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Bankers	:	Standard Bank South Africa
Auditors	:	Auditor-General of South Africa
Acting Company Secretary	:	Johan Jansen Van Vuuren (Acting)

Vision

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

Mission

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

Values

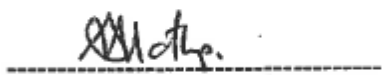
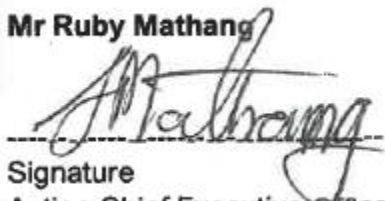


• **Company values** are the ethical foundation of JPC and are therefore fundamental to JPC's success. Such values are not just important but crucial to the overall ascendancy of JPC. The values adopted by JPC are:

- Professionalism
- Accountability
- Responsibility
- Customer Service
- Trust

OFFICIAL SIGN OFF:

It is hereby certified that this Quarterly Report:

- was developed by the management of JPC SOC Ltd under the guidance of the Executive Management;
- Considers all the relevant policies, legislation and other mandates for which JPC SOC Ltd is responsible; and
- Accurately reflects the Performance that JPC SOC Ltd has achieved in the 3rd Quarter 2020/2021 Financial Year.

<p>Mr Gavin Mothupi</p>  <p>Signature Acting Chief Financial Officer</p>	<p>11/05/2020</p> <p>Date of approval</p>
<p>Mr Ruby Mathang</p>  <p>Signature Acting Chief Executive Officer</p>	<p>11/05/2020</p> <p>Date of approval</p>
<p>Mr Moeketsi Rabodila</p>  <p>Signature Chairperson of Board</p>	<p>11/05/2020</p> <p>Date of approval</p>
<p>Cllr. Lawrence Khoza</p>  <p>Signature Member of the Mayoral Committee</p>	<p>16/05/2021</p> <p>Date of approval</p>

Acronyms

Acronyms And Abbreviations

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

Acronyms And Abbreviations

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

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Section 1: Chairperson's Foreward



The 2020/21 financial year was a turbulent year – it is this year in which the world experienced the spread of the coronavirus. The pandemic resulted in a public health crisis, and impacted the world's real economy – the impact of which was most pronounced in the emerging markets. The pandemic accelerated South Africa's recession, it pushed the country's gross domestic product to a downturn and economic activity stalled.

JPC operated in this environment and was required to intervene on an unprecedented scale to meet its mandate and strategic goals. In this context the City and JPC experienced resource and systems constraints that affected its ability to meet targets on its strategic objectives. The City has re-emphasised the GLU strategic programmes based on a principle that there are no new resources, and emphasises the importance of prioritization within budget allocations.

JPC has new Board of Directors appointed in line with the City's governance protocols and processes. The Board is cognisant of the major challenges faced by JPC – the Board of Directors understands and appreciate the main task at hand which is to steer JPC through a new chapter aiming to be **seen**

heard and felt by our citizens, guided by the City's focus areas outlined in the five (5) COJ themes:

- **Recovery, building resilience and preparedness** post COVID-19;
- **Reconstructing and Rebuilding** our economy;
- **Transforming society** to the next level of development;
- **Collectively engaging** with our communities; and
- **Mitigate** other structural socio-economic challenges.

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

The effects of these have sent tidal waves across financial indicators i.e. JPC is technically insolvent, wherein the financial statements indicate that there are insufficient assets to cover all liabilities.

JPC experienced unprecedented labour turmoil and corporate governance challenges never seen before. This situation directly create

dysfunctionality, exacerbated by a leadership crisis and financial challenges. The consequences of these occurrences occasioned enormous organisational performance and staff morale decline. It is against this backdrop that the new Board has identified cultural change among the key priorities that must be implemented in an effort to ensure stability and corporate governance.

On a positive note, JPC achieved an unqualified audit opinion with findings on fruitless and wasteful expenditure, and supply chain management that will be addressed by management.

Currently 1% of the overall Capex budget of R147.9million has been spent for the YTD. Projects are in their planning phases and appointments for the execution of CAPEX projects will be adjudicated and initiated at the start of Quarter 4.

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

Strategic Focus:

Key strategic focus areas will include:

- Financial remodelling and a pointed revenue focus;
- Improving effectiveness and efficiencies of our core business processes – and improving customer service;
- Building a high performance culture;
- Deliberate Transformation in respect of Property and Outdoor Advertising industry;


- Participation in the review of Outdoor Advertising by laws and drive revenue collection initiatives;
- Inner City Rejuvenation Programme – Projects Methodology post COVID-19 Impact;
- Implementation of a clear programme to build and maintain staff morale.

The Board will continue to focus on **internal controls**, good corporate governance, financial discipline, transparency, service delivery excellence and transformation.

I am please to present the 3rd Quarter Report, and I take this opportunity to firstly thank MMC Lawrence Khoza for this sterling leadership and guidance in making this Board effective.

I also wish to thank my fellow Board Members whose unwavering commitment and professionalism in inspiring, the Executive Team under the guidance of the Acting CEO Mr. Ruby Mathang for steering the ship in the turbulent times and bringing the much needed stability. Similarly we must thank the entire management and staff for their professionalism and hard work and focus on the tasks on hand.

I am confident as we enter the final quarter of the financial year 2020/2021 that major strides will be made in all the major areas of strategic importance.



Mr Moeketsi Rabodila
Chairperson of the Board

Section 2: Acting Chief Executive Officer's Overview



The period under review introduced of a new era within JPC through the appointment and induction of new Board of Directors. This new era creates an opportunity for the leadership to set and realign the organisational strategic tone and direction.

The Strategic direction undertaken is informed and based on the Government of Local Unity (GLU) strategic programmes as re-emphasised during the Mayoral and Budget Lekgotla held in Dec 2020 and March 2021.

JPC shall continue to ensure the implementation of City's spatial and economic goals set out in the Joburg 2040 GDS that guide the City of Joburg.

The set strategic direction aims to drive the following as part of realigning and refocusing JPC and turnaround our current situation:

- **Economic Recovery** Programmes: Stimulate investment attraction, spend and retention on Council Land or properties
- **Stabilize and Improve:**
 - Organisational Performance
 - Financial Sustainability
 - Staff Engagement and Morale
- **Innovation:** Creative Opportunities within Property sector due to impact of COVID_19.
- Align and Meet Stakeholders expectations

The company's operational activities during the quarter continued to support its mandate to maximise the return on Council –owned land:

- Investment Attraction;
- Job-intensive growth;

ORGANISATIONAL CONTEXT

As at the end of Quarter 3, year to date a total of 1095 jobs opportunities were created against a target of 1000. Furthermore, JPC has initiated a remedial action plan which aims to address and reflects on how organisational performance would be improved on these identified areas of the business:

- Capex Spend
- Income generation from leases

During the third quarter, JPC augmented its drive on quick win service delivery interventions with the focus on the “repairs and maintenance” and the reduction of the intercompany debt” to improve JPC’s financial position. Departmental meetings were held with COJ departments to unlock delays in respect outstanding payment for services rendered.

NEW NORMAL FOR PROPERTY SECTOR

The global pandemic COVID _19 has had an impact on Property Industry and dictates that JPC considers new ways to discharge its mandate in respect of property management and development.

However, the promise of a new property landscape requires innovation to deal with the shift from property intensive occupation and usage, Retro-fit or repurpose COJ Land or Properties.

FINANCIAL HIGHLIGHTS

JPC achieved an unqualified audit opinion with findings on fruitless and wasteful expenditure, and supply chain. Management is currently reviewing its control and reporting environments to improve the audit outcome for the 2020/21 financial year based on the findings and recommendations of the internal and external audit functions.

The solvency ratio of JPC is 0.87:1 against the norm of 1:1 and is deemed to be factually insolvent, whereby the financial statements indicate that there are insufficient assets to cover all liabilities. The decline in solvency is attributable to the losses JPC has incurred for the 2021 financial year. Management has identified possible revenue streams that can be achieved in the last quarter to improve the revenue

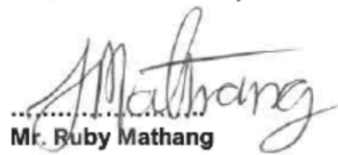
generation of the entity. JPC remains commercially solvent due to its banking facilities that are available to the entity through the COJ's Group Treasury.

WAY FORWARD

Going forward JPC will focus and continues to work on the Inner City Rejuvenation Programme, Leverage investment on council offices to catalyse the revitalization of transport nodes through Office Space Optimisation Programme (OSO) and also attracting investment on COJ land along the corridor routes as part of stimulating economic development and growth.

Our preparations for the 2020/21 business plan aim to respond directly to the City of Joburg priorities. With a long history of area based regeneration and successful project implementation, the JPC believes it is a well-positioned agency to assist in delivery of future priorities and commitments.

I wish thank the MMC, Board of Directors and employees for the support.



Mr. Ruby Mathang
Acting Chief Executive Office

Section 3: Acting Chief Financial Officer's Foreward

The midterm budget review for the 2020/21 financial year concluded in Q3. The OPEX budget of JPC was increased through the subsidy to fund the budgetary shortfall in employee costs for cleaning staff. However, the budget provided is insufficient to cover the shortfall for the financial year and JPC is anticipated to exceed the budget by +/-R45 million by financial year end. The COJ's Budget office has also carried the adjustment for the subsidy and employee costs into the next three financial years to mitigate the value of the overspend on employee costs. No additional budget adjustments were requested for the Portfolio during the midterm budget review.

The annual external audit conducted by the Auditor General of South Africa concluded for the 2020 financial year in March 2021. MFMA audits were delayed by National Treasury due to the impact of Covid-19. JPC achieved an unqualified audit opinion with findings on fruitless and wasteful expenditure, and supply chain management that will require managements' attention in preparation for the next external audit cycle in five months. The annual financial statements and annual performance information of JPC raised no material findings that would affect the AGSA's audit opinion. Management is currently reviewing its control and reporting environments to improve the audit outcome for the 2020/21 financial year based on the findings and recommendations of the internal and external audit functions.

For the YTD JPC has incurred a loss of R80.4 million. The loss is attributable to low revenue generation from third parties and significant increases in expenditure on cleaning and sanitisation related to Covid-19. Given the current trends JPC is expected to incur further losses in quarter four as expenditure on R&M is anticipated to increase to the conclusion of the financial year. The increase in the subsidy will stem the losses in the last quarter. Savings in excess of R10 million are anticipated in the budget for interest expenditure on the overdraft as the overdraft has been in decline since the start of quarter three.

The cash position of the entity currently reflects as positive R23.5 million, this is due to the recovery of outstanding intercompany and related party debtors during the first two quarters. Comparatively, the improvement in the cash position is in excess of R220 million however, the improvement is undermined by the outflow of cash to settle accruals and operational expenditure during the financial year. Further to this related party loans exceeding R500 million for salary costs are still to be paid to the COJ's Group Finance and Corporate Shared Services from 2020. Payment of these related party loans will drastically change the cash position of JPC.

JPC has a current ratio of 0.78:1 as compared to the norm of 1:1, the ratio has declined from the June 2020 financial year end as the financial performance of the company has lagged behind business and budgeted objectives for the current financial year. Collection of outstanding intercompany debt coupled with an increase in facilitation fees and a rise in commission from the Portfolio will see JPC have enough cash to completely reverse the overdraft.

The solvency ratio of JPC is 0.87:1 against the norm of 1:1 and is factually insolvent, whereby the financial statements indicate that there are insufficient assets to cover all liabilities. The decline in solvency is attributable to the losses JPC has incurred for the 2021 financial year. Management has identified possible revenue streams that can be achieved in the last quarter to improve the revenue generation of the entity. JPC remains commercially solvent due to its banking facilities that are available to the entity through the COJ's Group Treasury.

Currently 1% of the overall Capex budget of R147.9 million has been spent for the YTD. Projects are in their planning phases and appointments for the execution of CAPEX projects will be adjudicated and initiated at the start of Q4

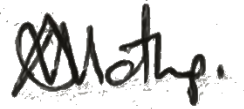
From the 1st of September 2020 JPC has taken occupation of Forum 1; however, Forum 2 remains vacant and has been classified as fruitless and wasteful from September until a tenant occupies the building or the lease is terminated. JPC has incurred R11 492 931 for the YTD in relation of office accommodation expenditure for floor space that has not been occupied.

JPC incurred R4 842 304 for fleet services for the YTD. However, the billing from Afrirent, the fleet service provider, is often delayed and the fleet expenditure is expected to increase significantly in coming month. Fleet services are an essential requirement for the operations of JPC and could not be discontinued under the existing contract that was entered into by the COJ. Subsequent to the 2020 financial year end, the Council of the COJMM approved the write off of irregular expenditure related to fleet services. The write off totals to R13 700 469 and accounts for all fleet expenditure for the 2018 and 2019 financial years.

No additional deviations have been incurred in the third quarter of 2020/21 and those reported are a continuation of deviations previously disclosed. In terms of the MFMA, existing deviations are still required to be reported.

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

Going forward into quarter four, emphasis will be placed on significantly improving the financial position of the entity and performing the final preparations for the 2020/21 annual audit by the Auditor General.



Gavin Mothupi
Acting Chief Financial Officer

Section 4: Overall Company Performance

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

OVERVIEW OF THE ENTITY

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

- ✓ The entity achieved 10 (50%) of its 20 due KPIs in the period under review.
- ✓ JPC has achieved 12 (100%) of its 12 service delivery standards during the quarter under review.
- ✓ The entity recorded a liquidity ratio of **0.78:1** and a solvency ratio of **00.87:1** against the City's benchmarks of **1:1** and **2:1** respectively. The liquidity ratio has declined from the June 2020 financial year end as the financial performance of the company has lagged behind business and budgeted objectives for the current financial year. The decline in solvency is attributable to the losses JPC has incurred for the 2021 financial year. Management has identified possible revenue streams that can be achieved in the last quarter to improve the revenue generation of the entity.

Highlights

- ✓ Year to date Investment Spend within COJ boundaries based on construction value on the ground amounts to **R302 682 033.20**
- ✓ JPC has managed to obtain an investment attraction of **R1 863 500 000** for Randburg Civic Precinct Development Project, which resulted in a development facilitation fee amounting to R27 900 000.
- ✓ The entity received an unqualified audit report with findings

Lowlights





- ✓ Spend of Annual CAPEX budget equates 1% .The entity has adopted remedial action plan which fast-tracks the SCM process. Projects are in their planning phases and appointments for the execution of CAPEX projects will be adjudicated and initiated at the start of Q4 .
- ✓ The 10 KPIs not met for the quarter are as follows:
 - SMME's supported through property transactions
 - Leasing of shops and stalls located at various public transport facilities and traders markets owned by the City
 - Development / refurbishment public convenience
 - Release of properties for social and economic leases including servitudes and sales
 - Number of Inner City Properties approved in Council for release to the private sector.
 - Rapid and efficiency in filling of funded vacancy positions identified as strategic
 - Income generated through property transactions
 - Streamlining of disciplinary processes
 - Spend of allocated capex
 - Resolution of auditor general & internal audit findings

The JPC scorecard for the Period 1st January 2021 to 31st March 2021 reflects that the entity achieved 50% (10 of 20 targets due), and 50 % (10 of 20) of its targets not achieved.

At this stage, only KPIs are deemed to be at risk namely:

- **KPI no 2.5:** Properties for Social and Economic Leases Including Servitudes and Sales
- **KPI no 2.6:** Inner City Properties Approved in Council for Release to the Private Sector
- **KPI no 5.1:** Income Generated Through Property Transaction
- **KPI no 5.3:** Spend of Allocated Capex


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

	Target Exceeded
	Target Achieved
	Target not achieved
	Not yet due

PRIORITY: ECONOMIC DEVELOPMENT

1.1. UNLOCKING INVESTMENTS THROUGH PROPERTY TRANSACTIONS & DEVELOPMENTS

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

 **Target Exceeded:** Year to date, the entity has exceeded the target due to the conclusion and signing of the Agreement for **Randburg Civic Development Project** and sale agreement which is in respect of **Ptn 26 of Erf 4921 Ivory Park**.

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

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



Target Exceeded: Year to date, the entity has exceeded the target in respect investment spend based on construction on the ground taking place in the Riverside View Mega Housing Project

2. JOB OPPORTUNITY AND CREATION

2.1. Job opportunities created

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	250 Job Opportunities Created	250 Job Opportunities Created	250 Job Opportunities Created	250 Job Opportunities Created	1 000 Job Opportunities Created
Actual	414 Job opportunities created	148 Job opportunities created	533 Job opportunities created		1095 Job opportunities created



Target Exceeded: Due to these projects Riverside View Mega Housing Project, Repairs and Maintenance work undertaken. Year to date exceeds the target.

2.2. SMME'S SUPPORTED THROUGH PROPERTY TRANSACTIONS

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	250 SMME's Supported	250 SMME's Supported	250 SMME's Supported	250 SMME's Supported	1000 SMME's Supported
Actual	46 SMME's Supported	78 SMME's Supported	167 SMME's Supported		291 SMME's Supported



Target Not Achieved: The number reflected in quarter under review is in respect to few property transactions hence the target was not achieved. This target will be achieved in the forth-coming quarter as SCM processes in respect of Capex projects are finalised.

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

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



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

3. PRIORITY: ECONOMIC DEVELOPMENT

3.1 ASSET MANAGEMENT PLANS FORMULATED

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	50 asset management plans concluded	50 asset management plans concluded	75 asset management plans concluded	75 asset management plans concluded	250 asset management plans concluded
Actual	50 asset management plans concluded	50 asset management plans concluded	75 asset management plans concluded		175 asset management plans concluded



Target Achieved

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

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



Target Exceeded: Several properties were acquired on behalf of COJ departments for service delivery.

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

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



Target Not Achieved: due to the fact that 100 EAC reports submitted for approval and verification of traders will be undertaken in the fourth quarter. The remedial action plan caters for fast-tracking the verification process of traders as result more.

3.4. DEVELOPMENT / REFURBISHMENT PUBLIC CONVENIENCES

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



Target not achieved: The entity has adopted remedial action plan which fast-tracks the SCM process. Projects are in their planning phases and appointments for the execution of CAPEX projects will be adjudicated and initiated at the start of Q4

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	30 properties Leased	30 properties leased	30 properties leased	30 properties Leased	120 properties leased
Actual	5 properties released	0 properties released	7 properties released		12 properties released



Target Not Achieved: Property Transactions in respect of this KPI will be submitted for approval once all related processes have been concluded. Secondly, COVID-19 pandemic has had an impact on property leases i.e. High vacancy rates and also the economic downturn which affects Lessees

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

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



Target not achieved: due to the buildings identified have various issues such as illegal connections and buildings that owe Rates and Services which exceed the property value. Due diligence is of crucial importance so the City can thoroughly explore and identify options on how to possibly release these properties (i.e. by means of Declaratory Order, Expropriation, Sale in Execution, Abandonments, etc). (Site inspections currently underway). Furthermore, the advent of the Covid-19 pandemic has caused considerable delays and challenges in meeting the Inner City Property release target(s).

