	0%	The following processes are being undertaken: A comprehensive assessment of the building, engagements with related heritage regulatory bodies, market analysis for adaptive reuse plans, project feasibility, and infrastructure audit.
Temporary emergency accommodation	31138	24 786	-	24 786	0%	Stakeholder engagements are underway to create buy-in with the affected communities including communities where they are being relocated to. Once this process has been done there will be movement on the CAPEX.
Sub Total		81 842	12 990	68 852	16%	

Table 60: Capital Projects and Expenditure

Section 7 Analysis of Ratios

Part A: JPC

Liquidity Ratio

JPC has a current ratio of 0.95:1, the ratio has deteriorated slightly from the 2024 financial year end.

JPC is currently owed R957.1 million from trade and intercompany debtors, with cash collections expected to materialise in Q2 following one-on-one meetings

with departments in an attempt to collect outstanding amounts.

The sweeping account currently reflects a positive R249.6 million with related party loans exceeding R944.1 million for salary costs that are still to be paid to the CoJ’s Group Finance and Corporate

Shared Services for previous and current financial year/s. The reduction in the cash position is the result of JPC receiving limited outstanding monies from the CoJ for facilities management services that have been rendered to the CoJ.





Ratio	2025	2024
Liquidity Ratio (1:1)	0.95	0.97
Solvency Ratio (1:1)	1.06	1.03
Trade receivables turnover		
– Related parties (30 days)	893	881
Provision for Bad Debts	34 356 745	34 356 745
Trade receivables to total assets (%)	70%	69%
Cash coverage ratio (1:1)	1.29	0.32
Cash Position	249 666 616	291 688 290

Table 61: Ratio Analysis of the Statement of Financial Performance

Solvency Ratio

JPC has a solvency ratio of 1.06:1 against the norm of 2:1 and is factually solvent, as the financial statements indicate sufficient assets to cover all liabilities. The solvency is illustrated by a net asset position of R75.3 million. Given the financial support and access to cash facilities, JPC remains commercially solvent and will be able to service its operational obligations as they arise. Increased revenue from facilitation fees and outdoor advertising and rentals will bolster JPC’s solvency position through commissions receivable from Portfolio.

Cost Coverage Ratio

Due to JPC’s positive cash position, the cost coverage ratio is positive at 1.29:1. Management has reviewed JPC’s cash flows and will seek to maintain the ratio between 1.5:1 to 2:1 through the 2024/25 financial year. Surplus cash, if any, will be utilised to settle CoJ salary loan accounts.

Debtors Collection Period

JPC has a debtors’ collection ratio in excess of two years for third-party/external debtors. The collection of third-party debtors has declined significantly due to the timing difference for the receipt

of cell mast income and the non-recovery of facilitation fees for the 2019 and 2020 financial years. The debtors’ collection ratio for intercompany and related-party debtors is 893 days. The intercompany debtors’ collection ratio is due to non-payment by CoJ departments and other MOEs for services rendered by JPC, as well as for cleaning services that are yet to be recovered.

Provision for Bad Debts

JPC raised a provision for bad debts related to facilitation fees previously raised. The provision accounts for 100% of total external debtors; however, this relates only to old debt as debtors service the current invoices/debt. The facilitation fees are due and payable based on the stage of completion. However, the companies that were awarded the sites for development have not initiated their projects due to various delays. From an accounting perspective, JPC has raised a provision for bad debts against these facilitation fees at 100% of the value of the awards.

Creditors Payment Cycle

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





Statement of Financial Performance	2025	2024
Profit before tax	39 734 573	39 656 501
Net surplus/(Deficit)	39 734 573	28 993 304
Net operating margin (%)	17.00%	3.05%
Non-exchange revenue to total revenue (%)	70.28%	65.80%
Exchange transactions to total revenue (%)	29.72%	34.20%
Employee costs to total expenditure (%)	69.33%	57.28%
R&M to total expenditure (%)	0.00%	2.63%
Rental to total expenditure (%)	18.75%	17.39%

Table 62: Ratio Analysis of the Statement of Financial Performance

Surplus/ (Deficit)

The net surplus as at 30 September 2024 is R39.7 million and was at a surplus of R28.9 million when compared to figures for the period ended 30 June 2024. Major contributors to the surplus are as follows:

- JPC prepares a breakeven budget; estimated income is matched with estimated expenditures. The majority of JPC’s expenses are fixed, with the exception of R&M. However, expenditure is managed to ensure that overspending does not occur.

