

## Capital Projects continued

### Current Ratio (Liquidity)

**Definition:** The ratio is mainly used to give an idea of a company's ability to pay back its short-term liabilities (eg. debt and payables) with its short-term assets (eg. cash and receivables). The higher the current ratio, the more capable the company is of paying its obligations.

The ratios below are units of measurement currently being used by the City of Johannesburg (CoJ) to measure the financial position and performance of the various entities. The focus of this report will be on liquidity and efficiency ratios. A comparative of three years has been provided to observe the trends.

### Debtors Collection Period

**Definition:** Measures the number of days a business takes to efficiently collect its receivables. CoJ-JPC Portfolio collection period is 50 days as compared to the industry norm of 60 days and this also takes into account debtors that are deemed irrecoverable. A bad debts report was prepared and submitted to Core Accounting. Weekly follow ups on the said report are performed as it has to be presented to Mayoral Committee for approval.

Financial Ratios	Norm	2015/16	2014/15	2013/14
Current Ratio	2:1	0.91:1	0.93:1	1.21:1
Solvency Ratio	1:1	1.29:1	1.14:1	1.28:1
Cash Coverage Ratio	1:1	2.16:1	-3.54:1	-6.93:1
Creditors Payment Days	30 days	62 days	30 days	31 days
Debtors Collection Days	60 days	67 days	303 days	376 days

## Performance Monitoring Against the Scorecard

For the financial year ending 30 June 2016, JPC achieved 92% of the approved scorecard. JPC did not make any scorecard amendments to the targets for the period under review, as would be necessary at times, in line with the MFMA.

### 1. Sustainable human settlements

#### 1.1 Develop and implement a comprehensive Facilities Management framework for City owned properties

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
100 % of targeted facilities redeveloped, and / or refurbished against Master Plan	100% of targeted facilities redeveloped, and / or refurbished against Master Plan	N/A	N/A

Target achieved as a 100% targeted facilities was redeveloped, and / or refurbished.

The target to transfer 13 000 properties was very ambitious; however, JPC managed to transfer a total of 3 065 properties which is the first compared to the prior years. There were challenges relating to Township Establishment that impeded the entity's ability to transfer title for identified properties. JPC is having engagements with the Department of Housing to assist in speeding up the process. There are a number of properties that will be transferred early in the next financial year of which the bulk of the preparations were undertaken in the reporting period.

**1.2 Remodelling/ modernization and refurbishment of all current public toilets**

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
100% of project plan for the FY implemented.	100% of project plan for the FY implemented.	N/A	N/A

Target achieved as a 100% of the plan was implemented.

**1.3 Partnership model of the transport facility implemented in line with Mayoral resolution.**

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
100% of project plan for the FY implemented	100% of project plan for the FY implemented	N/A	N/A

Target achieved as a 100% of project plan for the FY implemented.

**1.4 Partnership management model with informal traders implemented**

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
100% of management model implemented	100% of management model implemented	N/A	N/A

100% of targeted management model was implemented.

**1.5 Develop and Implement a Citywide Land Strategy**

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
Final approval of the Land Strategy	Final Approval of Phase 1 of the Land Strategy complete Phase 1 of the 7 milestones has been completed	N/A	N/A

The target has been achieved as the Phase 1 of the 7 milestones has been completed.

**2. SMME and Entrepreneurial Support**

**2.1 Creation of the SMMEs, NGOs, Co-Ops and Community Organisation Programme**

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
4 000 SMME's, NGO's,Co-Orps and Community Organisation supported	4 130 SMME's, NGO's,Co-Orps and Community Organisation supported	4 000 SMMEs supported NGO's,Co-Orps and Community Organisation supported	7 159 SMME's supported NGO's,Co-Orps and Community Organisation

The target has been exceeded as there has been 4 130 SMMEs supported against a set target of 4 000 SMME's.

## Performance Monitoring Against the Scorecard continued

## 2.2 4 000 jobs created

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
4 000 jobs created	4 240 jobs created	8 000 jobs created	9 955 jobs created

The target has been exceeded as there has been 4 240 jobs created in the financial period against a set target of 4 000 jobs.

## 2.3 Release of land to SMME's, Co-Ops and Entrepreneurs under the transformation\*, social economic\*\*\* and social\*\* programme

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
35 SMMEs, Co-Ops and Entrepreneurs supported	50 SMMEs, Co-Ops and Entrepreneurs supported	Issue a request for proposal to Co-Ops	28 parcels of land identified, the database for Co-Ops is in place. 50 hectares of land, 1 hectare per 1 Co-Op released

The target has been exceeded in the period under review. JPC released 50 hectares of land to support Co-Ops for agriculture purposes which contributes to the food security programme of the City.

## 3. Financial Sustainability and Resilience

## 3.1 R100 million of rental income from leases and servitudes sales, servitudes and acquisition

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
R100 million income raised	R131 m income raised	R100 million income raised	R111 million income raised

Target exceeded with R31 million reported in the current financial year against the set target of R100 million.

## 3.2 Construction of the Council Chamber as per the Office Space Optimisation programme

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
Completion of all works and opening of chamber	Interim refurbishments to be complete to cater for the 1st council sitting	Site handover to the contractor	Site handover to the contractor

Target not achieved. Interim refurbishments to be complete to cater for the 1st council sitting in August 2016.

## 4. Transit Oriented Development – Priority Areas (corridors/nodes)

### 4.1 Acquisition of properties along the Transit Oriented Development and support the housing master plan Priority Areas (corridors and nodes)

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
Lodge transfer documents with Deeds Office for the 20 properties in the TOD and to support housing master plan	Negotiations Finalised. 21 Properties acquired	Acquisition of 20 properties along the Transit Oriented Development and support the Housing Master Plan by acquiring six properties in Priority Areas (corridors and nodes)	21 properties acquired for Corridors of Freedom and Housing Master Plan

The target has been exceeded. There are 21 properties that were acquired in the current financial period against a target of 20 properties. All 21 properties have been lodged with the Deeds Office for transfer.

## 5. Investment Attraction, Retention and Expansion

### 5.1 Third party investment on COJ property transaction/ Investment in construction.

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
R400 m investment by private sector	R423m investment by private sector	Third party investment on CoJ property transaction: R350 million investment by private sector	R477 million investment by private sector

The target has been exceeded for the financial year under review with R423 million third party investment attracted against the targeted R400 million.

### 5.2 Third party investment on COJ property transaction

Current Year 2015/2016		Prior Year 2014/2015	
Annual Target	Actual	Annual Target	Actual
R1 billion investment leverage on property transaction	R1.2 billion investment leverage on property transaction	R1 billion investment leverage on property transaction	R1 68 billion investment leverage on property transaction

The target has been exceeded for the financial year under review with R1.2 billion third party investment attracted on CoJ property transaction against the targeted R1 billion.