4. PRIORITY: SUSTAINABLE SERVICE DELIVERY

4.1. IMPLEMENT TRAINING & DEVELOPMENT INITIATIVES TO ADDRESS COMPETENCY GAPS

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	70	70	130	30	300 employees trained
Actual	32 employees trained	26 employees trained	686 employees trained		754 employees trained



Target Achieved

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

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



Target Not Achieved: due to budgetary constraints

4.3. STREAMLINING OF DISCIPLINARY PROCESSES

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



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

4.4. OCCUPATIONAL SAFETY OF JPC EMPLOYEES

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



Target Achieved

5. PRIORITY: ECONOMIC DEVELOPMENT

5.1. INCOME GENERATED THROUGH PROPERTY TRANSACTIONS

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		YTD	
Target	R50m	income raised from leases and servitudes sales	R25m	income raised from leases and servitudes sales	R25m	income raised from leases and servitudes sales	R50 m	income raised from leases and servitudes sales	R150m	income raised from leases and servitudes sales
Actual	R22 326 942.00	income raised from leases and servitudes sales	R27 624 782.18	income raised from leases and servitudes sales	R19 225 633.34	income raised from leases and servitudes sales			R69 177 357.52	income raised from leases and servitudes sales



Target not achieved: due to

5.2. IMPLEMENTATION OF THE OUTDOOR ADVERTISING MASTERPLAN

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



Target Achieved:

5.3. SPEND OF ALLOCATED CAPEX

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



Target Not Achieved:

5.4. AUDIT OPINION

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



Target Achieved: Due to the impact of COVID-19 the audit report was issued in the third quarter.

5.5. RESOLUTION OF AUDITOR GENERAL & INTERNAL AUDIT FINDINGS

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



Target not achieved: due to internal audits that are still to be finalised as result of being rolled over from the previous year.

Section 5: Corporate Profile and Overview of the Entity

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

The entity has 1704 employees based at the head office and depots who execute the strategy of the organisation. JPC derives its mandate from a signed service delivery agreement with its sole shareholder, the COJ. The core functions of JPC are as follows:

1. Asset Management

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

follows are the objectives:

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

2. Property Development

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



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

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

3. Facilities Management

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

mobile technology, new sustainability initiatives and targets and concerns about security.

4. Property Management

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

5. Outdoor Advertising

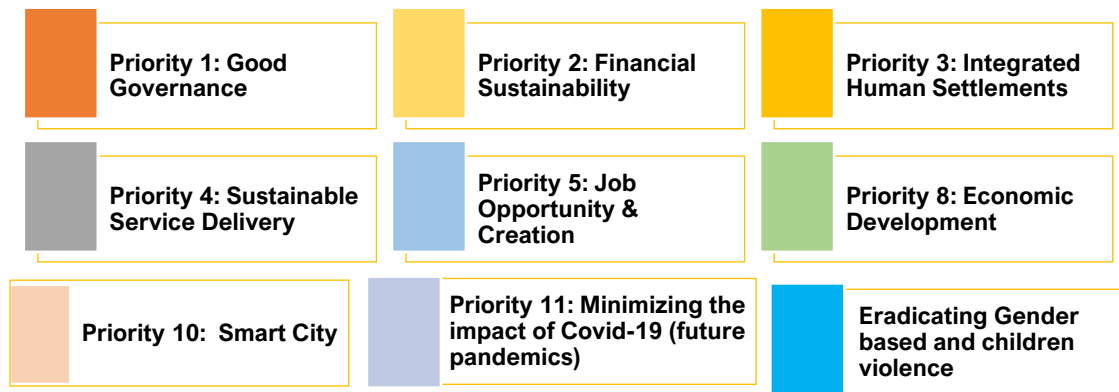
This function includes managing and concluding outdoor advertising and cell mast leases. The department is responsible for managing various forms of "out-of-home" advertising, comprising approximately 720 billboards, 3 800 on-premises signs, 30 000 different types of street furniture, street pole advertising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

Section 6: Strategic Objectives

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

STRATEGIC PRIORITIES	STRATEGIC PROGRAMMES
1. Good governance	1. Accelerated and visible service delivery and reintroduce co-production in the delivery of basic services.
2. Financial sustainability	2. Improve and strengthen financial position.
3. Integrated human settlements	3. Impact the housing market including the integration, development and maintenance hostels and flats.
4. Sustainable service delivery	4. A safer City by reintroducing ward-based policing (Joburg 10+) and effective by-law enforcement.
5. Job opportunity and creation	5. Job opportunities and creation.
6. Safer city	6. Development of support of SMME.
7. Active and engage citizenry	7. Community Based Planning and enhanced community engagement, including Mayoral izimbizo.
8. Economic development	8. Manage displaced communities and homelessness.
9. Sustainable development	9. Combat drug and substance abuse.
10. Smart City	10. Combat corruption, fraud and maladministration.
11. Minimizing the impact of COVID (and future pandemics)	11. Combat illegal land invasion and promote regulated land use.
12. Eradicating Gender Based Violence against children	12. Formalisation of informal settlements and accelerated rapid land release.

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



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

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



Chapter 2: Governance

Section 1: Corporate Governance Statement

Governing Principles

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

Board Composition & Diversity

The Board composition complies with the Memorandum of Incorporation MOI. The Board of Directors comprises Mr. Moeketsi Rabodila (Chairperson), Ms. Seipathi Moichela, Mr. Thabo Macpascal Thulare, Ms. Tryhina Mopai, Mr. Xola Lingani, Mr. Jake Letsapa, Mr. Slingsby Mda, Ms. Dina Maja, Mr. Solomon Mngomezulu, Ms. Pinkie Numa, Ms. Kululwa Muthwa, Ms. Mapule Mngomezulu, Mr. Ruby Mathang (Acting Chief Executive Officer and Executive Director), and Mr. Gavin Mothupi (Acting Chief Financial Officer and Executive Director).

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

All the directors bring to the Board a wide range of expertise, as well as significant financial, commercial and technical experience and, in the case of the non-executive directors, independent

perspectives and judgement. The tenure of the Board members is a year and appointments happen during the AGM. The independence of non-executive directors is periodically assessed by the COJ Group Governance Department prior to appointment or reappointment during the AGM.

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

Role of the Board

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

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

Members of the Board have unlimited access to the Company Secretary, who acts as an advisor to

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

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

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

The Board of directors has incorporated COJ's corporate governance protocol into its charter, which regulates its relationship with the COJ as its sole member and parent municipality in the

interest of good corporate governance and good ethics. The protocol is premised on the principles of the King Code. The charter sets out the composition and powers of the Board.

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

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

Section 2: Board Committees

Reference	JPC BOARD	AUDIT AND RISK COMMITTEE	SEC, TRANSFORMATION & REMCO	TRANSACTIONS & SERVICE DELIVERY
Chairman	Moeketsi Rabodila	Slingsby Mda	Seipathi Moichela	Thabo Thulare
Member	Seipathi Moichela	Dina Maja	Tryphina Mopai	Jake Letsapa
Member	Thabo Macpascal Thulare	Bigboy Kekana	Pinkie Numa	Kululwa Muthwa
Member	Tryphina Mopai	Patrick Makape	Mapule Mngomezulu	Solomon Mngomezulu
Member	Xola Lingani	Nosipho Makhanya	Kululwa Muthwa	Dina Maja
Member	Jake Letsapa			Xola Lingani
Member	Slingsby Mda			
Member	Dina Maja			
Member	Solomon Mngomezulu			
Member	Pinkie Numa			
Member	Kululwa Muthwa			
Member	Mapule Mngomezulu			
Member	Ruby Mathang			
Member	Gavin Mothupi			
Acting Cossec	Johan Jansen Van Vuuren	Johan Jansen Van Vuuren	Johan Jansen Van Vuuren	Johan Jansen Van Vuuren
Invitee	Fanis Sardianos	Fanis Sardianos	Fanis Sardianos	Fanis Sardianos
Invitee	Tshepo Mokataka	Tshepo Mokataka	Tshepo Mokataka	Tshepo Mokataka
Invitee	Sipho Mzobe	Sipho Mzobe	Sipho Mzobe	Sipho Mzobe
Invitee	Gavin Mothupi	Gavin Mothupi	Gavin Mothupi	Gavin Mothupi
Invitee	Ruby Mathang	Ruby Mathang	Ruby Mathang	Ruby Mathang
Invitee		Xolani Zicwele		

2021 BOARD AND COMMITTEE MEETINGS FOR PERIOD ENDING 31ST MARCH 2021

Meeting	11-Feb-2021		19-March -2021			
Meeting	23-March-2021		29-March-2021			
Meeting	24-March-2021					
Meeting	29-March-2021					

Section 3: Entity Remuneration Policy

Entity Remuneration Policy

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

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

DIRECTORS AND PRESCRIBED OFFICERS REMUNERATION

YTD Directors Payments: 31 st March 2021			
Name of Director	Meetings Attended YTD	Other Meetings YTD	Emoluments
MOEKETSI RABODILA	3		R41 739.13
SEIPATHI MOICHELA	3		R31 304.35
THABO MACPASCAL THULARE	3		R31 304.35
TRYHINA MOPAI	3		R31 304.35
XOLA LINGANI	3		R36 000.00
JAKE LETSAPA	3		R36 000.00
SLINGSBY MDA	3		R63 304.35
DINA MAJA	3		R52 173.91
SOLOMON MNGOMEZULU	3		R31 304.35
PINKIE NUMA	3		R31 304.35
KULULWA MUTHWA	3		R31 304.35
MAPULE MNGOMEZULU	3		R31 304.35
TOTALS			R448 347.83

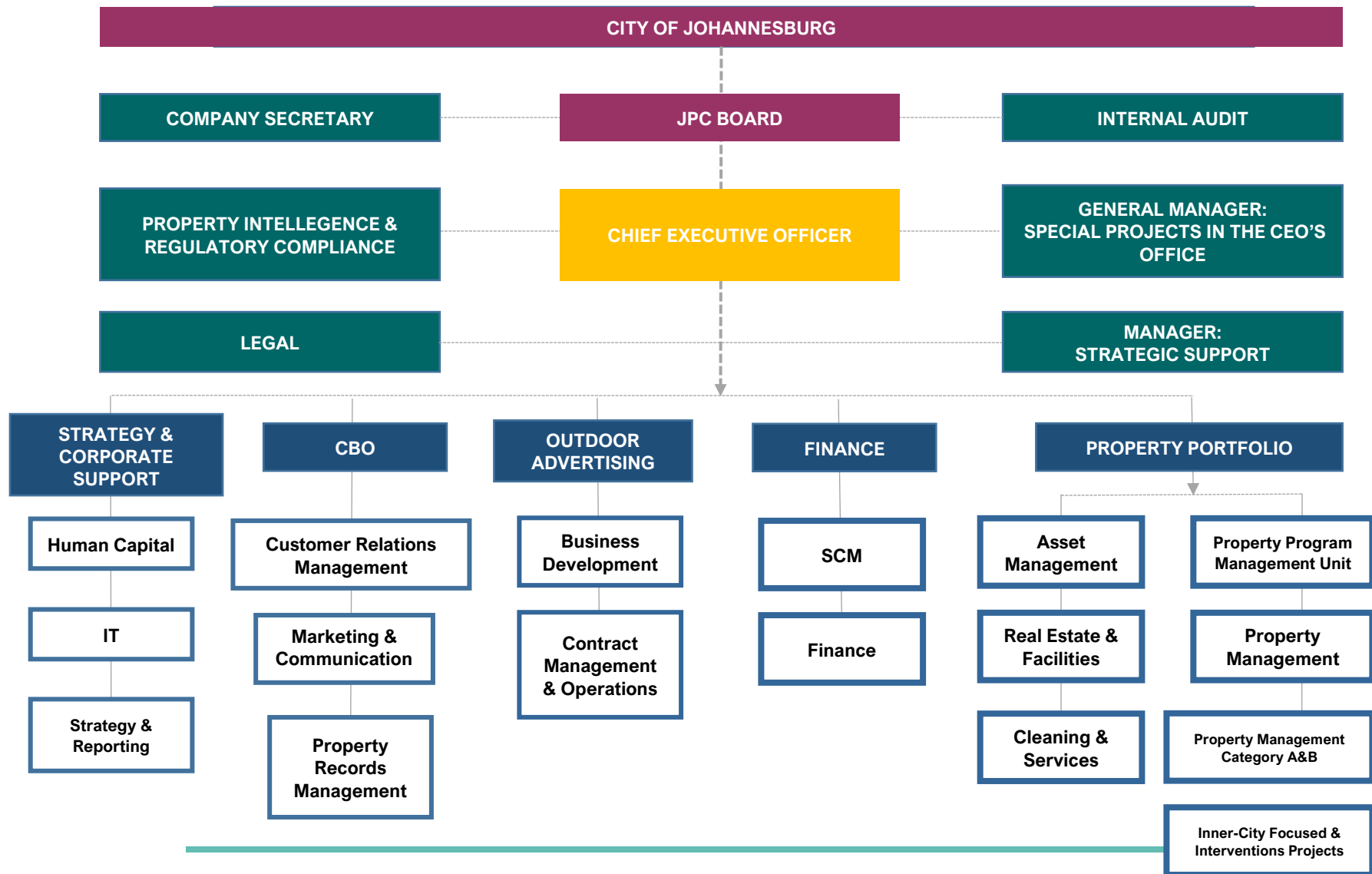
INDEPENDENT AUDIT & RISK COMMITTEE MEMBERS

YTD DIRECTORS PAYMENTS AS AT 31 ST MARCH 2021		
Name of Independent Audit Committee Member	Meetings Attended YTD	Emoluments
BIGBOY KEKANA	0	
PATRICK MAKAPE	2	R10 434.78
NOSIPHO MAKHANYA	2	R10 434.78
Totals		R20 869.56

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

YTD EXECUTIVE SALARIES AS AT 31 st MARCH 2021							
Name	BASIC SALARY	TRAVEL ALLOWANCE	LEAVE PAY	PERFORMANCE BONUS / 13TH CHEQUE	GRATUITIES	COMPANY CONTRI.	TOTAL
Botes HM	R2 025 000.00	R187 499.97				R23 088.51	R2 235 588.48
Mzobe SG	R1 100 559.15	90 000.00				R252 318.60	R1 442 877.75
Mokataka T	R1 187 601.75	R-				R255 509.37	R1 443 111.12
Mbethe ES	R1 307 068.65	R67 666.50	R 56 489.76			R245 982.33	R1 677 207.24
Sardianos F	R1 487 748.78	R				R327 659.58	R1 815 408.36
Bhamjee I	R1 435 550.22	R72 000.00				R307 713.15	R1 815 263.37
Tshabalala S	R1 099 312.47	R90 000.00				R253 618.83	R1 442 931.30
Totals	R9 642 841.02	R507 166.47	R 56 489.76	R	R	R1 665 890.37	R11 872 387.62

Section 4: High Level Structure



Section 5: Risk Management

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

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

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

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

Management Framework and was approved by the Audit and Risk Committee on 26 October 2020.

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

OUR APPROACH TO RISK MANAGEMENT

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

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

The status and progress on the 20/21 Risk Register will be reported on in the coming third quarter.

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

STRATEGIC RISK REGISTER

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

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

Section 6: Company Secretarial Function

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

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

Section 7: Internal Audit Function

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

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

Section 8: Sustainability Report

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

Section 9: Anti – corruption and Fraud

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

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

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

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

Section 10: IT Governance

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

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

Section 11: Compliance with laws and regulations

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

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

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

During the end of March 2021, the city requested City of Johannesburg's core departments and Owned entities to identify all the regulatory requirements that are applicable to their business units/entities. The process is still being assessed and once this assessment of the universe is completed, compliance risk management plans will be developed and placed in the compliance manual for monitoring of implementation by management in order to achieve compliance. In the period under review, Board Members were provided with the declaration of interest forms for completion as part of the welcome/on boarding documents.



Chapter 3: Service Delivery & Performance

Section 1: Overall Company Performance

Section 1.1: Asset Management

PORTFOLIO PROFILE

The portfolio of the City has a total value of R9, 312 billion and it comprises of 28 539 properties for the 3rd quarter period ending 31 March 2021. The table below illustrates the high-level summary, which outlines the number of properties and value for each region.

Region	No. of Properties	Value %	Historical Book Value
Region A	1 722	8%	R757 959 698.28
Region B	3 927	17%	R1 600 705 675.10
Region C	2 349	12%	R1 117 590 161.38
Region D	6 131	9%	R875 047 475.40
Region E	4 579	19%	R1 727 151 638.18
Region F	4 863	16%	R1 519 543 910.97
Region G	4 478	13%	R1 166 714 924.12
Outside COJ	490	6%	R547 881 446.01
Grand Total	28 539	100%	R9 312 594 929.44

Table 1: High Level Portfolio Summary

Region D has the highest number of Council properties at 6 131, followed by Region F, which reflects 4 863 properties, Region E showing 4 579 properties, then by Region G at 4 478 properties, while Region B reflects 3 927 properties. Region C is the second lowest with 2 349 properties followed by Region A, which has the least number of properties at 1 722. A graphical outline of the summary portfolio of properties is outlined below.