Expenditure

A review of JPC’s expenditure indicates that the main drivers are employee costs, R&M, security, and leased office accommodation. Due to the underspend on R&M for the first quarter, the expense base upon which the ratios are determined is lower than the previous financial year. Employee costs are higher year-on-year, and the percentage representation of expenditure has increased resulting in a ratio of 69.33% to total expenditure.

Rental expenditure is expected to increase even further in 2024/25, as office accommodation lease contracts have come to the end of their lease terms and are undergoing the extension and renewal process. The supply chain processes for the extensions and renewals are activated and approved by the CoJ’s Executive Adjudication Committee. Undergoing this approval has resulted in delays in initiating the renewal process of the leases. Upon conclusion of the lease renewal process, expenditure is anticipated to increase in 2024/25 as the leases will be renewed at current market rates for office accommodation.

Part B: CoJ - JPC Portfolio

Liquidity Ratio

The CoJ-JPC Portfolio has a current ratio of 0.55:1, as compared to the norm of 2:1, with a negative cash flow of R120.4 million for the period under review, as compared to a negative cash flow of R167 million in the 2023/24 financial year. Debtors currently owe Portfolio R143 million, with R61.5 million as a provision for bad debts, predominantly related to informal trading. As Portfolio represents only the debtors’ component of CoJ’s property portfolio, debtors account for 85% of Portfolio’s total assets. The financial risk posed to JPC is substantial, as the non-recovery of the outstanding debt negatively impacts JPC’s ability to generate commission.

Cash Collection Rate

The cash collection cycle is the number of days taken to collect accounts receivable. This 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 29%. The collection rate excludes debt owed by other debtors.





Solvency Ratio

The CoJ-JPC Portfolio has a solvency ratio of 0.55:1 against the norm of 2:1 and is currently insolvent. As Portfolio has no non-current assets or liabilities, the solvency and liquidity ratio will equate to the same value. The ratios for Portfolio are immaterial as its property revenue-generating assets reside in the CoJ. However, JPC is exploring avenues to source and grow Portfolio’s revenue generation.

Debtors Collection Period

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

Cost Coverage Ratio

Portfolio has a cost coverage ratio of negative 14.64:1. This is due to a negative sweeping account balance of R120.4 million and an average monthly expenditure of R2.7 million for the

first quarter. Portfolio utilises its cash predominantly for CAPEX spend, and recovery from CoJ is dependent on the completion and verification of projects. The average monthly collection is between R5 million and R9 million, which is sufficient to cover average monthly expenditure.

Creditors Payment Cycle

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

Section 8 Supply Chain Management

The JPC conducts its supply chain management (SCM) activities in accordance with the MFMA and the Preferential Procurement Policy Framework Act (PPPFA). The PPPFA provides guidelines on the allocation of preferential points, while JPC’s SCM Policy and the SCM Policy for Land offer additional frameworks for the entity’s operations. Table 63 outlines the reports resulting from the implementation process.

Report Description	Declarations
Review of implementation of SCM Policy for Land GS within 20 days of year – to Council and Board	<ul style="list-style-type: none"> The policy was presented and approved by the JPC Board in January 2024. The policy is aligned with the CoJ SCM Policy. Council approves the City’s policy, whereas the Board approves JPC’s policy. The main changes in the policies are the application of preferential goals as set out in the Preferential Procurement Regulations of 04 November 2022 and thresholds for written price quotations and competitive bids, as set out in the Amendments to Regulations Regarding Supply Chain Management, dated 14 December 2023.
Report on deviations/irregular expenditure in implementation of policy and any remedial action taken or envisaged	<ul style="list-style-type: none"> JPC and Portfolio have not recorded any deviations. JPC and Portfolio have not recorded any new irregular fruitless and wasteful expenditure in the quarter under review. JPC recorded the continuation of leases, fleet, and irregular IT expenditure.
Report on all awards to close family members or employees of state	<ul style="list-style-type: none"> JPC has not recorded any awards to close family members or employees of the state.
Report on declarations of gifts made and received by employees	<ul style="list-style-type: none"> JPC has not recorded any declarations of gifts made and received by employees.
Report on bidder or official found guilty of improper conduct	<ul style="list-style-type: none"> JPC has not recorded any bidder or official found guilty of improper conduct.