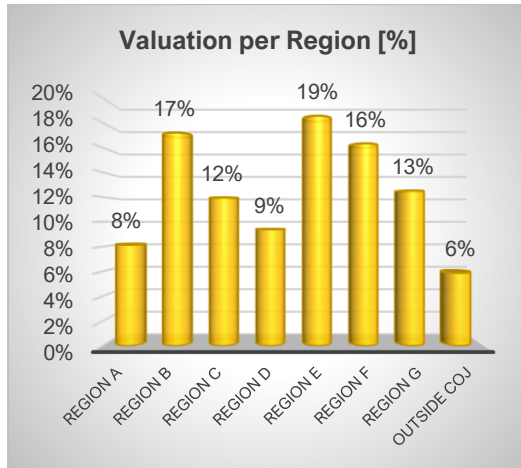


Figure 1: Summary per Region - % Value

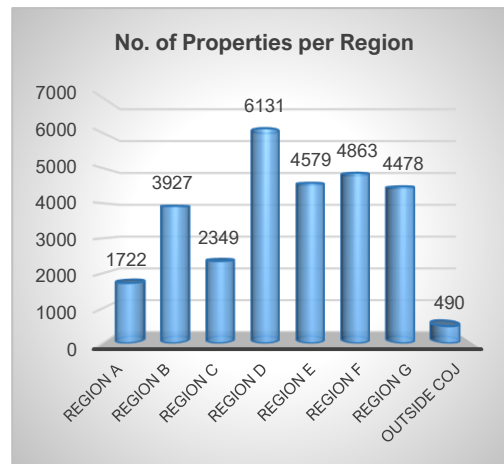


Figure 2: Summary per Region - Quantity

Region B and Region E represent the highest value expressed as a percentage of the total value of City owned properties at 17% and 19% respectively, totalling 36% of the value of the entire portfolio. Region F is the third highest in value at 16%, followed by Region G at 13%, Region C at 12%, Region D at 9%, while Region A is the least at 8%, which is due to a large number of residential holdings as well as farm portions held which are inherently lower in valuation.

ASSET REGISTER MOVEMENTS

The following tables illustrate the movements and updates of the Asset Register in relation to the property transfers that occurred in during the 3rd quarter period of the 2020/2021 financial year.

MONTHLY MOVEMENTS BY QUANTITY

Movement Category	Jan-21	Feb-21	Mar-21	Total
Acquisitions	1	0	0	1
Disposals	-151	-35	-70	-256
Net Movement	-150	-35	-70	-255

Table 2: Movement Summary in Quantity

MONTHLY MOVEMENTS BY VALUE

Movement Category	Jan-21	Feb-21	Mar-21	Total
Acquisitions	R1 069 700.00	R0.00	R0.00	R1 069 700.00
Disposals	R-4 269 908.00	R-537 934.00	R-2 127 642.00	R-6 935 484.00
Total	R-3 200 208.00	R-537 934.00	R-2 127 642.00	R-5 865 784.00

Table 3: Movement Summary in Value

ACQUISITIONS

One (1) property was taken on to the value of R1 069 700 in the 3rd quarter of the 2020/2021 financial year. This acquisition is a vacant property in Unaville. It was acquired on behalf of Housing Department for future housing development purposes:

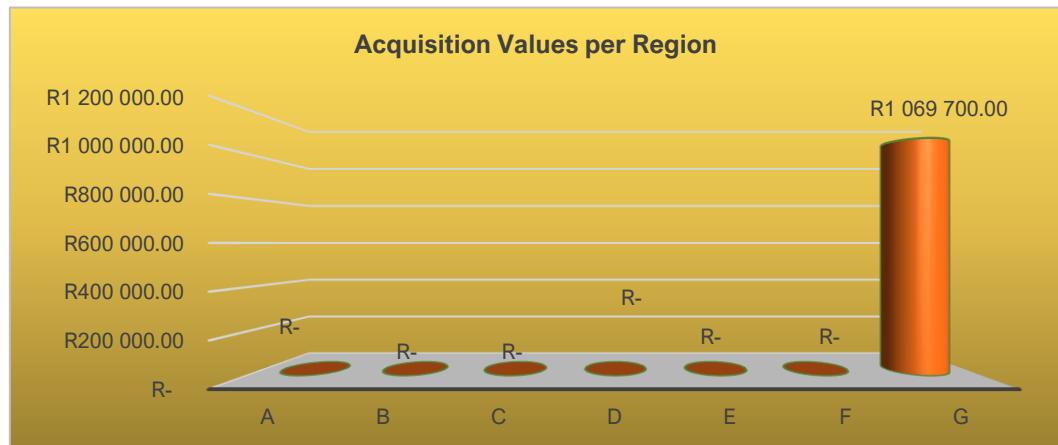


Figure 3: Acquisition Value per Region - Rand Value

DISPOSALS

Two hundred and fifty-six (256) properties to the value of R6 935 484.00 were disposed of in the reporting period. These properties are situated in Regions A, B, D, E and G. The regional representation of the movements is outlined on the graph below.

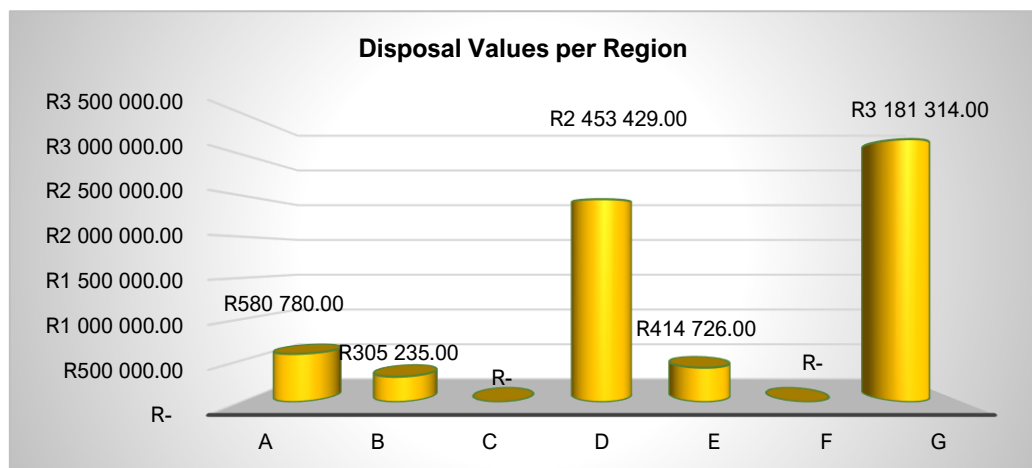


Figure 4: Disposal Value per Region - Rand Value

Sixteen (16) churches to the value of R330 314.00 and eight (8) shops to the value of R33 660.00 were transferred to beneficiaries during the 3rd quarter as part of the Land Regularisation Programme.

Two hundred and thirty-two (232) properties to the value of R6 571 510.00 relate to a transfer of residential homes to beneficiaries as part of the City's service delivery objectives.

LAND REGULARISATION

Sixteen (16) church and eight (8) shops were transferred to entitled beneficiary in Regions D, E and G in terms of the conversion of rights governed by the Conversion Act 81 of 1988.

HOUSING CONVERSIONS

Two hundred and thirty-two (232) residential properties reported herewith were transferred to beneficiaries during the reporting period in fulfilment of the City's housing mandate as prescribed by the Housing Act. All of these properties are full title properties. These properties are situated in Regions A, B, D, E and G.

NET MOVEMENTS

This section provides indication of the impact of the movements on the value of the Asset Register.

The reporting period shows a negative net movement of R5 865 784.00, which translates to a decrease of 0.06% of the entire portfolio as outlined on the table below.

NET ASSET REGISTER MOVEMENT IN VALUE			
Month	Opening Balance	Movement	Closing Balance
Jan-21	R9 318 460 713.44	R-3 200 208.00	R9 315 260 505.44
Feb-21	R9 279 036 013.44	R-537 934.00	R9 278 498 079.44
Mar-21	R9 314 915 263.44	R-2 127 642.00	R9 312 787 621.44
NET MOVEMENT		R-5 865 784.00	
		-0.06%	

Table 4: Asset Register Net Movement in value

Section 1.2: Property Management Unit

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

FINALISED SALES AND LEASES

A total of four (4) sales and three (3) leases to the value of R1 513 000.00 and R4 050.00 p.m. respectively were concluded in the 3rd quarter of the 2020/2021 Financial year. These transactions are in Regions A, D, E and G. The table below outlines a list of transactions finalised per region.

Region	Property Description	Sales	Leases (p/m)
A	Ptn 26 of Erf 4921 Ivory Park Ext 1	N/A	R50.00
B	None	N/A	N/A
C	None	N/A	N/A
D	Erf 2390 Dhlamini Ext 3 (Brittlewood Street)	R1 240 000.00	N/A
E	Erf 11 Marlboro Gardens	R91 000.00	N/A
	Erf 109 Marlboro Gardens	R91 000.00	N/A
	Erf 116 Marlboro Gardens	R91 000.00	N/A
F	None	N/A	N/A
G	Erf 6899 Drieziek	N/A	R2 000.00
	Erf 2156 Orange Farm	N/A	R2 000.00
Total		R1 513 000.00	R4 050.00

MATTERS WITH ATTORNEYS FOR FINALISATION

Conveyancing Attorneys have been appointed to conclude sales on Six (6) transactions to the value of R1 386 125.00. Three (3) of these transactions are in Region E while three (3) transaction is in Region G. The table below outlines the transactions that are at conveyancing stage per region.

Region	Property Description	Sale/ Road Closures	Lease (p/m)
A	None	N/A	N/A
B	None	N/A	N/A
C	None	N/A	N/A
D	None	N/A	N/A
E	Erf 135 Marlboro Gardens	R91 000.00	N/A
	Erf 357 Marlboro Gardens	R91000.00	N/A
	Erf 423 Marlboro Gardens	R91000.00	N/A
F	None	N/A	N/A
G	Erf 60 Eldorado Estate	R60 000.00	N/A
	Erf 1432 Orange Farm	R833 125.00	N/A
	Erf 8465 Orange Farm Ext 6	R220 000.00	N/A
Total		R1 386 125.00	

MATTERS AT LEGAL FOR AGREEMENTS TO BE FINALISED

Legal instructions were issued to the Legal Services Department for the drafting of lease and sale agreements in respect of five (5) transactions, three (3) of which are sales and two (2) are leases. The sales are in Region F totalling R175 000.00 and leases are in Region E totalling R19 665.83 per month. The table below outlines a list of properties that are at agreement stage per region.

Region	Property Description	Sale/ Closures	Road	Lease (p/m)
A	None	N/A		N/A
B	None	N/A		N/A
C	None	N/A		N/A
D	None	N/A		N/A
E	Portion of the remainder of Erf 5 Benmore Gardens	N/A		R 5 665. 83
	Portion 2 of Erf 19 Wierda Valley Ext 1	N/A		R 14 000.00
F	Erf 256 City Deep	R20 000.00		N/A
	Marshall Street	R73 000.00		N/A
	Ptn of Loveday and Pritchard streets	R82 000.00		N/A
G	None	N/A		N/A
Total		R175 000.00		R19 665.83

TRANSACTIONS APPROVED AT EAC

One (1) transaction to the value of R1 360 000.00 was approved at EAC in the quarter under review. The property in question is in Region E. The table below outlines the summary per region.

Region	Property Description	Sale/ Road Closures	Lease (p/m)
A	None	N/A	N/A
B	None	N/A	N/A
C	None	N/A	N/A
D	None	N/A	N/A
E	PTN Adjacent to Erf 13 Woodmead	R1 360 000.00	N/A
F	None	N/A	N/A
G	None	N/A	N/A
Total		R1 360 000.00	0

TRANSACTIONS TO BE TABLED AT NEXT EAC

Fourteen (14) transactions to the value of R5 153 214.00 and R56 800.00 p.m. for sales and leases respectively are envisaged to be tabled at the next EAC meeting. The transactions are in all regions with the exception of regions A and D.

TRANSACTIONS APPROVED AT COUNCIL

There were no transactions submitted for Council approval in terms of Section 14(2) of the Municipal Finance Management Act, 56 of 2003 during the period under review.

TRANSACTIONS WITHDRAWN AT EMT

There were no reports that were withdrawn at EMT in order to articulate the strategic priorities, programmes and outcomes of the transactions during the period under review.

ACQUISITIONS AND LARGE SERVICE PROVIDERS' SERVITUDE TRANSACTIONS

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

LARGE SERVICE PROVIDERS (LSP's)

The following reports have been drafted and will be submitted to the various committees for approval in the coming quarter.

No.	Property Description	Amount	Commission
1	Diepkloof Erf 833	R390 000.00	R97 500.00
2	Dhlamini Erf 576	R1 540 000.00	R385 000.00
3	Moroka Erf 3313	R350 000.00	R87 500.00
4	Orlando East Erf 786	R270 000.00	R67 500.00
5	Erf 1708 Naledi	R10 000.00	R2 500.00
6	Re of ptn 16Farm Lombardy 36 IR	R18 000.00	R4 500.00
7	Erf 751 Mofolo South	R33 000.00	R8 250.00
8	Re of Farm Register 388 IQ	R150 000.00	R37 500.00
9	Ptn of Remainder of Farm Lenasia 352 IQ	R528 000.00	R132 000.00
TOTAL		R 3 289 000.00	R 822 250.00

REGISTERED SERVITUDES

The following LSP servitudes were registered:

No.	Property Description	Amount	Commission
1	Ptn 2 Farm Misgund 322 IQ	R866 073.00	R190 000.00
2	Erf 1119 Devland Ext 27	R62 073.00	R15 518.25
3	Remainder of Farm Goudkoppies 317 IQ	R125 400.00	R3 135.00
TOTAL		R 1 053 546.00	R 263 386.50

SERVITUDES TO BE REGISTERED

The following servitudes are with Attorneys for registration:

No.	Property Description	Amount	Commission
1	Erf 3166 Lehae	R729 600.00	R182 400.00
2	Erf 11448 Pimville	R148 500.00	R37 125.00
3	Erf 6486 Orange Farm	R15 000.00	R3 750.00
4	Ptn 83 Farm Misgund 322 IQ	R250 000.00	R62 500.00
5	Erf 999 Riverlea	R7 500.00	R1 875.00
TOTAL		R 1 150 600	R287 650.00

ACQUISITIONS

During the period under review, the following Transactions were acquired and ownership was transferred into City of Johannesburg's name:

No.	Property Description	Extent	Market Value	Commission
1	Holding 68 Unaville AH	2.1414ha	R 1 606 060	R160 606.00
2	Holding 29 Unaville AH	2.1394 ha	R1 069 700.00	R106 970.00
3	Holding 40 Unaville AH	4.1382 ha	R1 241 460.00	R124 146.00
TOTAL			R3 917 220.00	R391 722.00

MANAGEMENT OF THE SANITARY LANES CITY-WIDE

Approval was granted by the EAC for the management of sanitary lanes in all the affected regions. Forty (40) Sanitary lane applications were processed in the Quarter under review with a total management fee of R120 000.00 and will be finalised in the 4th Quarter of the current financial year. During the Quarter under review, 14 Agreements were finalised with a Management Fee of R42 000.00 with the adjacent property owners.

Section 1.3: Informal Trading

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

JPC is embarking on a huge drive to turn around the Informal Trading sector and this is limited to Markets and not street trading. JPC is visioning a City that will develop markets of the future to create DIGNIFIED, CLEAN AND SIMPLE WORLD CLASS FACILITIES.

INCOME COLLECTION

During the reporting period for the quarter ending March 2021, the Informal Trading Unit has collected **R522 089.86**. The rental collection has slightly improved this quarter compared to the previous quarters.

NO	FACILITY NAME	INCOME COLLECTED		
		Q1	Q2	Q3
1	Metro Mall and Bree Taxi Rank	R224 191 .36	R212 377.00	R173 824.93
2	Advertising & Promotions	R 100 812.00	R50 406.00	R 76 272.27
3	Fleet Africa	R 11620.00	R26 818.00	R 33 748 .72
4	Kliptown Informal & Formal Shops	R 63 280.91	R64 472.00	R 50033.48
5	Streets Traders	R 19 474.00	R55 843.00	R 44 678.00
6	Hillbrow	R11 490.00	R22 480.00	R 16032.00
7	Various Formal Traders	R 0.00	R0.00	R 0.00
8	Yeoville	R 5930.00	R13 481.00	R 8 908.00
9	Fordsburg	R17 776 .04	R47 230.00	R 85 560.43
10	Bara & Formal Shops	R 4 600.00	R9 294.00	R 18 760.38
11	Jeppe	R 2399.50	R2 052.00	R 1 750.00
12	Lenasia	R 1900.00	R1200.00	R 550.00
13	Faraday Formal & Informal	R 5269 10	R9 318	R 6059.00
14	Doornfontein	R 0.00	R0.00	R100.00
15	Rosebank	R 0.00	R0.00	R 150.00
16	Big Ben	R 400.00	R120.00	R 0.00
17	Kwa Mai Mai	R 530.00	R766.00	R 0.00
18	Midrand	R 4110 .00	R4674.00	R 5662.00
TOTAL		R 473 782.31	R520 531	R522 089.86

Table 1: Total income collection per quarter

FORMALIZATION OF APPROXIMATELY 1930 OR MORE LEASES

One hundred (100) EAC reports submitted for approval.

PLANNED VERIFICATION

In the fourth quarter 350 traders based in Bara Transport and market facility will be verified and 190 traders in Yeoville market.

STAKEHOLDER ENGAGEMENT

Traders Committee

Traders from various Transport Facilities and Markets (e.g. Metromall and Yeoville). JPC Officials engaged in order to resolve cleaning and security challenges including maintenance. Forum was established in order to forge relationships between committees and JPC. There will be monthly meetings in order to evaluate progress of the existing challenges within the Transport Facilities.



METROMALL

Metromall development – various departments from the City of Joburg met with the Taxi Associations to engage in the Development plan for Block B.



LENASIA

Strategic engagement with Pikitup and Department of Economic Development on waste management and sustaining a clean and hygienic environment in Lenasia Taxi rank.

CHALLENGES

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

Section 1.4: Property Program Management Unit

The following are a few of the Property Programme Management Unit projects:

PATERSON PARK

PROPERTY SCOPE – PATERSON PARK PRECINCT

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

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

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

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

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

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

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

JABULANI HOUSING

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

The progress to date is as follows:

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

RIVERSIDE VIEW MEGA HOUSING DEVELOPMENT (DIEPSLOOT PHASE 1)

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

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

Total Housing Mix consists of the following:

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

The progress to date is as follows:

- 2692 Single residential FLISP completed.
- 457 Multi-storey Rental units completed.
- 2612 Multi-storey RDP units completed.
- 256 Single residential FLISP currently under construction.
- 1000 Multi-storey RDP units completed and handed over to COJ and GDHS in February 2021.

SOWETO GATEWAY

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

Total development Yield consists of the following:

- 3366 mixed income residential units,
- Public open space,
- Retail space,
- Education space,
- Medical facilities,
- Hotel/ conference,
- Community facilities,
- Commercial,
- Light industrial.

The progress to date is as follows:

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

SOUTHERN FARMS

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

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

Total housing yields and mix consists of the following:

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

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

Other yields include:

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

The progress to date is as follows:

- Section 14(2) approval obtained.
- Final Precinct Plan and all supporting documentation has been submitted to Planning and City Transformation for consideration.
- EAC report on entering into a Land Availability Agreement with the appointed developer and proceeding with Stage 2 implementation, is pending sign off by the City Manager who has requested a Probity Report on the process to date. This is currently being undertaken by JPC's Internal Audit. The report will be referred back once the probity has been concluded.
- The extension of the City's Urban Edge to incorporate the project area, and amendment Urban Development Framework process has been concluded. The report from Development Planning and City Transformation is currently being circulated through the various committees.

SERVICED SITES PROGRAMME

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

The development agent for this project Valumax / Safdev, has made available to JPC all studies undertaken, a feasibility study, a precinct plan, a status quo report, an environmental management plan and the housing typologies that can be accomplished at Southern Farms, however, JPC is requiring an independent review of these studies and plans as well as the typologies and mix together with incorporating site and services as, ultimately in the interest of the City, there has to be the right balance in order to make the project feasibility.

Taking this into account, there has to be an assessment of the Rapid Land Release process, interrogation of the numbers, review of key documents, insight into what the ideal mix and yields should be, which will inform what can be optimally achieved, without adversely affecting the development feasibility, and the viability of the project.

In light of this, JPC is in the process of finalising the RFP to go out to the public for Program Management to execute the above scope of works for Southern Farms Services sites program.

Due to COVID and the disruption to the daily operations at JPC over the past couple of months, the RFP process was halted. It will resume as soon as we given the go-ahead from the Acting CEO.

EXTENSION OF THE URBAN DEVELOPMENT BOUNDARY

Since the project area falls outside of the Urban Development Boundary (UDB) of the city, the amendment of the Urban Development Boundary and Regional Spatial Development Framework (RSDF) to include the Southern Farms Development and the Precinct Plan is critical and necessary for the project to move forward.

Following this process, Planning, together with City Transformation had to submit a report into the committee cycle with their departmental recommendation on the Southern Farms Development Framework, to be ultimately approved by Mayoral Committee. This report served at the Sustainable Services Technical Cluster on 1 March 2021.

The report further served at the Economic Growth Cluster on 5 March 2021 and was debated extensively. It was withdrawn from the Economic Growth Sub-Mayoral Committee and is being amended by Planning and will only serve at the next Cluster meeting

MOOKI STREET PRECINCT

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

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

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

The objective of the development includes the following:

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

The progress to date is as follows:

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

OFFICE SPACE OPTIMISATION PROGRAMME

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

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

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

REGION	LOCATION	PROGRESS
Region A	Midrand Station Precinct	The RFP for the long-term lease and development of the site to be released in around February 2021.
Region B	Randburg Civic Precinct	Long-term (50 years) development lease approved.
Region C	Existing Roodeport Civic	Town Planning applications in progress.
Region D	Existing Jabulani Civic Precinct	RFP (Long-term development lease) to be advertised in the quarter under review.
Region E	Watt Street Interchange	RFP (Long-term development lease) evaluation in progress.
Region F	Metro Centre Precinct & Turffontein Precinct	The Town Planning application related into the required land rights for the development of the Metro Centre Precinct was submitted and awaiting appointment. RFP (long-term development lease) to be advertised in November 2021.
Region G	Orange Farm Civic Precinct	Section 14(2) in progress.

LAND RELEASE STRATEGY

The land to be released in the following 2 phases:

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

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

CHALLENGES

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

INTERNAL FOCUSED PROJECTS: REPAIRS AND MAINTENANCE (PLANNED)

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

PROGRESS TO DATE

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

Repair and maintenance have emergencies for various and planned projects for departments are in process. JPC has finalised SLA's with various departments and Framework orders have been submitted in order to also able to implement the Prioritized Planned maintenance.

Section 1.5: Corporate Real Estate & Facilities Management

LEASING & BUILDING MANAGEMENT UNIT

STATUS OF CORPORATE REAL ESTATE LEASE AGREEMENTS

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

Facility Name	User Department	Responsible Department	Comments
Halfway House Library	Community Development	User Department	Lease on Month-to-month. JPC to facilitate in securing a tern lease.
Central Park – 16 th Road	Community Development	User Department	Lease on Month-to-month. JPC to facilitate in securing a tern lease.
222 Smith Street	Housing Department	User Department	EAC has granted authority to enter into a lease renewal in July 2020. Currently finding tenants for the acquired space. There was a technical error on the 2020 EAC resolution for 222 Smith Street which prevented us from concluding the Lease. This has been corrected and we are in the process of finalising the lease with the Landlord and the user department.
Malvern Library	Community Development	User Department	Lease on Month-to-month.
Yarona Shopping Centre	Community Development	User Department	Lease expired July 2020. Lease on Month-to-month.
66 Jorissen Place	Pikitup	JPC	Report is currently at EAC for consideration. The EAC office redirected the report for Probity. We have addressed all the comments in the report and are awaiting internal signatures to submit back to EAC.

FOCUS FOR THE NEXT QUARTER

LEASES AGREEMENTS

The GFIS lease agreement for SAPPI building has been extended for a further 36 months. Additional office space requirement from the Department of Health at Alphen Square North. The EAC office redirected the report for Probity. We have addressed all the comments in the report and are awaiting internal signatures to submit back to EAC.

OFFICE SPACE OPTIMISATION PROJECT (OSO)

- 9 years 11 months, and PPP reports have been recommended to Council by MAYCOM.
- 9 years 11 months reports have been sent to national and provincial Treasury for comments.
- The lead department for the above submissions to treasury is CoJ Group Finance.
- An RFP for transactional advisors is being prepared and will be advertised.

All user departments in the Metro Centre have been profiled in terms of space requirements and a high level decanting plan has been compiled

PROJECTS

- Joburg Water sourcing of office space and fit-out;
- MTC Office fit-out
- Metro Bus fit-out
- Group Finance Call Centres
- Bus Rapid Transit (BRT)
- Taxi Ranks and Markets

CLEANING SERVICES UNIT: ACHIEVEMENTS

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

The panel contract period ended on 30 September 2020. A new tender was advertised on 30 October 2020 and there are currently deliberations to have this services done in-house, by our cleaners. This will mean identified cleaners will have to be taken on a training an equipment being bought.

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

CHALLENGES AND MITIGATIONS

CHALLENGES	MITIGATIONS
No Supervisors in the portfolio	Role profile has been drafted and will submitted for approval and advertisement. Approximately 7 Supervisors will be considered for appointment.
Insufficient cleaning equipment	Budget allocation of R25 mil has been requested with business study done, awaiting response from finance
No relievers when cleaning staff are going on maternity leave, elderly who are over the age of 60 years, no replacement on death of staff, no relievers also when staff has tested positive or are sick	The Public Conveniences (PC's) cleaning staff have been requested to return to work effective the 1 st April 2021
Working hour's challenges	A concerted effort will be undertaken to insource additional staff as they are required to work 24/7. The cleaning staff working hours should be discussed at LLF

PLANNED MAINTENANCE: CLEANING

PROJECT NAME	FOCUS IN QUARTER 3
1. Roodepoort Repairs and Maintenance	a) Snag listing and Site handover. The project got delayed by disruptions due to SMMEs demands however practical completion has been achieved
2. Jabulani Repairs and Maintenance	a) Snag listing and Site handover. The project got delayed by disruptions due to SMMEs demands however practical completion has been achieved
3. Ennerdale Repairs and Maintenance	a) Evaluation, adjudication and award of tender
4. Randburg Repairs and Maintenance	a) Evaluation, adjudication and award of tender
5. Metro Mall Repairs and Maintenance	a) Evaluation and Adjudication of Tenders
6. Technical Teams' Tools of Trade	a) Procurement of Tools of Trade

Section 1.6: Outdoor Advertising

SUMMARY OF PROGRESS ON THE IMPLEMENTATION OF THE TRANSITIONAL PERIOD

JPC obtained EAC conditional approvals for transitional agreements to be concluded subject to approval by the City in terms of the By-laws and other applicable law of site/s to be retained and or phased out up to March 2022.

At the time of this report, the City has not yet completed the process of assessing all declared sites (in excess of 20 000) which will ensure that JPC is able to collect 50% of turnover from existing signs on CoJ's sites. Unfortunately, no new agreement could be concluded in the period under review pending the finalisation of this process by the City as the regulator of outdoor advertising across all land in the City.

All these delays has had a major impact on JPC's Business plan and revenue targets that were made had to be reviewed. Revenue from the sector will, in addition to the impact of Covid 19, continue to dwindle as the City is unable to collect any revenue from illegal signs as was envisaged in the Council resolution on the determination of the transitional period.

HIGHLIGHTS FOR THE QUARTER

JPC will accelerate innovation and digitalization of the portfolio in order to reduce clutter and create a safe urban space that is not littered with excessive and distractive advertising. Digitalization will allow for culling of other sites as one sign can have multiple adverts of up to ten slots and thereby creating scarcity in the market in order to influence values to the benefit of the City and other stakeholders.

In this regard and as part of its turnaround plan to June 2021, JPC obtained approval by the Accounting Officer to issue the following tenders in April 2021, namely:

- Street Furniture Programme (5% achievement as per Revised Implementation Plan).
- Appointment of suitable specialist to undertake market analysis and prepare new CoJ-owned sites for development of new business for outdoor advertising (10% achievement as per Revised Implementation Plan).

TURNAROUND PLAN TO JUNE 2021 AND BEYOND

JPC has reviewed its plan to focus on the following key tactics to ensure that the target of 35% for the year regarding the implementation of the masterplan is achieved by June 2021, that is:

- The executive management of JPC has adopted a turnaround plan that will entail submitting a report for Council to approve the designation of advertising precincts as identified in the masterplan as a special project.
- JPC is on course to submit a report to Council regarding this value creation projects (Precincts and taxi ranks) before the end of April 2021 in order to initiate the process of appointing managing agents for each precincts. Precincts includes all land within the designated areas (both public and private) and requires buy in and development of precinct plans by the managing entity to identify advertising opportunities as per policy guidelines to be approved By Council and the 2009 by- laws (Section 8 (1) (j)).
- All sites in the public environment shall be dispensed with in terms of CoJ SCM policies for Land (SCMPL) and other law and rentals to be paid through the management entity to the City. Advertising at Taxi Ranks should involve taxi association as stakeholders and an appropriate model to ensure meaningful empowerment.
- The focus will be on digital advertising and installation of free Wi-Fi to increase dwell time at these facilities which should assist in optimizing revenue through interactive media and other smart digital platforms. The rentals for taxi ranks shall be a minimum of 45% which shall comprise of rental to the City, maintenance of each facility and payment to associations through an auditable fund to be managed through a trust to ensure that all stakeholders benefits.

JPC is finalizing a plan to implement a targeted dispensation to fastback achievement of the 60% black ownership target of the sector by leveraging public land as a mechanism for empowerment in terms of applicable law focusing on majority black owned SMME's who have been impacted by Covid 19, which will entail:

- Identifying qualifying SMME's through a deliberate/targeted and competitive process and a strict criteria to develop a "Panel of majority black owned and managed SMME's in Outdoor Advertising"
- Appointment of an Enterprise Development to assist with funding to develop new sites, develop a system for marketing/booking of sites, assist with formalization process for incubates to comply with company law and tax affairs, etc.
- Set aside at least 60% of new business development projects to the programme.

Partnerships with other Government Department and SOC's involved in outdoor advertising in the City such as Provincial and National roads authorities, Public Works, Department of Infrastructure Development, etc. to attend to illegality and transformation (focus on SMME's) remains a key strategic output of growing the portfolio and ensuring that transformation through public land in the entire City.

Section 1.7: Inner City Property Development Projects

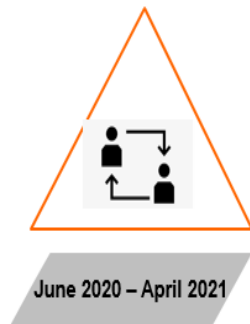
The Inner City of Johannesburg is a renowned economic, industrial and social hub, abounding in opportunity and possessing rich historic infrastructure. The City has remained relatively job rich in both formal and informal sectors and in existing residential stock. However, the City and its residents face numerous challenges including lack of service delivery, poor governance, and financial management, which has resulted in a lack of economic growth. Thus the Mayoral priorities have sought to address these challenges by rebuilding relationship and community trust; creating an enabling working environment that will build the City's economy, while also addressing the soft issues that directly contribute to the social fabric of society.

The purpose of this report is to provide an overview of the progress made for Quarter 3 the implementation of the Inner City Property Release Programme. Phase One, Two, and Three of Programme have been implemented, concurrently therefore, in addition to discussing the progress made in each of the aforementioned Phases, the report will outline the challenges encountered, the subsequent plans implemented to resolve the said challenges and the way forward.

ACTIVITIES UNDERTAKEN DURING THE PERIOD UNDER REVIEW

- Interactive virtual sessions are held with Developers and their respective professional teams (on-going).
- Some of the Virtual sessions have been hosted jointly by JPC, Development Planning, the DED Investment Prioritisation and Tracking Committee, amongst others, to ultimately ensure the approval of Town Planning applications.
- The Developers' professional teams are afforded the opportunity to engage with the City's relevant departments (i.e. City Transformation, JRA, Joburg Water, City Power, et.al) to ultimately unlock the bottlenecks.
- The Phase 1 and 2 Development Projects will go on ground in this calendar year following addressing all relevant Town Planning issues and obtaining approvals of Plans. This will see a number of jobs created and will turn the City into a construction site.
- Commencement of construction in this calendar year will further support the City objectives of Inner City Rejuvenation and kick-starting the economy recovery plan cost Lock-down.
- Completion of site inspections end of January 2021 for **Phase 4 & 5 block-by-block approach.**

INNER CITY PROJECT TIMELINES

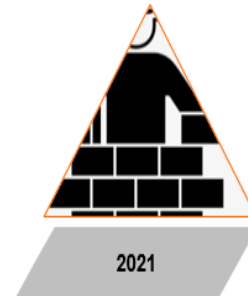


Collaboration:
Follow-up meetings are conducted with CoJ Dev Planning & DED-led Investment Tracking Prioritisation Committee on the status of applications



Obtain development rights:

- Consolidation & rezoning
- SDP approvals
- Building Plan approvals



Break ground 2021

- *June 2021: 2 developments
- *September 2021: 3 developments **Subject to the necessary approvals being obtained**

PHASE 4 AND 5 ACQUISITION OF PRIVATELY OWNED PROPERTIES

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

Phase 4 & 5

Block-by-block approach



- ❖ **187 privately-owned properties** have been identified for Phase 4 & 5 of the Inner City Rejuvenation Programme.
- ❖ **Other City Departments** (i.e. Joburg Water) have submitted an additional list of privately-owned dilapidated buildings;
- ❖ Site inspection for 187 privately owned buildings completed by end of January 2021;
- ❖ Following the completion of the site **inspections/due diligence**, a request was sent to CoJ Rates and Taxes for outstanding rates owed to the City;

Completion of site inspections for bad building on the 187 privately owned building has been completed by end of January 2021.

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

SCHEDULE FOR REPORT SUBMISSIONS

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

DEVELOPMENT OF AFFORDABLE STUDENT ACCOMMODATION

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

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

Section 1.8: Communications and Marketing

Media monitoring has posed a major challenge for the City, its departments and entities. The contract that has been secured at group level over the past three years has expired and as a result analysis and measurement of publicity for the entity are incomplete. The resolution of the issue remains topical as the procurement process is in progress.

SOCIAL MEDIA AND THE WEBSITE

In the light of the publicity surrounding the JPC most of the social media posts focused on sharing and highlighting posts on City entities. This continued to experience a growth in followers and retweets of areas of interest. IT is to migrate the account to a Business Facebook page as the limit of 5000 friends has been reached.

The statistics continue to reflect that LinkedIn is the fastest growing platform for the JPC followed by Twitter which continues to be consistent in its organic growth rate for the JPC based on the City and its entities shared tweets.

PLATFORM	NUMBERS		
	Q1	Q2	Q3
Facebook	5,000 Friends	5,000 Friends	5000 Friends
Instagram	339 Followers	347 Followers	372 Followers
LinkedIn	2,343 Contacts	2,387 Contacts	2,531 Contacts
Twitter	4,021 Followers	4,108 Followers	4, 323 Followers

STAKEHOLDER ACTIVITIES

The City and JPC participated in the National Heritage Site Documentaries that are being produced by the South African Heritage Resource Agency (SAHRA) which will be flighted on a youtube channel in due course. This location will form part of a series alongside other facilities like Constitution Hill.

This was done in conjunction with Arts and Culture who had PHRA-G trustee, heritage architect and consultant Brian Kent-McKhenie speak for the City.

Projects that have been of interest to show case service delivery would be the Randburg Civic Centre, the revamped informal markets, Inner City and the Johannesburg International Transport Interchange.

MEDIA UPDATES

- a. The JPC commented on the Citizen's Media Query with regards the suspension of executives at the JPC, the re-instatement of other executives and the lease of Forum 2 and also Forum 1. The story featured online on the 17th of March 2021.
- b. Amabhungane initially contacted Communications and Marketing on the 27th of January 2021 for clarity on a relationship of a service provider and the JPC. The information was in accordance with the Public Access to Information Act (PAIA) to date the JPC has not responded as the company has advised that this information could be used to disadvantage the service provider if portrayed in a negative light. The most recent request from the investigative reporters came on the 29th of March 2021.
- c. The Johannesburg International Transport Interchange. The project has been put on hold as there is not a facilities management company available. This process should take about six months and hence the new proposed launch date has moved from May 2021 to October. The communications forum continues to engage on a regular basis.

INTERNAL NEWSLETTER

One Internal newsletter was distributed.

CSI

No activity undertaken in the quarter under review.

Section 1.9: Information Technology Unit (IT)

PROJECTS UNDERTAKEN IN IT & ICT INFRASTRUCTURE

Service provider has been appointed for the turnkey ICT infrastructure for relocation of JPC Head Office, JPC Finance and the Service providers finance house are currently in negotiations as the rental financial terms have changed, rates etc., Currently we anticipate that the service provider will issue the New Master rental agreement by the end of April 2021.

IT CAPEX AND OPEX

JPC has provided for in it Capex Budget for the 2020 – 2021 financial year for Computer equipment and upgrades an amount of R8.1 Million, JSIP no: 2669 and a further R21.9 Million for the years ending 2024.

JPC requires confirmation from COJ that the Capex and Operating budgets provided are correct as JPC will be entering into finance lease with a Finance House for Information Communication Technology (ICT) requirements to fit out Braampark Forum One Building been JPC's Office of Business. Repayments of R1 141 228.08 are to occur monthly for the duration of the 36 month finance lease, linked to changes in the prime lending rate.

The IT equipment and infrastructure procured will be paid over a three year finance lease. JPC finance has approved the budget for the project SCM 18972. Project time line to completion is estimated on eight weeks from date of master rental agreement (April 2021).