Report Description	Declarations
Report on sponsorship/donation from lessee or prospective lessee, holder or prospective holder of optimisation rights	<ul style="list-style-type: none"> JPC has not received/recorded any sponsorship/donation from the lessee or prospective lessee, holder or prospective holder of optimisation rights.
Report on any bidders found guilty of bribery	<ul style="list-style-type: none"> JPC has not recorded any bidders found guilty of bribery.
Report on contracts awarded whose duration ends over 3 (three) years and contracts above R100 000 000 for goods and services	<ul style="list-style-type: none"> JPC has not awarded any contracts whose duration ends over 3 (three) years and contracts above R100 million for goods and services

Table 63: Supply Chain Management Reports

Tender Awards (Request for Proposal)

During the fourth quarter of the 2023/24 financial year, only one tender (Request for Proposal – RFP) was awarded, valued at **R4 741 050.00**. The preferential goals applicable to this award included businesses owned by 51% or more Black people and SMMEs (either an exempted micro enterprise or a qualifying small enterprise), as well as enterprises located within the City of Johannesburg Metropolitan Municipality.

Request for Quotations

In the same quarter, JPC awarded 46 requests for quotations (RFQs) totalling **R19 504 015.11**. These awards were made following the 80:20 rule, whereby 80% of the points are based on the price quoted and 20% on preferential goals. For these RFQ transactions, the preferential goals applied included businesses owned by 51% or more Black people, SMMEs (either an exempted micro enterprise or a qualifying small enterprise), and enterprises located within the City of Johannesburg Metropolitan Municipality.

By adhering to these guidelines and policies, JPC ensures a fair and transparent procurement process that supports economic

empowerment and local enterprise development within the City of Johannesburg.

Deviations/Ratification

JPC Entity

JPC did not record/approve any new deviations/ratifications of contracts during the period under review. The current deviations were identified and approved in the previous periods and are now running their term.

City Portfolio

No deviations were recorded.

Payment Within 30 Days

JPC and Portfolio currently pay 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 reflect a negative cash flow, as the City departments do not settle the intercompany debts within 30 days.



Riversideview





Section 9

Fruitless, Wasteful, and Irregular Expenditure

Fruitless and wasteful expenditure refers to unnecessary expenditure that would have been avoided had reasonable care been exercised.

Fruitless and Wasteful Expenditure	2025	2024
Opening balance	4 103 153	70 754 362
Current year additions	–	3 588 850
Less: Amount written off – Current	–	(70 240 059)
Closing Balance	4 103 153	4 103 153

Table 64: Year-on-Year Movement of Fruitless and Wasteful Expenditure

JPC has not incurred any fruitless expenditure in the first quarter.

Irregular Expenditure	30 June 2024	30 June 2023
Opening balance	267 968 911	216 366 561
Current year additions	34 673 714	219 545 375
Prior period additions	-	-
Amount written off	-	(167 943 025)
Closing Balance	302 642 625	267 968 911

Table 65: Year-on-Year Movement of Irregular Expenditure

For the financial year, irregular expenditure increased by **R219 545 375**. The incidents that gave rise to the irregular expenditure are as follows:

Category	Description	Disciplinary Status	Q1
Non-compliance with laws and regulations	Deviation – Not meeting the regulation 36 requirements	Tender process currently underway	36 673 714
Non-compliance with laws and regulations	Contract expired. The City to take over the process	Service Level Agreement finalised with the City, awaiting connectivity	739 829
Non-compliance with laws and regulations	Centralised fleet contract	City dealing with the matter	878 664
Total			34 673 714

Table 66: Reasons for Irregular Expenditure





Section 10 Pending Litigation and Possible Liabilities

JPC Entity

JPC currently has six matters of litigation against the entity from external parties. The matters are currently in varying stages of litigation, with the likelihood that they may be concluded and settled in the current 2024/25 financial year.