SAP

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

JPC IT was part of the:-

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

SMART CITY INITIATIVES:

INTEGRATED SMARTPROP MANAGEMENT SYSTEM (ISMS)

The City of Joburg Property Company as one of the companies in the country which has a mandate to promote the Smart City concept of transformation, growth, development and to ensure that all City of Joburg's Citizens derive sustainable benefit from technology development.

This smart city initiatives will eventually improve customer experience and provide significant ease to citizens and City of Joburg Property Company's staff in completing tasks online and hence the decision to develop and rewrite our systems and integrate all our systems into one application for use by internal and external users of the City of Joburg Property Company. The online application solution will allow citizens and staff to have access to one online services application.

JPC is looking at developing an ISMS that will enable the following automated capabilities:

- Property Management: Property Disposal, Acquisition, Servitude Disposal, Register Servitude, Large Service Provider Registration, Lease Management,
- Property Development: Package, Prepare, Procure and Construct property,
- Supplier Chain Management: Procurement of goods and services, Budget Approval, Generate RFQ, Generate Advert, Generate RFQ (POP), Tender Administration, Payment Process, Integration with CSD, Selection of suppliers to be automatically selected by system than allowing the user to select their preferred supplier and If override of the supplier is required it must be approved.
 - Asset Management: Create or dispose asset, WinDeed Integration, Key Accounts, Database of all asset managed in Asset Register, Title Deed Management, Create JMC Number.
 - Outdoor advertising: Verification of outdoor property, Disposal of outdoor property.
 - Cell Masts: Cell Masts Verification, Disposal of Cell Masts, Cell Masts Management Actions.
 - Legal Services: Verification of legal documents, Integrate with Deed Office to submit notification certificate on Expropriation, Digital Signage of documents, Generate/Request documents like OTP (Offer To Purchase).
 - Lease Renewal: Renew, Cancel, Delinquent Lease, Report which shows current lease agreements, When lease is about to expire auto start the process of lease renewal.
 - Client Services: Management of Client Service Enquiries (General Enquiry, Open Day Enquiry, Counselor Enquiry & VIP Enquiry), Integration with WinDeed, enable enquiries to be done on web site, mobile app and USSD, Integration with Call Centre, Have a public facing web site and Internal Web Site & WhatsApp Chatbot.
 - SCM Contracts: SCM Contracts process can be extended to look into contract management and managing projects for different departments within JPC, Visibility of all contracts which are currently running.
 - SCM Procurement: Budget Selection, Budget Override, Quote Request, Supplier Type Selection, Supplier Classification, Procurement Approvals, Generate Letter of Acceptance and approval, Good Received Noted, Integration with Finance System Nicor:
 - Workflows, Reports and dashboards;

- Informal Traders Management: Register informal Trader, Allocation of space to informal traders & Verification of informal traders;
- Workforce Management;
- The Service Provider to be appointed will be expected to develop, implement and train users.
- The Service Provider will also be expected to do level one (1) support for a period of twelve (12) months.

This project is dependent on budget approval. At this stage the current scope of work and mapping of processes has been finalized from an IT perspective, business and department engagements for validation of process for sign off will commence in May 2021.

ELECTRONIC DOCUMENTS & RECORDS MANAGEMENT SYSTEM

The purpose of Electronic Documents & Records Management System is to meet the requirement of City of Johannesburg Property Company and to keep in compliance with all applicable laws in relation to Records. The new Electronic Document and Records Management System (ERDMS) must also provide state of the art services like Optical Character Recognition (OCR) of scanned documents, full-text search in attachments, convenient registration of e-mail. Furthermore, electronic and scanned paper records have to be registered and stored in a secure manner guaranteeing authenticity and different levels of confidentiality.

To ensure that JPC is keeping the records of all the documents pertaining to all properties and assets owned JPC the in a proper, safe and reliable manner ensure that JPC is compliant with the National Archives and Records Services of South Africa Act:

- | | |
|---|-------------------------------|
| ○ Implementation of EDRMS | ○ Security and Access Control |
| ○ Documents Management | ○ Administrative Functions |
| ○ Correspondence Management | ○ Hybrid Records Management |
| ○ Capturing and declaring records | ○ Retention and Disposition |
| ○ Classification Scheme and File Organization | |

The current scope of work and mapping of processes has been finalized from an IT perspective, business and department engagements for validation of process for sign off will commence in May 2021. The project is at planning stage and will be rolled out in coming quarters once budget has been finalised.

Section 1.10: Client Relations Management

Highlights or key interventions during the period under review

- ❖ Participated in 17 Community Based Planning meetings;
- ❖ Participated in the KleenaJoburg, Accelerated Service Delivery, Joburg10+ and MMC interventions in regions;
- ❖ Resumed Client Servicing Desk for walk in clients from 10 February 2021; and
- ❖ 2 Staff members attended National Archives Training.

Challenges	Mitigations
Queries and escalations time frames not adhered to resulting in service delivery delays impacting the credibility and reputation of JPC	Robust stakeholder engagements and operations management ensuring all matters raised are addressed effectively which include client servicing, meetings, roadshows, public participation, petitions, site inspections and facilitation of access to properties; Identify and implement opportunities for systematic improvements to existing stakeholder offerings; Strengthen the administrative and support skills, competencies and outputs;
Insufficient resources for daily operations	Resources scheduling and prioritization model to support the initiatives of the city. Workplace plans reviewed as and when required.

Table 1 Challenges, Mitigations and the way forward for the fourth quarter

The new COVID-19 regulations required the COJ to engage with stakeholders through virtual platforms using Microsoft Teams for regional Community Based Planning (CBP) Meetings, which began on 12 February 2021 and concluded on 5 March 2021. The purpose of these meetings are to engage communities to determine their needs and address fundamental issues related to service delivery in addition to planning and communicating key priorities and programmes for inclusion in the drafting of the Integrated Development Plan.

Generic challenges identified by stakeholders in engagements and various platforms are:

- Slow turnaround time for transactions, queries and reports;
- Illegal occupations and contract management;
- Unmanaged properties contributing to crime and grime;
- Vacant land invaded resulting in illegal structures, sub-letting, illegal connections and crime;
- Management and maintenance of council owned land and buildings;
- Hijacked properties and ablution facilities;
- Informal trading management and dilapidated taxi ranks;
- Public convenience strategy, facilities management and maintenance plans;
- Deep cleaning, sanitisation and fogging;
- Management and maintenance of corporate buildings and cleaners;
- Insufficient engagements and status updates for property developments;
- Incomplete projects and prioritisation model in allocation of capex.

KPI	Core Service	Service Level Standard Target	January	February	March	Q3 Actual	Variance as at March	Variance explanation
KPI 1.1	Response in acknowledgement of requests, enquiries and complaints	Within 1 day of logged call	179	253		432	Not applicable	179
KPI 1.2	Provision of answers and/or results related to the receipt of the requests and enquiries regarding properties	Within 3 days of logged call	0	75		75	Not applicable	0
KPI 1.3	The performance of emergency work for JPC managed facilities	Within 1 day of logged call	9	34		43	Not applicable	9
KPI 1.4	Performance of minor works on facilities managed by JPC	Within 2 days of logged call	3	12		15	Not applicable	3
KPI 1.5	Performance of major works on facilities managed by JPC	Within 5 days of logged call	0	0		0	Not applicable	0
KPI 1.6	Complete the sale or lease and registration of servitudes of Council owned land	Within 6 months after Council Approval in terms of Section 14(2) of the Municipal Finance Management Act	0	0		0	Not applicable	0
KPI 1.7	Tender placed after Council approval and CoJ Executive Adjudication Committee	Within 4 months of CoJ Executive Adjudication Committee approval	0	0		0	Not applicable	0
KPI 1.8	Internal allocation of land and buildings to City Departments and Entities (PTOB : Permission to occupy and build and lease office space from third parties)	Within 60 days of application and budget confirmation	0	0		0	Not applicable	0
KPI 1.9	Performance of surveys on the condition of all plant and Equipment in order to allow the assessment of the required repairs and maintenance of facilities managed by JPC	Quarterly	15	15		30	Not applicable	15
KPI 1.10	Response to general enquiries at client services counter	Within 24 hours of logged call	0	75		75	Not applicable	0
KPI 1.11	Response to enquiries regarding transactions in pipeline	Within 24 hours of logged call	0	0		0	Not applicable	0
KPI 1.12	Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application	5 of 5 = 100%	10 of 10 = 100%		15 of 15 = 100%	Not applicable	5 of 5 = 100%



Chapter 4: Human Resources & Organisational Management

Section 1: Human Resource and Organisational Management

Overview and Highlights:

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

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

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

DECLARATION OF INTERESTS

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

A total number of **962** submissions were received out of **1704** employees, and only **22** employees declared their personal interests. Due to COVID_19 risk adjusted plan, more than 40% of the staff compliment is still not back for work to limit exposure to COVID-19 infection and where possible employees work from home due to the following reasons:

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

BELOW IS THE BREAKDOWN IN TERMS OF DEPARTMENTAL COMPLIANCE:

Department	Number of Submissions	Number of Employees
Office of the CEO	9	13
Finance	24	38
Client Business Operations	52	66
Outdoor Advertising	4	4
Strategic Corporate Support	18	17
Asset Management	4	4
PPMU	14	18
Inner City	7	11
Portfolio Management Category A&B	8	9
Property Management	5	12
Informal Trading	25	31
Facilities Management	168	271
Cleaning Services	623	1211
TOTAL	961	1704

EMPLOYMENT EQUITY STATS

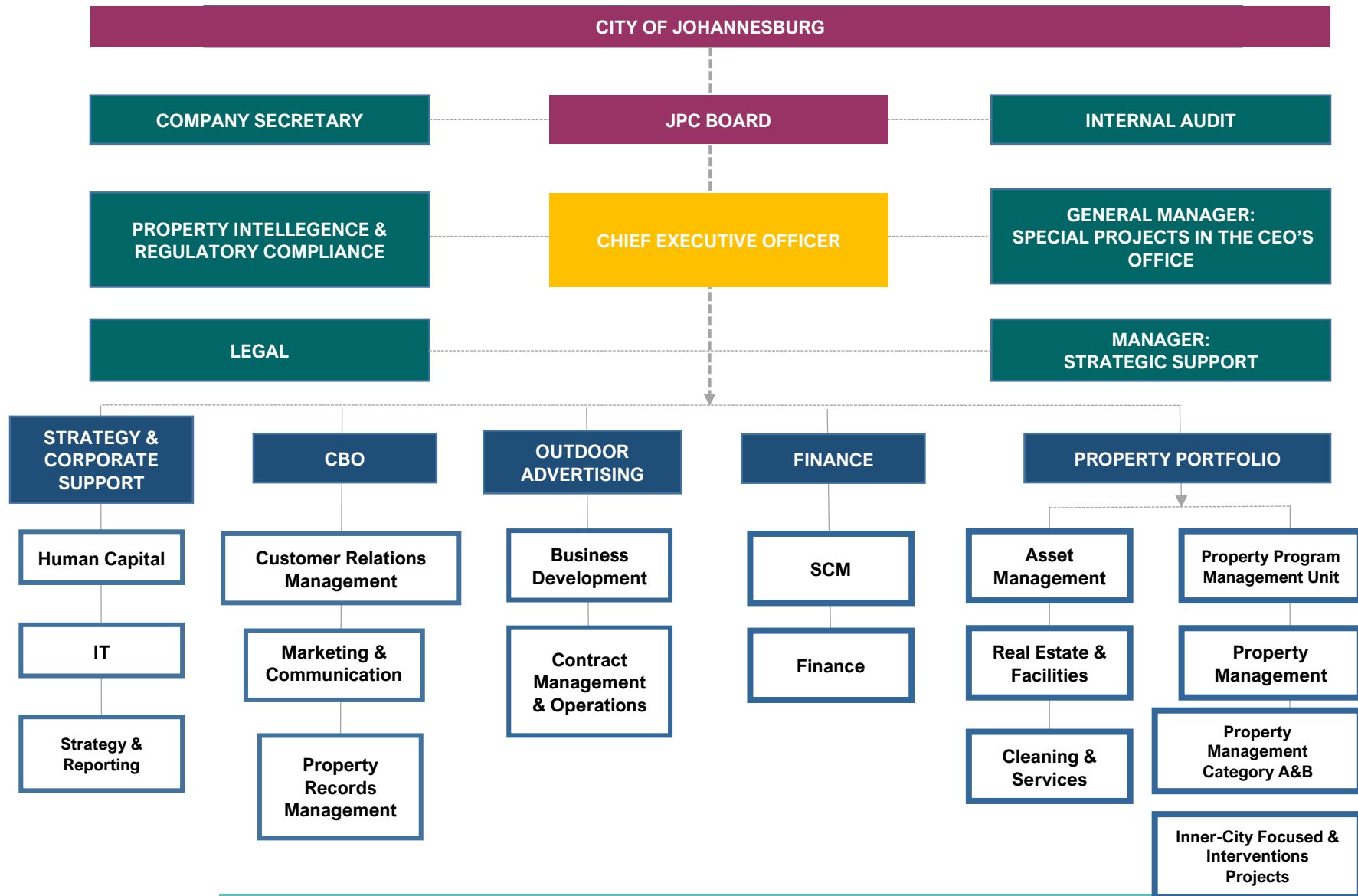
All employers are required to follow the Employment Equity Act and required to perform an analysis of their workforce and submit annual submissions to the Department of Labour. JPC has complied and submitted the Annual Employment Equity Report in January 2021.

ORGANIZATIONAL DEVELOPMENT

The overall structural information as at March 2021 is as follows: The total number of vacant positions as at March 2021 is 438. At this stage there are budget constraints and only vacancies that are funded and deemed as critical will be filled.

Below is a breakdown of the structural summary as at 12th March 2021.

Department	NO. OF POSITIONS	FILLED POSITIONS	VACANT POSTS
Office of the CEO	28	13	15
Finance	42	38	4
Client Business Operations	81	66	15
Outdoor Advertising	9	4	5
Strategic Corporate Support	26	17	9
Portfolio: Asset Management	7	4	3
Portfolio: PPMU	33	18	15
Portfolio Management Category A&B	16	9	7
Portfolio: Property Management & Informal Trading	114	43	71
Portfolio: Inner-City	17	11	6
Portfolio: Real Estate & Facilities	523	271	252
Cleaning Services	1253	1211	36
TOTAL STAFF COMPLIMENT	2149	1705	438



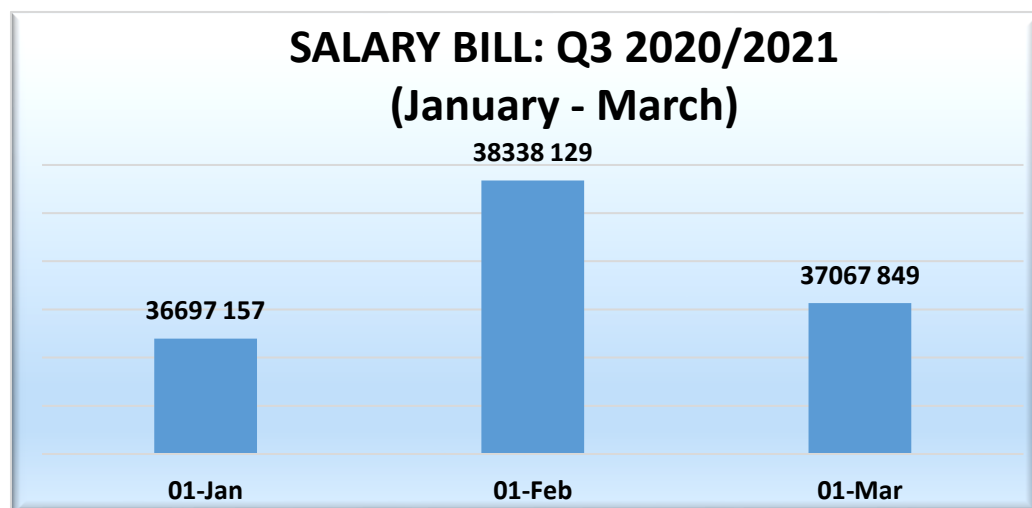
Section 2: Employee Remuneration and Cost Including Executives

The remuneration expenses reported for the period under review (Jan-March 2021) are based on all- inclusive packages:

SALARY BILL: Q3 for 2020/2021 (January – March 2021)	
MONTH	AMOUNT
Jan-21	36 697 157
Feb-21	38 338 129
Mar-21	37 067 849
Total	<u>112 103 135</u>

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

- ✓ The overall salary bill for the third-quarter review (Jan - Mar 2021) amounts to **R 112 103 135**.
- ✓ The transactions mainly consisted of the final payments due to terminations made before the tax-year-end.
- ✓ SAP system background recalculations for tax year end:



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

THIRD QUARTER OVERTIME COSTS: JANUARY TO MARCH 2021

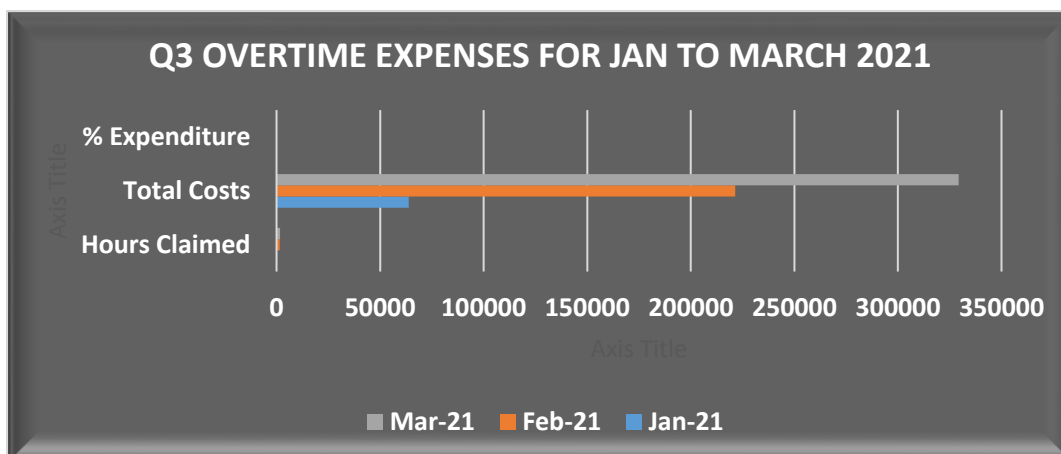
Overtime expenditure is a result of services rendered to the public by JPC in respect of public convenience facilities and cleaning services to corporate buildings. The increase of overtime hours worked is caused by the call for thoroughly cleaned facilities at all times which is a country wide plea on all public facilities and corporate buildings because of Covid-19 regulation. JPC will continue to manage and maintain the expenses effectively.

The table below indicates Q3 overtime expenses: (January to March 2021)

OVERTIME BILL: Q3 OVERTIME EXPENSES FOR JAN - MAR 2021			
MONTH	Total Staff Working Overtime	Total Hours Claimed	Overtime Financial Impact
Jan-21	31	323	R63 799.54
Feb-21	57	1587	R221 381.46
Mar-21	59	1748	R329 369.24
TOTALS	147	3658	R 614 550.24

The table above shows the overtime costs incurred from January to March 2021, the total staff required to work overtime and number of hours claimed for overtime worked. The total budget spend on overtime thus far equates to **R 614 550.24** worked by an average of **50** employees on a monthly basis. The public convenience facilities' operating model requires that employees work over the weekend thus resulting in overtime expenses.

In January most employees are on leave and hence numbers of overtime worked is low, February has 28 days and it is gathered that the days are shorter and employees overtime hours worked are less. In March 2021 there was a spike and 50% capacity of employees are back at work and most corporate buildings require staff that will keep the buildings clean as a result of compliance to COVID-19 requirements.



The graph above displays the monthly expenditure in respect of the overtime costs. It shows an increase in cost from February through to March 2021 pay-run. The increase is due to increased demand on health and safety in public and corporate buildings because of compliance requirements in line with Covid-19 regulations which require buildings to be kept clean and sanitised at all times.

Section 3: Key Vacancies

The organization has decided that the following positions are critical and in dire need to be filled. The following positions were advertised in March 2021, the process of recruitment and selection is still under way and anticipated to be concluded by end of May 2021.

- Head: Human Capital Management
- Company Secretary
- Assistant Strategic Operational Manager x2
- Bookkeeper
- Executive PA (to the CEO)

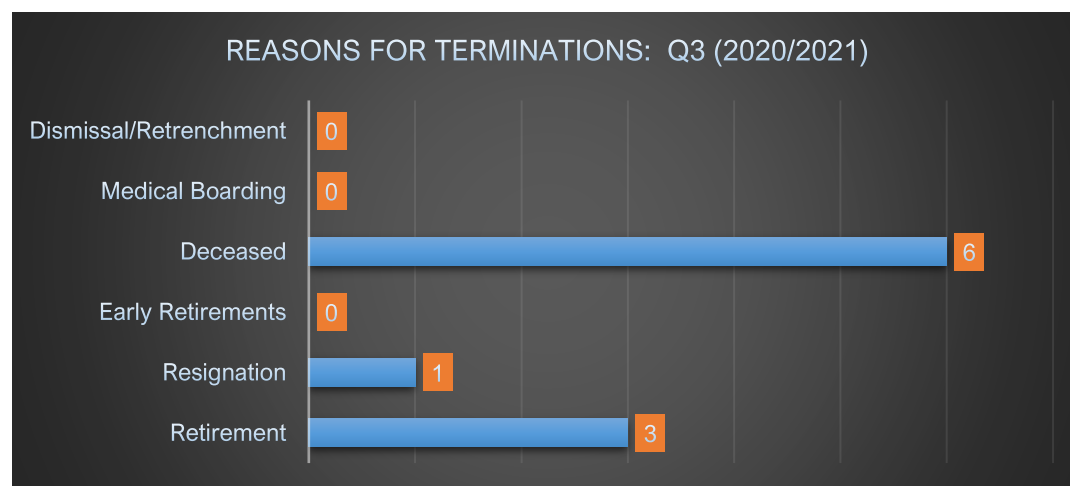
STAFF MOVEMENTS

Terminations: It is reported during the third-quarter review (January – March 2021), ten (10) terminations were actioned.

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	1	0	0	0	0	0	0	0	0	0	1
Senior Management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and mid-management	0	0	1	0	0	0	0	0	0	0	1
Jun. Superintendents and Skilled Technical	1	0	0	0	0	0	0	0	0	0	1
Semi-skilled / Administration	0	0	0	0	0	1	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	6	0	0	0	0	0	6
Total Permanent Staff	2	0	1	0	6	1	0	0	0	0	10
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	2	0	1	0	6	1	0	0	0	0	10

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

The graph below indicates the reasons for termination that transpired during this period under review:

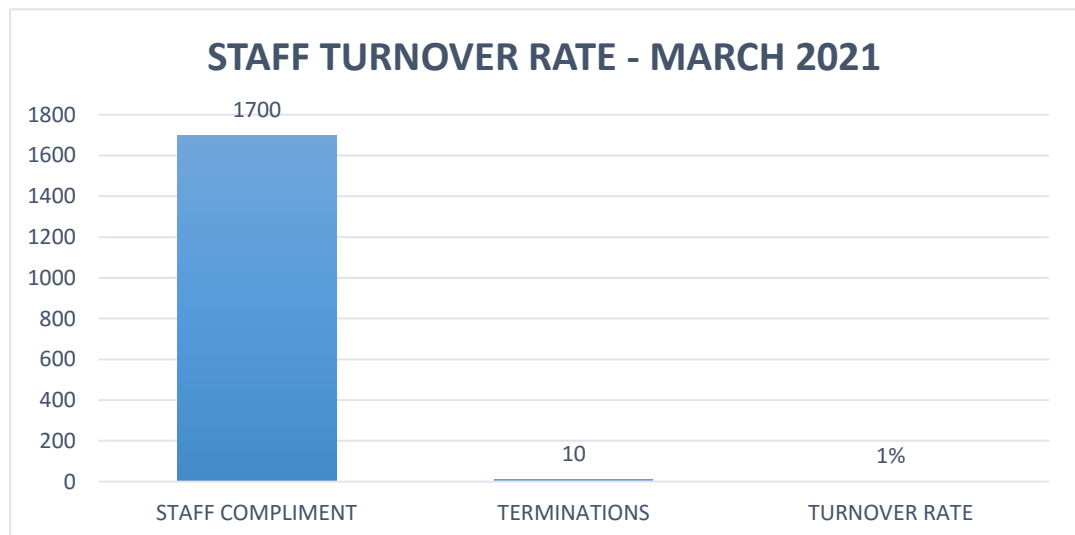


The diagram above indicates the reason for terminations realised during this period under review (Jan-Mar 2021).

- ✓ **Retrenchment:** No employees were retrenched in this period.
- ✓ **Medical Boarding:** No employees were medically boarded.

- ✓ **Deceased:** Six (6) employees passed away mainly due to ill health, this shows that JPC should invest in designing initiatives that promotes healthy living amongst employees.
- ✓ **Early Retirement:** No employees that opted for early retirement in this period
- ✓ **Resignation:** One (1) employee resigned, he is taking time to concentrate on his academic development and expressed the wish to be able to come back again in the employ of JPC upon completion of his program.
- ✓ **Retirement:** Three (3) employees were retired in this period under review. This indicates that JPC has an ageing workforce and needs to ensure that skills are transferred to the new generation to the younger workforce for business continuity.

The impact of the termination rate realised contributes to the under capacitation within key business areas.



STAFF TURNOVER FOR THIS PERIOD UNDER REVIEW: JANUARY – MARCH 2021

The graph above shows staff turnover of 1% which is an acceptable level taking into consideration that a healthy turnover rate is between 5% and 10% in line with best practice.

The 1% staff turnover rate is at an acceptable level and it has been a trend that the organisation experiences employees who stay longer in the employ of JPC. This indicative that JPC is fair and consistent when it comes to compensation benefits available for their employees.

Section 4: Employment Equity

The total JPC EE demographics of the permanent workforce as at March 2021.

Occupational Levels	MALE				FEMALE				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	2	0	1	1	0	1	0	0	0	0	5
Senior Management	11	0	1	1	7	1	1	0	0	0	22
Professionally qualified and mid-management	20	1	6	4	23	2	2	6	0	0	64
Jun. Management, Superintendents and Skilled Technical	95	6	6	9	74	15	2	1	1	0	209
Semi-skilled / Administration	8	0	0	0	77	6	1	1	0	0	94
Unskilled and defined decision making	345	2	0	1	940	19	0	0	0	0	1307
Total Permanent Staff	481	9	14	16	1121	44	6	8	1	0	1700
Temporary Employees	1	0	0	0	2	0	0	0	0	0	3
GRAND TOTAL	482	9	14	16	1123	44	6	8	1	0	1703

The table above demographics demonstrates changes indicative of the improvement in terms of female representation at the middle management and lower levels. In terms of the racial representations there is still improvements to be realised particularly the identification of positions that must be filled by People living with Disabilities and positions to be filled to address gender disparities. Priority will be given to female incumbents when there are vacant positions to be filled. A qualitative and quantitative analysis to be conducted in all workforce levels and demographics on the following:

- People living with Disabilities targets, and
- Gender and Racial representation at management levels.

The analysis will form part of the EE Plan targets and identify barriers that could impede on the implementation and achievement of the set targets.

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

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

PROVINCIAL ECONOMIC ACTIVE DEMOGRAPHIC POPULATION (EADP)

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

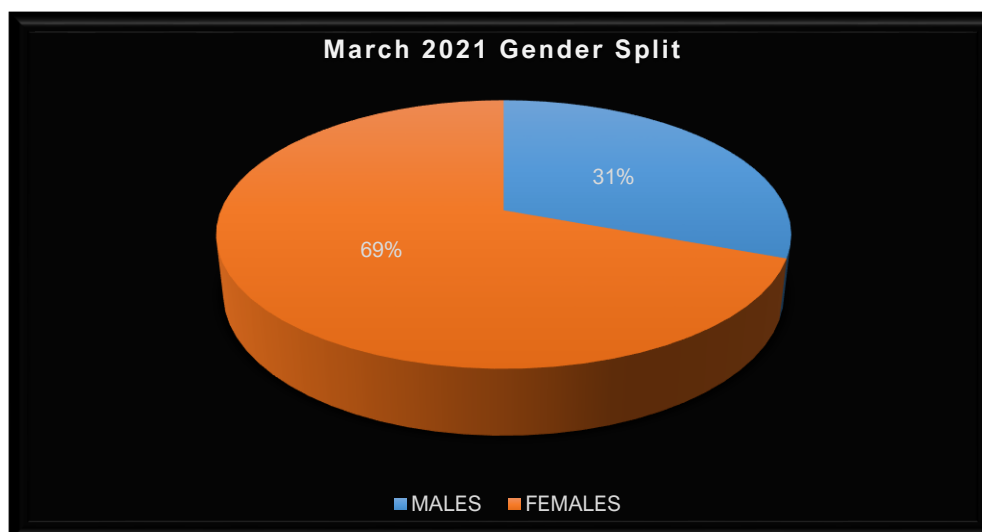
RACIAL SPLIT PER POPULATION GROUPS IN LINE WITH ECONOMIC ACTIVE DEMOGRAPHIC POPULATION

RACIAL SPLIT - DECEMBER 2020	TARGET	ACTUAL	CURRENT NUMERICAL
AFRICAN	81%	94.2%	1606
COLOURED	3%	3.2%	53
INDIAN	3%	1.2%	20
WHITE	14%	1.4%	24
			1703

Overall Racial Split	RACIAL SPLIT			
	A	C	I	W
Actual	94.2%	3.2%	1.2%	1.4%
Target	81%	3%	3%	14%
Gaps	13%	1%	-2%	-12%

The tables above indicate there is underrepresentation of Indians and whites in terms of racial split against the EAP targets. Furthermore, People living with Disabilities are not presented. The representation in terms of percentage is yet to be determined to measure how many people living with disabilities at JPC. This exercise will be conducted during the collection and data analysis process using EEA1 template.

GENDER SPLIT ANALYSIS



The above table depicts a significant change on gender representations effectively due to the appointments at management, administrative and cleaning service workforce. JPC has recorded 70% of the female representation and the majority of the staff is under the lower levels staff in the Cleaning Services Unit. This provides JPC with an opportunity to put in place interventions to allow female employees in this unit to improve their skills at supervisory and team leading.

Section 5: Skills Development

TRAINING IMPLEMENTED PLAN FOR THE PERIOD UNDER REVIEW

In the quarter under review, the HR department embarked on in-house Individual Learning Planning (ILP) workshops for the Cleaning Service Staff. ILP workshops commenced on 15 February 2021 and still in progress as part of preparation to compile the 2021/2022 Workplace Skills Plan and Annual Training Report (WSP and ATR) due for submission to Services SETA on 30 April 2021. To date, 686 Cleaning staff employees have attended and completed their ILP templates.

The following programmes were identified as key basic interventions to be implemented for the Cleaning Services Staff going forward.

PRIORITISED AREA OF DEVELOPMENT	OUTCOMES EXPECTED
1. Customer Services	Improved employees ability to communicate with different clients and attend their needs
2. Occupational Health and Safety Act	Employees to understand and apply safety regulations in their respective working areas
3. Cleaning and Hygiene Management	Employees to maintain cleaning standards using relevant tools of trade.
4. Handling of Hazardous Materials	Employees to gain knowledge of different cleaning chemicals to avoid exposure and contamination
5. Waste Management	Creating awareness and understand the separation of waste for recycling and disposal
6. Communication and Emotional Intelligence	Employees to improved their interpersonal and communications skills within the team
7. Life Skills Programmes	Employees' ability to maintain their work-life balance.

LEARNERSHIPS AND GRADUATES INTERNSHIP PROGRAMME

Interns returned to work on 09 November to proceed with internship developmental activities in consultation with their mentors to adhere to COVID19 protocols and precautionary measures to prevent the spread of the virus. Services Seta approved Internship programme extension and the programme will be terminating on 30 June 2020.be extended by five (5) months in mitigation of the time lapsed due to COVID19 national lockdown. To date thirty (30) remain in the programme, while others have resigned from the programme taking up on new job opportunities.

The process of procuring and approval of training interventions was reviewed to adhere to the Supply Chain Request for Quotation (RFQ) procedure that all quotations should be within R 200 000.00 threshold. RFQ's will be re-issued for both Safety and Maintenance Training interventions indicated in the table below.

INTERVENTION	TARGETED BENEFICIARIES
First Aid Level 1	First Aiders
First Aid Level 2	First Aiders
First Aid Level 3	Advanced First
Fire Fighting training	Fire Fighting Representatives
SHE Representative training	SHE Reps

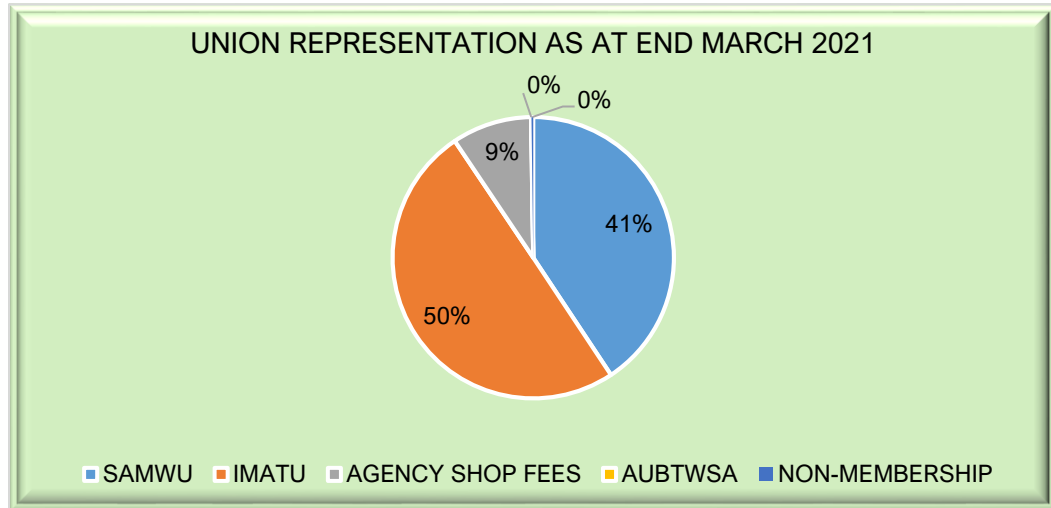
INTERVENTION	TARGETED BENEFICIARIES
ASSESSMENTS FOR ALL TRADES: Plumbing, Painting, Carpentry, Mechanical Welding, Electrical, Bricklaying, Plastering and Tiling	General Workers & Artisans Support
Basic Technical Maintenance Training Plumbing, Painting, Carpentry, Mechanical Welding, Electrical, Bricklaying, Plastering and Tiling	General Workers Artisan Support
Trade Test Preparation Training Painting, Plumbing, Carpentry, Electrical, Welding, Bricklaying, Tiling and Plastering	Artisan Support
Trade Test –Painting , Plumbing, Carpentry, Electrical, Mechanical Welding , Bricklaying, Tiling and Plastering	Artisan Support

The implementation of the short online programmes were postponed due the SLA not being signed and the time has lapsed. The number of programmes has been reduced to four (4) considering that each programme takes eight (8) weeks to complete to mitigate the risk. The online programmes are anticipated to commence during the Q4.

PROGRAMMES	TARGETED BENEFICIARIES
Writing for Government	General & Senior Managers , Middle and Assistant Managers, Operations Managers and Regional Supervisors/Superintendents
Ethics in the Public Service (Compulsory course)	General & Senior Managers , Middle and Assistant Managers, Operations Managers and Supervisors/Superintendents, Administrators
Introduction to Leading Change	Executive Managers, General Managers, Senior Managers, Managers and Assistant Managers
Policy and Procedure on Incapacity, Leave and Ill-Health Retirement	HR Staff , All Managers and Assistant Managers/ Supervisors responsible for supervising staff

Section 6: UNION PRESENTATION

Union presentation for this period under review: January – March 2021



The union representation and membership graph above shows that from a staff compliment of 1700 permanent employees, 41% belongs to SAMWU, 50% belongs to IMATU, 9% fall within the Agency shop fees and only 1 employee is on the newly formed AUBTWSA union.

Section 7: DISCIPLINARY MATTERS & OUTCOMES

Matters that were set down at the South African Local Government Bargaining Council (SALGBC) and the outcomes for the period are as follows:

CASE DESCRIPTION	OUTCOME
Two (2) conciliation were held for referrals of unfair dismissal and unfair labour practice.	Awaiting notice of set down for arbitration from the South African Local Government Bargaining Council (SALGBC).
Two (2) unfair dismissal arbitrations were set down.	One is part heard , awaiting confirmation of date to continue the matter, a jurisdictional ruling was made in favour of the JPC.
In limine condonation application	Awaiting outcome from the SALGBC.
Five (5) employees were placed on precautionary suspension	Investigation is still under way. Pending outcome of investigation which will point the employer in the direction to take.