City Portfolio

Legal action brought by JPC on behalf of CoJ: None

Section 11 Insurance Claims Against/to JPC

JPC Entity: None

Section 12 Statement of Amount Owed to Government Departments and Public Entities

JPC does not have amounts owed to any government departments or public entities.



Metro Mall





a world class African city



Chapter 6 Internal and External Audit Outcomes



Section 1 Results of Internal Audit

The Internal Audit Department is currently busy with the three-year rolling plan for the 01 June 2024–2027 period and the annual internal audit plan for the 2025–2026 period. The plan will be submitted to the Audit and Risk Committee (ARC) for review and approval during the second quarter of this financial year.

Twenty (20) audit projects are planned for the year ended 30 June 2025, consisting of nineteen (19) comprehensive audits, follow-ups on the Auditor General’s (AG’s) and Internal Audit findings, ad hoc projects, and probity audits.

Two (2) of the comprehensive audits (Audit of Pre-determined Objectives and Service Level Standards) will be conducted on a quarterly basis, while the remaining audits will commence during the third quarter of the 2024/25 financial year.

Quarterly projects	Allocated	Actual completed
Quarter 1	2	None
Quarter 2	2	None
Quarter 3	2	None
Quarter 4	20	None

Table 67: Rating Table

Section 2 Progress on Resolution of Internal Audit Findings

On a quarterly basis, Internal Audit also conducts a follow-up on the implementation of external and internal audit recommendations. These reports are presented to the ARC, which monitors the progress made by management on the implementation of recommendations.

Internal Audit Findings

During the 2024/25 financial year, Internal Audit has raised thirty-one (31) findings. However, management is in the process of resolving the findings as they were finalised at the end of November 2024.

Category	Total	Resolved	Not Resolved
Very high	5	0	5
High	11	0	11
Medium	12	0	12
Low	3	0	3
Total	31	0	31

Table 68: Internal Audit Review and Progress



Section 3 Progress on Resolution of External Findings

The Auditor General of South Africa (AGSA) commenced with the audit for the financial year ended 30 June 2024, and the audit is anticipated to be finalised on 30 November 2024. No audit findings remain unresolved from the previous financial year's end.

Section 4 State of the Internal Controls

The audit conducted during the fourth quarter of the previous financial year (2023/24) indicated that controls for the audited

processes were partially adequate and partially effective. However, a few specific weaknesses were noted.

Given that the audit was finalised during August 2024 of the new financial year, management is in the process of resolving the findings identified.

Effective Controls

100% of the AGSA's findings for 2022/23 have been resolved. This is a significant improvement in the system of internal control.



Riversideview Block D



ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:	REGULATORY DESCRIPTION	CATEGORY	COMMENTS
01	Advertising on Roads and Ribbon Development, 1940 (Act No. 21 of 1940)	GENERIC (Outdoor)	Non-compliant
02	Advertising on Roads and Ribbon Development, 1940 (Act No. 21 of 1940)	CORE (Outdoor)	Non-compliant
03	Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)	CORE (Legal)	Compliant
04	Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)	CORE (HR)	Compliant
05	Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	CORE (SCM)	Compliant
06	Companies Act, 2008 (Act No. 71 of 2008)	CORE (All)	Compliant
07	Companies Act Regulations	CORE (All)	Compliant
08	Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)	CORE (SCM)	Compliant
09	Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)	CORE (All)	Compliant
10	Consumer Protection Act, 2008 (Act No. 68 of 2008)	CORE (PDU)	Non-compliant
11	Disaster Management Act, 2002 (Act No. 57 of 2002)	CORE (OHSA)	Non-compliant
12	Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002)	CORE (IT)	In progress
13	Employment Equity Act, Code of Good Practice: Human Resource Policies and Practices	CORE (HR)	Compliant
14	Employment Equity Amendment Act, 2022 (Act No. 4 of 2022)	CORE (HR)	Non-compliant
15	Employment Equity Act, 1998 (Act No. 55 of 1998)	(HR)	Non-compliant
16	Employment Equity Regulations	CORE (HR)	Non-compliant
17	Gauteng Planning and Development Act, 2003 (Act No. 3 of 2003)	GENERIC (Property Portfolio)	Not Applicable
18	Generally Accepted Compliance Practices Framework	GENERIC (All)	Compliant
19	Generally Recognised Accounting Practice	CORE (Finance)	Compliant
20	Hazardous Substances Act, 1973 (Act No. 15 of 1973)	GENERIC (OHSA)	Non-compliant
21	King IV Code on Corporate Governance	GENERIC (All)	Compliant
22	IIA Code of Conduct and Ethics	CORE (HR)	Compliant



ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:	REGULATORY DESCRIPTION	CATEGORY	COMMENTS
23	Income Tax Act, 1962 (Act No. 58 of 1962)	CORE (Finance)	Compliant
24	Intergovernmental Relations Framework, 2005 (Act No. 13 of 2005)	CORE (Property management)	Not applicable
25	Local Government Anti-corruption Strategy	GENERIC (Legal)	Compliant
26	Local Government: Municipal Planning and Performance Management Regulations, 2001	GENERIC (Strategic support)	Compliant
27	Local Government: Municipal Finance Act, 2003 (Act No. 56 of 2003)	CORE (All)	Partially compliant
28	Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	CORE (All)	Compliant
29	Municipal Finance Management Act (MFMA) – Asset Transfer Regulations	CORE (All)	Non-compliant
30	Municipal Property Rates Act, 2004 (Act No. 6 of 2004)	CORE (ALL) Property management	Non-compliant
31	Municipal Structures Act, 1998 (Act No. 117 of 1998)	GENERIC (All)	Compliant
32	Municipal Supply Chain Management Regulations Gazette No. 27636, 30 May 2005	CORE (SCM)	Compliant
33	National Archives and Record Service of South Africa, 1996 No. 43 of 1996	CORE (CSM Records)	In progress
34	National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977)	CORE (Assets)	Compliant
35	National Heritage Resources Act, 1999 (Act No. 25 of 1999)	CORE (Assets)	Not applicable
36	National Qualifications Framework Act, 2008 (Act No. 67 of 2008)	CORE (HR)	Compliant
37	National Road Traffic Act, 1996 (Act No. 93 of 1996)	GENERIC (Logistics) JPC Fleet	Non-compliant
38	National Treasury Public Sector Risk Management Framework	CORE (SCM & Finance)	Compliant
39	Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)	CORE (HR)	Non-compliant
40	Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	CORE (SCM)	Compliant
41	Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	CORE (All)	Compliant
42	Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)	CORE (All)	Not applicable
43	Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)	CORE (All)	Compliant
44	Property Practitioners Act, 2019 (Act No. 22 of 2019)	GENERIC (Assets)	Compliant



ANNEXURE A: COMPLIANCE REGULATORY ASSESSMENT

NO:	REGULATORY DESCRIPTION	CATEGORY	COMMENTS
45	Protected Disclosures Act, 2000 (Act No. 26 of 2000)	CORE (HR)	Compliant
46	Protection of Information Act, 1982 (Act No. 84 of 1982)	CORE (HR)	Compliant
47	Protection of Personal Information Act, 2013 (Act No. 4 of 2013)	CORE (HR)	Compliant
48	Public Audit Amendment Act, 2018 (Act No. 5 of 2018)	CORE (Internal Audit)	Compliant
49	Regulation of Interception of Communications and Provision of Communication-Related Information Act, 2002 (Act No. 70 of 2002)	CORE (Comms & stakeholder)	Not applicable
50	Skills Development Act, 1998 (Act No. 97 of 1998)	GENERIC (HR)	Compliant
51	Skills Development Levies Act, 1999 (Act No. 9 of 1999)	GENERIC (HR)	Compliant
52	Unemployment Insurance Act, 2001 (Act No. 63 of 2001)	GENERIC (HR)	Compliant
53	Unemployment Insurance Contributions Act, 2002 (Act No. 4 of 2002)	GENERIC (HR)	Compliant
54	Value-Added Tax Act, 1991 (Act No. 89 of 1991)	CORE (Finance)	Compliant



Council Chambers Inside





a world class African city



JOBURG
PROPERTY COMPANY

Joburg Property Company

Phone: +27 10 219 9000

Fax: +27 10 219 9400

Email: clientservicingunit@jpcproperty.co.za

Postal Address

P.o Box 31565

Braamfontein

2017