Section 8: Leave and Productivity Management

LEAVE PROVISION: Q3 (JAN TO MARCH 2021)

The leave liability amount based on the annual leave balances as at end March 2021 amounts to **R110 454 104**. The leave liability amount indicates a slight decrease in February and March, the decrease is due to employees encashing their leave days at this time of the year to assist them with school fees and the Easter holidays.

The table below illustrates the monthly leave liability amounts: (Jan – March 2021)

Q3 LEAVE PROVISION: JAN - MAR 2021		
MONTH	LEAVE DAYS	AMOUNT
01-Jan	33 902	38 606 821
01-Feb	29 676	35 625 584
01-Mar	31 621	36 221 699
<u>TOTAL</u>	<u>95 198</u>	<u>110 454 104</u>

LEAVE ENCASHMENT FOR Q3 REVIEW: (JAN TO MARCH 2021)

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

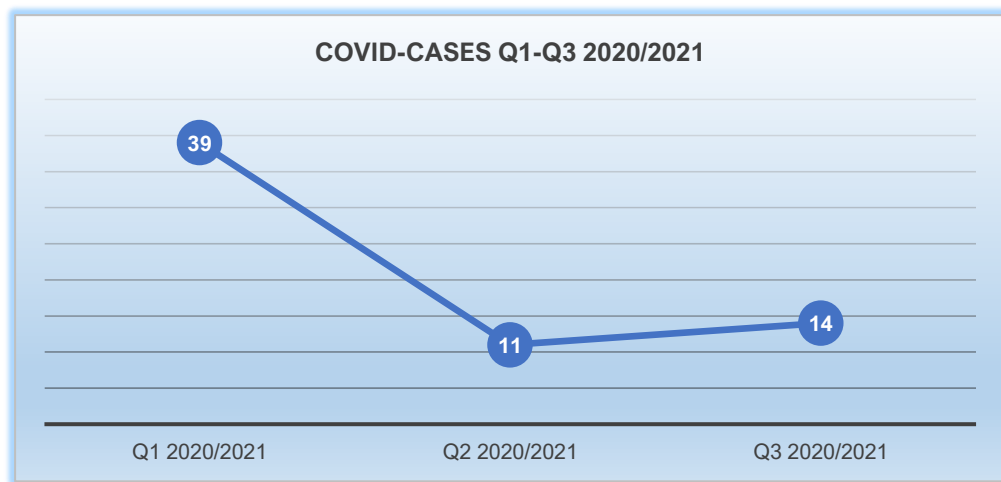
The table below illustrates the monthly leave encashment: (Jan - Mar 2021)

LEAVE ENCASHMENT: Q3 JAN - MAR 2021		
MONTH	LEAVE DAYS	AMOUNT
Jan-21	588	R 428 149
Feb-21	665	R680 576
Mar-21	490	R511 416
<u>TOTALS</u>	<u>1743</u>	<u>R1 620 141</u>

The table above indicates the monthly leave encashment during the third quarter review. Employees’ encashed a number of 1743 non-compulsory days at total costs of **R 1 620 141**.

Section 9: Employee Wellness

The City of Joburg Property Company (JPC) seeks to have high levels of employee engagement to ensure higher business performance, reduced staff turnover and increased efficiency linked to healthy and engaged employees. In light of the current pandemic the business has placed high emphasis on the implementation measures that will mitigate and eliminate the transmission of the virus in the workplace.



The above graph is indicative of a drop in the COVID-19 cases to date and this has been driven by compliance to regulations and the following remedial measures:

- Frequent cleaning of high touch areas;
- New COVID-19 related posters placed at Corporate Buildings and Depots to create awareness;
- Re-emphasis of COVID-19 education by virtue of SMS's;
- Continuous health screening of employees to identify those impacted or positive;
- Allow employees who have recovered to share their experiences in the process of recovery;

Mental health and psychosocial support – COVID-19 is associated with a range of concerns, such as fear of falling ill and dying, of being socially excluded, placed in quarantine, or losing livelihood. Symptoms of anxiety and depression are common reactions for people in the context of COVID-19 and Occupational/Professional nurses assist with counselling of employees, offer psychosocial support and contact tracing of employees who have tested positive.

Section 10: Employee Benefits

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

PENSION FUND MEMBERSHIP	TOTAL	REMARKS
EJoburg Retirement Fund	1629	Defined Contributions
City of Joburg Pension Fund	52	Defined Benefits
Municipal Employee Pension Fund	7	Defined Contributions
Municipal Gratuity Pension Fund	6	Defined Contributions
Joint Municipal Workers Pension Fund	1	Defined Benefits
Non-Membership	5	Not compulsory
TOTAL	1700	

The table above demonstrates the membership distribution of JPC to the accredited pension funds. This condition is compulsory to all JPC employees with the exception of the Chief Executive Officer temporary medically boarded employees who are already being paid by their respective pension fund and temporary employees. *In terms of the salary and wage collective agreement, the pension fund condition ordinarily increases by virtue of the salary increase of 6.5% and related linked benefits.*

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

MEDICAL AID SCHEME	MEMBERSHIP
BONITAS	251
DISCOVERY	15
HOSMED	72
KEYHEALTH	111
LA HEALTH	236
SAMWUMED	140
TOTAL MEMBERSHIP	825

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



Chapter 5: Financial Performance

Section 1: Statement of Financial Position

STATEMENT OF FINANCIAL POSITION FOR JPC FOR THE PERIOD ENDED 31 MARCH 2021

	Note	2021	2020	Variance R
Assets				
Current assets		483 326 893	670 235 074	-186 908 181
Cash and cash equivalents	1	2 000	2 000	-
Receivables from exchange transactions	2	474 083 860	660 968 260	-186 884 399
Loans to shareholders	3	9 116 750	8 960 950	155 800
Receivables from non-exchange transactions	4	2 939	2 939	-
Prepayments	5	121 343	300 926	-179 582
Non-current assets		57 114 653	63 642 085	-6 527 432
Property, plant and equipment	6	13 742 367	20 017 879	-6 275 512
Intangible assets	7	13 638 258	13 890 178	-251 920
Prepayment	8	24 447	24 447	-
Deposits	9	182 092	182 092	-
Deferred Tax Asset	10	22 669 263	22 669 263	-
Current tax receivable	11	6 858 227	6 858 227	-
Total Assets		540 441 546	733 877 160	-193 435 613
Liabilities				
Current Liabilities		616 878 474	735 206 640	-118 328 166
Payables from exchange transactions	12	71 677 270	339 964 272	-268 287 002
Finance lease obligation	13	803 426	4 183 102	-3 379 675
Loans from shareholders	14	529 388 017	372 074 506	157 313 511
Provisions	15	3 096 951	3 096 951	-
Income received in advance	16	-	3 975 000	-3 975 000
Operating lease liability	17	11 912 809	11 912 809	-
Non-Current Liabilities		1 233 120	1 233 120	-
Finance lease obligation	13	547 120	547 120	-
Employee benefit obligation	18	686 000	686 000	-
Total liabilities		618 111 594	736 439 761	-118 328 166
Net Assets		-77 670 048	-2 562 601	-75 107 447
Share Capital	19	5 142 721	5 142 721	-
Accumulated Surplus/(Deficit)	20	-82 812 769	-7 705 322	-75 107 447
Total Net Assets / (Liabilities)		-77 670 048	-2 562 601	-75 107 447

High Level Notes:

1. The petty cash float is maintained at R2 000 every month.
2. Debtors comprises of two categories: related parties and third parties. Related parties indicates monies outstanding from intercompany transactions. Third parties refers to external clients. JPC received R180 million in Q1 from related party debtors.
3. Represents the COJ: Portfolio loan account with JPC.
4. Staff debtors relate to personnel that have signed an acknowledgement of debt. During April the Board approved the write off for delinquent staff debtors.
5. Prepayments relate to the amortisation of software licenses over the duration of the usage terms and conditions; as well as office accommodation for the amortisation of expenditure related to the acquisition of the Forum 2 lease.
6. Property, plant and equipment is measured at the lower of cost or carrying amount. The useful life of fixed assets has been extended due to their good condition.
7. Intangible assets comprise of computer software that has been procured and internally generated. No impairment is required for the 2019/20 financial year.
8. Prepayments relate to the amortisation of software licenses over the duration of the usage terms and conditions; as well as office accommodation for the amortisation of expenditure related to the acquisition of the Forum 2 lease.
9. Electricity deposits with Eskom for the Baragwanath informal trading facility and the Lenasia facilities management buildings.
10. Deferred tax has been calculated to account for movements in the balance sheet.
11. Refund due from SARS for income tax assessments from 2012/13 to present.
12. Consists of current liabilities that will become due and payable in the next 12 months. These liabilities include VAT, accruals, related party accruals, etc. JPC has had a significant reduction in payables in Q1 as majority of the accruals for the 2020 financial year were paid.
13. This is the short term portion of the finance lease liability which is payable within one year.
14. Relates to loan accounts payable between JPC and various COJ departments for the sweeping account and administration of the payroll.
15. Relates to provision for EXCO bonuses for the 2019/20 financial year.
16. Commission related to the acquisition of property for the COJMM Department of Housing was raised and received in the 2020 financial year; however the transaction only materialised subsequent to the financial year end.
17. GRAP 13 adjustment for the straight lining of operating leases over the lease duration of office accommodation buildings.
18. Provision on Post-retirement Medical Aid raised based on 2019/20 actuarial valuation report in respect of personnel that qualify for the benefit.
19. There are no changes to the share capital of JPC in the current financial year.
20. The accumulated surpluses and losses from previous and current financial year.

Section 2: Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2021

		Year-to-date		Annual	
	Note	Actual	Budget	Variance	Budget
Revenue					
Revenue from non-exchange transactions		487 632 445	636 124 500	148 492 055	848 166 000
COJ - Subsidies received	1	447 171 750	484 671 750	37 500 000	646 229 000
Internal recoveries	2	40 460 695	151 452 750	110 992 055	201 937 000
Revenue from exchange transactions		43 977 651	103 714 500	59 736 849	138 286 000
Management Fees	2	4 707 899	-	-4 707 899	-
Commission on Portfolio Rentals	3	12 263 944	31 349 250	19 085 306	41 799 000
Commission on Outdoor Advertising	4	7 624 772	5 919 750	-1 705 022	7 893 000
Commission on Property Acquisition	5	4 492 362	-	-4 492 362	-
Assets Under Management Fees	6	5 250 000	5 250 000	-	7 000 000
Facilitation Fees - Inner City	7	-	22 500 000	22 500 000	30 000 000
Facilitation fees	8	1 500 000	30 000 000	28 500 000	40 000 000
Ad hoc Fees	9	116 729	-	-116 729	-
Cell Mast	10	8 021 947	8 695 500	673 553	11 594 000
Other income		-	-	-	-
Interest received	11	-	-	-	-
Total Revenue		531 610 096	739 839 000	208 228 904	986 452 000
Expenditure					
Board of directors fees and expenses	12	704 483	2 100 000	1 395 517	2 800 000
Office operational expenses	13	208 753 431	246 156 825	37 403 394	328 209 100
Contracted expenses	14	10 822 888	19 099 500	8 276 612	25 466 000
Cleaning materials	15	2 806 616	23 608 500	20 801 884	31 478 000
Repairs & Maintenance	16	17 837 470	68 658 750	50 821 280	91 545 000
Salaries	17	361 567 316	340 187 835	-21 379 482	453 583 780
Travel	18	-	403 500	403 500	538 000
Interest Paid	19	2 989 060	29 025 000	26 035 940	38 700 000
Depreciation	20	6 527 417	10 599 090	4 071 673	14 132 120
Loss on disposal of assets	21	-	-	-	-
Total expenditure		612 008 681	739 839 000	127 830 319	986 452 000
(Deficit)/surplus before taxation		-80 398 585	-	80 398 585	-
Taxation		-	-	-	-
Net (Deficit)/Surplus		-80 398 585	-	80 398 585	-

High Level Notes:

1. Subsidy provided to JPC for the 2020/21 financial year. The subsidy has been increased during the midterm budget review and will be recouped in the 4th quarter of 2021.
2. Internal recoveries relates to the salary recovery for insourced of cleaning staff, and management fees for R&M, and CAPEX projects undertaken on behalf of the COJ and its departments.
3. The COJ Rental Collection Commission, Servitudes and Rates & Taxes is 60.88% below the budget, this is in line with rental collections in Portfolio. There is currently an undertaking to renew leases, this will increase the amount of revenue Portfolio can collect and the commission receivable by JPC.
4. The Commission on Outdoor Advertising is 28.8% above the budget, this is in alignment with collections in Portfolio. The budget was reduced during the midterm budget review in Q3.
5. Recognition of revenue for income received in advance from the 2020 financial year with regards to Erf 180 Wolhuter.
6. Relates to Asset Under Management fee for the administration of the COJ's assets.
7. Relates to Facilitation Fees for the Inner City rejuvenation. For the YTD no transactions have transpired.
8. Relates to development facilitation fees. For the YTD two transactions have transpired.
9. Ad hoc fees relate to services provided by JPC to City Power and Johannesburg Water for property acquisitions.
10. Cell Mast is in line with the contract signed between JPC and Altivex.
11. No interest has accrued to JPC for the YTD as the bank account remains in overdraft.
12. Directors' emoluments and expenditure is 66.45% below the budget. This is in line with the number of meetings scheduled for the YTD.
13. Operational expenditure is 15.19% below the YTD budget. Cost management measures have been implemented to manage expenditure. Operational expenditure is anticipated to increase as the financial year end approaches.
14. Contracted expenditure is 43.33% below the budget. Contracted expenditure is expected to increase significantly from Q4 onwards as services for internal and external audit are utilised.
15. Bulk cleaning materials have been procured as they have been required to be replenished in the current financial year. Expenditure will increase closer to financial year end.
16. Repairs & Maintenance is 74.02% below the YTD budget. This will increase during Q4 as projects will be confirmed and undertaken by JPC for corporate buildings and COJ departments.
17. Salary expenditure is 6.28% above the budget. Additional budget was provided during the midterm review to cover the shortfall in cleaners' employee costs, however it is insufficient to cover the shortfall in the overall salaries budget.
18. No travel expenditure has been incurred for the YTD.
19. Interest on the overdraft has decreased significantly as the overdraft has decreased due to collection of monies from related party debtors.
20. Depreciation is 38.42% below the budget. This is in line with the fixed asset register.
21. No assets were disposed for the YTD.

Section 3: Cash Flow Statement

Statement of cash flows for the period ended 31 March 2021

	2021	2020
Cash flows from operating activities		
Rendering of services	272 638 881	-73 240 669
Subsidies	447 171 750	658 636 000
Interest Income	-	74 073
	719 810 631	585 469 404
Payments		
Employee costs	-361 567 316	-382 704 185
Suppliers	-509 032 290	-205 091 481
Finance costs	-2 989 060	-18 175 219
Taxes on surpluses	-	-
	-873 588 666	-605 970 885
Net cash flows from operating activities	-153 778 035	-20 501 481
Cash flows from investing activities		
Purchase of PPE	-	-944 775
Proceeds/(Loss) on disposal of PPE	-	-
Purchase of intangible assets	-	-35 036
Payment of deposits	-	-
Net cash flows from investing activities	-	-979 811
Cash flows from financing activities		
Net movement of shareholders loan	157 157 709	28 882 245
Finance lease payments	-3 379 674	-7 400 953
Net cash flows from financing activities	153 778 035	21 481 292
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at 01 July 2020	2 000	2 000
Cash and cash equivalents at 31 March 2021	2 000	2 000

	NOTE REF	ACTUAL March-21	ACTUAL March-20	VARIANCE
ASSETS		-	-	
NON-CURRENT ASSETS		-	-	-
Prepayment - Outdoor Advertising commission - JPC	9	-	-	-
CURRENT ASSETS		301 903 901	333 853 523	(31 949 622)
Trade and other receivables		282 075 572	250 606 546	31 469 026
Debtors - Rentals	1	138 894 456	123 501 284	15 393 173
Doubtful Debts - Move Provision	1	(47 655 156)	(47 655 156)	-
Debtors - Other: COJ	2	18 180 126	8 880 431	9 299 695
Debtors - Land Sales	3	281 993	281 993	-
COJ Portfolio - VAT Claim/Payable Account	4	11 098 114	2 060 115	-
COJ Departments Debtors	5	11 278 995	-	11 278 995
JPC Portfolio Loan Account	16	19 065 104	10 169 679	8 895 425
Capital Expenditure: Current Year	10	1 872 356	50 662 027	(48 789 671)
Capital Expenditure: Prior Year	10	129 059 583	102 706 172	26 353 411
Cash and cash equivalents		19 828 329	83 246 977	(63 418 647)
STD/ABSA COJ Loan Account - Bank Sweeping	6	-	-	-
STD/ABSA Bank: JRA Portfolio Account	7	-	63 726 871	(63 726 871)
STD/ABSA Bank - Tenant Deposit Account	8	19 828 329	19 520 106	308 224
		301 903 901	333 853 523	(31 949 622)

EARNINGS AND RESERVES

	64 843 929	94 425 904	(29 581 975)
Retained Income - Prior Year	26 986 665	34 164 289	(7 177 624)
Current Period Surplus/(Deficit)	37 857 265	60 261 615	(22 404 350)
To End Prior Month			
Surplus/(Deficit)	29 893 951	49 138 989	(19 245 038)
Current Month Surplus/(Deficit)	7 963 314	11 122 627	(3 159 312)

CAPITAL AND RESERVES

64 843 929 94 425 904 (29 581 975)

NON CURRENT LIABILITIES

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

CURRENT LIABILITIES

	237 059 972	239 427 619	(2 367 647)
Trade and Other Payables			
STB COJ Loan Account - Bank Sweeping	6 209 900 667	211 483 847	(1 583 180)
COJ Portfolio - VAT Claim/Payable Account	4 -		
Accruals	13 1 603 849	4 900 225	(3 296 376)
Receipts In Advance - Rentals	14 11 784 376 11 291	12 472 082	(687 706)
Deposits Received: Tenants	15 284	8 076 179	3 215 105
JPC Portfolio Loan Account	16 -	-	(12 472 082)
Property Portfolio Loan: MOE's Prepaid - Deposit received on land sales	17 95 868 19 348 683	111 358 348 683	(7 980 312) 237 325
Creditor (Solar Street Names)	20 1 944 008	1 944 008	1 595 325
Creditor (Khulu Outdoor)	21 91 237	91 237	(1 852 770)
Unallocated Debtor Receipts	22 -	-	
	<u>301 903 901</u>	<u>333 853 523</u>	<u>(31 949 622)</u>

High Level Notes:

1. Debtors balance as per age analysis.
2. This relates to rental accommodation of Councillors, Community Participation Projects. It was agreed with COJ that the JPC Portfolio will pay for the monthly rentals for the office space and in turn the City will refund Portfolio for expenses incurred.
3. Land sales transferred from COJ to Clients but the full purchase price has not been paid, follow ups were made by Credit Control when the clients did not respond/pay the outstanding balance they were handed over to the Legal Team.
4. The VAT generated by the Portfolio is declared to the COJ each month. The VAT is consolidated in the COJ's VAT return, which is in turn submitted to the SA Revenue Services.
5. COJ Departments Debtors as follows: COJ GSPRC: R11 278 995. Community Based Projects
6. The COJ STD Bank account reflects the sweeping of cumulative funds between the COJ Portfolio Bank Account to the COJ Treasury account, currently COJ Departments are delaying payments for work done and as a result the bank is in overdraft
7. The amount reflects Tenant deposits held in the COJ Tenant Deposit Account including interest as well as payments received for the Rissik Post Office insurance claims.
8. This Item reflects Capital expenditure. An amount of R129 059 583.19 still has to be paid from the CoJ for the financial year ended 30 June 2020. The budget allocated for the year amounts to R147 980 655 for the year 2020/2021.
9. This item reflects accruals raised, R1 603 849 is still to be paid.
10. This item reflects rental paid in advance for the next 30 years by RMB properties which is allocated on a straight line basis, 15 years still remaining on the contract.
11. The amount reflects Tenant Deposits held and Rissik Post Office Insurance paid in the COJ Portfolio Trust account excluding interest earned.
12. The JPC Loan account reflects the commissions due to JPC, 25% on Rentals, 10% on Land Sales and 10% on Capex Projects, and includes amounts received and paid on behalf of the COJ Portfolio. Offsetting in this regard was not taken into account thus JPC owes the Portfolio.
13. The Property Portfolio Loan account reflects amounts due to MOE's based on the income received and expenses paid on their behalf. MOE's Rentals are paid into JPC Main Account and are normally paid over to MOE's the following month.
14. Payments received from Solar Street names, no contract exists thus amounts are due and payable to clients.
15. Payments received from Khulu Outdoor, no contract exists thus amounts are due and payable to clients.
16. Unallocated receipts received in the JPC Portfolio Bank Account, amounts cannot be allocated due to insufficient information for example lease agreements, unclear transaction description.

	NOTE REF	ACTUAL YTD 2020/2021	BUDGET YTD 2020/2021	VARIANCE YTD	APPROVED BUDGET 2020/2021
INCOME / BILLINGS					
Rent of Facilities and Equipment	1	48 056 432	78 846 000	-30 789 568	105 128 000
Interest Received - Arrear Debtors	2	1 776 936	2 636 250	-859 314	3 515 000
Other Income	3	-450 499	9 000 000	-9 450 499	12 000 000
Recoveries: Bad Debts - COJ	4		-	-	-
Outdoor Advertising - COJ	5	21 120 935	37 500 000 24 750 000	-16 379 065	50 000 000
Gains on Disposal of Assets	6	-		-24 750 000	33 000 000
TOTAL INCOME		70 503 805	152 732 250	-82 228 445	203 643 000

	NOTE REF	ACTUAL YTD 2020/2021	BUDGET YTD 2020/2021	VARIANCE YTD	APPROVED BUDGET 2020/2021
EXPENDITURE					
Contacted Services: Business Advisory PM	7a	-	5 844 167	5 844 167	7 792 222
Contacted Services: Business Advisory Research	7b	-	10 428 746	10 428 746	13 904 994
Contacted Services: Business Advisory Valuer	7c	96 315	1 973 088	1 876 773	2 630 784
RM: Buildings	8	677 384	48 558 750	63 538 000	64 745 000
Bad and Doubtful Debts	9	-	1 580 250	1 580 250	2 107 000
Advertising, Publicity and Marketing	11	31 325	2 340 000	2 308 675	3 120 000
General Expenses: Assessment Rates	10	518 159	3 742 500	3 224 341	4 990 000
General Expenses: Refuse Removal	10	152 243	4 620 000	4 467 757	6 160 000
General Expenses: Sundries	10	-	1 965 000	1 965 000	2 620 000
Internal Recoveries: JPC Commission	12	24 938 456	42 519 000	17 580 544	56 692 000
Internal Recoveries: Internal Charges Core- security	13a.	6 243 936	27 963 750	21 719 814	37 285 000
Internal Recoveries: Internal Charges Legal	13b.	-11 278	5 433 000	5 444 278	7 244 000
Internal Recoveries: Internal Charges Cleaning	14	-	31 210 500	31 210 500	41 614 000
Depreciation: Other Assets	15	-	398 250	398 250	531 000
TOTAL EXPENDITURE		32 646 540	188 577 000	134 534 066	251 436 000
SURPLUS / (DEFICIT)		37 857 265	-35 844 750	73 702 015	-47 793 000

High Level Notes:

1. COJ Rentals: The overall revenue anticipated from the rentals collection is 39.1% below the targeted budget. Delays in the approval of reports by EAC has resulted in the lease renewal period being longer than the average 3 months it takes for a lease to be renewed. Delays in council approvals for potential new leases has also stifled income received from the rental of facilities and equipment.
2. This item reflects interest charged on overdue tenant accounts. The interest generated on the debtor's accounts 32.6% below the targeted budget.
3. Other income is derived from servitude rights and income billed for services rendered on behalf of COJ Department. Income derived from servitude is 105.0% below the budget.
4. No income recognised for the month of March 2021
5. Income derived from outdoor advertising and promotions, 81.2% below the budget. The reason for none achievement of the revenue target from outdoor advertising leases is mainly due to a number of advertising contracts that have lapsed where the City is no longer collecting any revenue. This income is dependent on lifting of suspension relating to the implementation of the by-laws pending finalization of legal action by various role-players (the industry, OHMSA, SAPOA, etc.) challenging various aspects of the by-law.
6. No income recognised for the month of March 2021
- 7a. Contacted Services: Business Advisory PM no expenditure this month.
- 7b. Contacted Services: Business Advisory PM no expenditure this month.
- 7c. Contacted Services: Business Advisory Valuer is 95.1% below YTD budget.
- 8a. Repairs and maintenance of buildings expenditure is 98.6% below YTD budget.
9. No expenditure recorded in this financial.
10. General Expenses: Assessment Rates, Refuse Removal is, Electricity supply- expenditure incurred is 86.3% and 96.3% below YTD budget.
11. Advertising, Publicity and Marketing expenditure is 98.7% below.
12. Internal Recoveries: JPC Commission indicates a saving of 61.5% against the budget indicating the security expenses are within budget. Delay in the conclusion of new leases, lease renewals, servitude registrations and land sales has resulted in the drop in commission payable to JPC.
- 13a. Internal Recoveries: Internal Charges Core- security IS 77.7% below YTD budget.
- 13b. Internal Recoveries: Internal Charges Core- legal charges no expenditure this month.
14. Internal Recoveries: Internal Charges Core- cleaning insourcing no expenditure this month
15. No expenditure recorded in the financial.

Section 4: Capital Projects & Expenditure

Project No	JSIP No	Details	Total 2020-21 Budget	YTD Actuals	Variance	%
1	2669	Computer Equipment - New Computer Upgrades	8 100 000	-	8 100 000	0%
2	4142	Erf 43-46 Victoria Ext 3(Paterson Park Node) VICTORIA EXT.3 E Regional	5 000 000	-	5 000 000	0%
3	2290	FMMU - Public Conveniences New Public toilets JOHANNESBURG	25 000 000	769 584	24 230 416	3%
4	6358	Marlboro Station Project Land Preparation	500 000	-	500 000	0%
5	4184	Metromall Taxi Rank Shop Revitalisation and Waste Management Area Redesign	20 000 000	-	20 000 000	0%
6	2284	Office Space Optimisation Program New Precinct Redevelopment JOHANNESBURG F City Wide	71 880 655	-	71 880 655	0%
8	2632	Park Central Facility Upgrade and Packaging Renewal Building Alterations JOHANNESBURG F Ward	2 500 000	-	2 500 000	0%
9	4180	Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex JOHANNESBURG F Ward	15 000 000	1 102 772	13 897 228	7%
			147 980 655	1 872 356	146 108 299	1%

Section 5: Ratios Analysis

PART A - JPC

LIQUIDITY RATIO

JPC is currently owed R474 million from trade and intercompany debtors with cash collections in excess of R270 million being achieved for the YTD for trade receivables. JPC has a current ratio of 0.78:1 as compared to the norm of 1:1, the ratio has declined from the June 2020 financial year end as the financial performance of the company has lagged behind business and budgeted objectives for the current financial year.

The sweeping account currently reflects as positive R23.5 million, however related party loans exceeding R500 million for salary costs are still to be paid to the COJ's Group Finance and Corporate Shared Services. The cash position will improve as collections from related parties will increase throughout the 2020/21 financial year. Further to this, JPC will recover employee costs from the COJ's departments for cleaning services provided from September 2019; this will increase the liquidity and solvency of JPC.

DEBTORS COLLECTION PERIOD

JPC has debtors' collection ratio in excess of two years for 3rd party/external debtors. Collection of third party debtors have declined significantly due to the timing difference for the receipt of cell mast income and the non-recovery of facilitation fees for the 2019 and 2020 financial years. The debtors' collection ratio for intercompany and related party debtors

is 251 days. The intercompany debtors' collection ratio is due to the timing differences in the collection of intercompany debtors and non-payment by COJ departments and other MOE's for services rendered by JPC.

SOLVENCY RATIO

JPC has a solvency ratio of 0.87:1 against the norm of 2:1 and is factually insolvent, whereby the financial statements indicate that there are insufficient assets to cover all liabilities. The solvency position improved due to profits from the 2019 and 2020 financial years, however, the position has deteriorated over the 2021 financial year as a substantial loss has been incurred for the YTD.

COST COVERAGE RATIO

Due to the positive cash position of JPC, the cost coverage ratio is positive 0.48:1. However, the ratio is not a true reflection of JPC's operational expenditure as R&M related to and expensed by the COJ is paid for by JPC.

CREDITORS PAYMENT CYCLE

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

PART B - CoJ-JPC Portfolio

LIQUIDITY RATIO

CoJ-JPC Portfolio has current ratio of 1.27:1 as compared to the norm of 2:1, with a negative cash flow of R209 million for the period under review as compared to a negative cash flow of R211.5 million for the same period in the 2020 financial year. Intercompany debtors currently owe Portfolio R161.3 million. This accounts for 53.4% of the total assets of Portfolio. The financial risk posed to JPC is substantial as the non-recovery of the outstanding debt has a negative impact on the cash position and liquidity of the entity. Average monthly collection is between R9m – R12m that is sufficient to cover average monthly expenditure.

CASH COLLECTION RATE

The cash collection cycle is the number of days it takes to collect accounts receivable. The measure is important for tracking the ability of a business to grant a reasonable amount of credit to worthy customers, as well as to collect receivables in a timely manner.

Portfolio's cash collection rate is currently at 11%. The collection rate excludes debt owing from other debtors.

SOLVENCY RATIO

CoJ-JPC Portfolio has a solvency ratio of 1.27:1 against the norm of 2:1 and is currently solvent. The CoJ-JPC Portfolio Financials indicate that

there are sufficient assets to cover all liabilities despite not meeting the ratio norm.

DEBTORS COLLECTION PERIOD

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

COST COVERAGE RATIO

Portfolio has a cost coverage ratio of negative 58:1. This is due to a negative sweeping account balance of R209 million and average monthly expenditure being R3.6 million. The Portfolio predominantly utilises its cash for CAPEX spend and recovery from the COJ is dependent on the completion and verification of the projects.

CREDITORS PAYMENT CYCLE

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

Section 6: Supply Chain Management and BBBEEE

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

The SCM Policy ascribes to a procurement system which:

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

Preferential Procurement Policy Framework Act and other Codes promulgated thereunder in the Government Gazette.

Deviations

JPC Entity

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

City Portfolio

There are no deviations

Payment within 30 days

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

Section 7: Fruitless and Wasteful Expenditure

DESCRIPTION					CORRECTIVE MEASURES			
UNAUTHORISED EXPENDITURE	IRREGULAR EXPENDITURE	FRUITLESS & WASTEFUL EXPENDITURE	ESTIMATED AMOUNT	CATEGORY		DISCIPLINARY ACTION	CRIMINAL CHARGE	OTHER
None	None	Yes	R11 492 931	Rental		None	N/A	N/A
None	Yes	No	R4 842 304	Fleet		None	N/A	N/A

During the 2019 financial year audit the Audit General of South Africa (AGSA) found that five of the six floors in Forum 1 were unutilised, with only Group Governance in occupation of the 6th floor. The AGSA considered rental and parking less the recovery for rental from Group Governance to conclude on an amount that should be declared and disclosed by JPC as fruitless and wasteful expenditure for the unutilised floor space for the 2019 financial year. Using a similar assumption for the calculation of fruitless and wasteful expenditure, JPC has incurred R11 492 931 for the YTD. From the 1st of September 2020 JPC has taken occupation of Forum 1; however, Forum 2 remains vacant and has been classified as fruitless and wasteful from September until a tenant occupies the building or the lease is terminated.

JPC incurred R4 842 304 for fleet services for the YTD. However, the billing from Afrirent, the fleet service provider, is often delayed and the fleet expenditure is expected to increase significantly in coming month. Fleet services are an essential requirement for the operations of JPC and could not be discontinued under the existing contract that was entered into by the COJ. Subsequent to the 2020 financial year end, the Council of the COJMM approved the write off of irregular expenditure related to fleet services. The write off totals to R13 700 469 and accounts for all fleet expenditure for the 2018 and 2019 financial years.

Section 8: Pending Litigations and Possible Liabilities

JPC Entity: None

City Portfolio

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

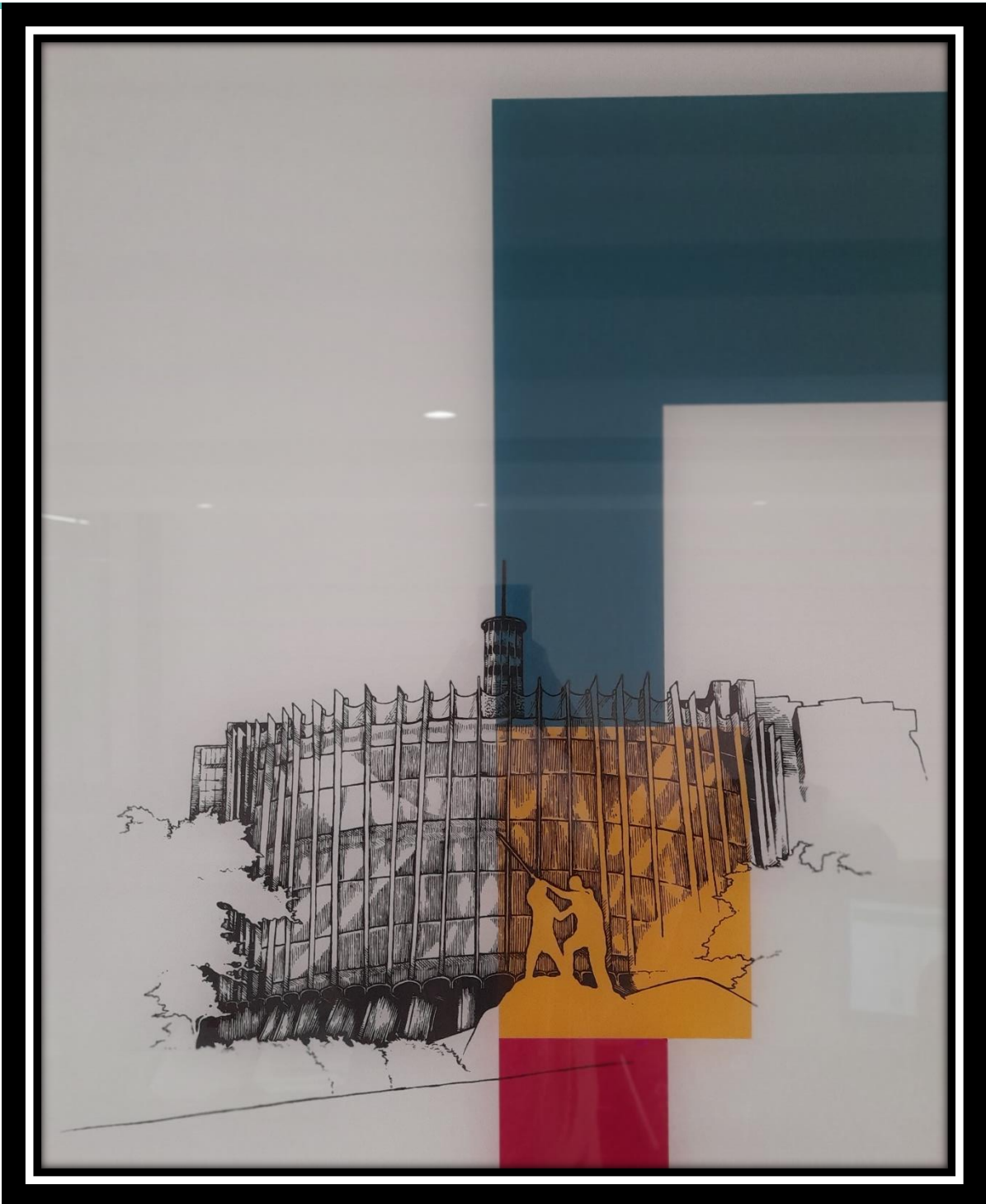
Section 9: Insurance Claims against / to JPC

JPC Entity: None

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

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

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



Chapter 6: Internal & External Audit Outcome

Section 1: Results of Internal Audit

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

The internal audit plan for the current financial year was developed using the top strategic risks of JPC approved on October 2020. The draft internal audit coverage plan for 2020/21 has been included in the Audit and Risk Committee meeting scheduled for April to approve the plan. No internal audits relating to the 2020/21 financial year has been executed.

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

Section 2: Progress on Resolution of Internal Audit Findings

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

CATEGORY	TOTAL AS AT 31 MARCH 2021
Very High	2
High	6
Medium	0
Total	8

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

Section 3: Progress on Resolution of External Findings

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

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

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

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

ACTION PLANS TO RESOLVE AUDIT REPORT FINDINGS ARE AS FOLLOWS:

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

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

Section 4: State of the Internal Controls

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