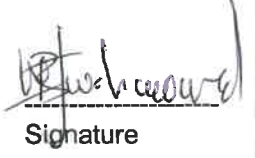
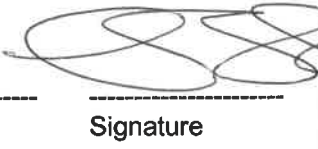
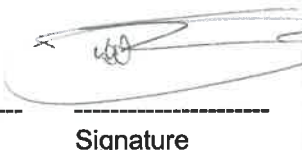



# City of Joburg Property Company 2019/20 Business Plan



**APPROVAL**

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## 1. Executive Summary

### 1.1. Vision

Our vision is to provide Property Management, Property Development, Facilities Management, Property Asset Management and Outdoor Advertising in order to maximise the social, economic and financial benefit to the CoJ as well as support the delivery objectives on a cost competitive basis.

### 1.2. 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, 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.

### 1.3. Values

Company values are the ethical foundation of JPC and are therefore fundamental to the 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, and
- Trust

### 1.4. Core Mandate/ Purpose /Objectives

The company was established to support the Council's economic and social objectives as outlined in the Growth and Development Strategy (GDS), as well as Mayoral strategic priorities aimed at achieving the City vision of "A Joburg that works is a South Africa that works". JPC's primary goal in supporting the vision and mission of the 2040 Growth and Development Strategy (GDS) is to recognise and emphasises its role as an economic and social property agency to achieve positive developmental outcomes.

JPC's strategy to deliver on the mandate as indicated in the Corporate Strategy has the following long term strategic objectives;

- Supporting economic development
- Supporting community development and social initiatives
- Utilising the property portfolio to address social imperatives and priorities



- Utilising the portfolio as a vehicle for transformation
- Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders
- Ensuring a professionally managed and sustainable company

These strategic objectives are aligned with the strategies of the Economic Growth Cluster. The company seeks to achieve economic and social transformation through property. JPC actively contributes to the following Mayoral Priorities allocated to the Economic Growth Cluster.

- Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021
- Priority 2: Ensure pro-development that addresses inequality and poverty and provides meaningful redress
- Priority 3: Create a culture of enhanced service delivery with pride
- Priority 7: Enhance our financial sustainability

The entity has 518 employees based at head office and depots, who execute the strategy of the organisation. JPC derive its mandate from a signed service delivery agreement with its sole shareholder CoJ

## 2. Strategic Analyses

### 2.1. Environmental analyses

The property environment within which JPC operates in, are affected by the macro-environment factors such as political (and legal) forces, economic forces, socio-cultural forces and technological forces.

### 2.2. SWOT analyses

Below are the SWOT elements that would have an impact on the effective implementation



Internal	Strengths	Weakness
	<ul style="list-style-type: none"> <li>• Good and reliable top management;</li> <li>• Extensive experience in property management, development, asset management and facilities;</li> <li>• Solid understanding of legislation and ability/commitment to work within it;</li> <li>• Island of excellence in property management;</li> <li>• Committed leadership</li> <li>• A shareholder that supports social transformation (being part of the JPC mandate).</li> <li>• Access to capex and operating budgets</li> <li>• Alignment and access to CoJ which is a regulator and policymaker</li> <li>• JPC has received “clean” audit opinion for the past four successive financial years indicating good governance.</li> </ul>	<ul style="list-style-type: none"> <li>• Centralisation of Legal, security, Marketing and Communication budget.</li> <li>• Insufficient funding to fully deliver on the mandate which includes human capital;</li> <li>• Lack of IT innovative solutions and leadership to support business</li> <li>• Loss / lack of specialised skills.</li> <li>• Inability to generate sufficient revenue to cover all our expenses.</li> </ul>
External	Opportunities	Threats
	<ul style="list-style-type: none"> <li>• Maximization of revenue through the outdoor advertising portfolio and creation of a property fund;</li> <li>• CoJ office space optimisation;</li> <li>• Increasing emerging black companies within the property space</li> <li>• To create a JPC which is an employer of choice</li> <li>• Creation more jobs opportunities for the unskilled labour market</li> <li>• Build on market trends and densification</li> <li>• JPC to extend the mandate from being an agency to being a fully fledged property company</li> <li>• An inter-operability of IT systems to integrate all stand-alone business applications driven by the current City’s SAP Project.</li> </ul>	<ul style="list-style-type: none"> <li>• Slow implementation of land strategy outcomes;</li> <li>• Debtors not paying within agreed timelines affecting our cashflow and projects we can execute</li> <li>• Vandalism to property portfolio;</li> <li>• Land invasions &amp; illegal occupation of land parcels;</li> <li>• Misalignment of City properties to deliver on its mandate.</li> <li>• Cumbersome CoJ’s land approval processes for land transactions.</li> <li>• Mature property market which is risk-prone</li> <li>• Lack of diversification in property investment</li> <li>• Impact of the economy on property development</li> </ul>





Internal	Strengths	Weakness
	<ul style="list-style-type: none"> <li>• Good and reliable top management;</li> <li>• Extensive experience in property management, development, asset management and facilities;</li> <li>• Solid understanding of legislation and ability/commitment to work within it;</li> <li>• Island of excellence in property management;</li> <li>• Committed leadership</li> <li>• A shareholder that supports social transformation (being part of the JPC mandate).</li> <li>• Access to capex and operating budgets</li> <li>• Alignment and access to CoJ which is a regulator and policymaker</li> <li>• JPC has received “clean” audit opinion for the past four successive financial years indicating good governance.</li> </ul>	<ul style="list-style-type: none"> <li>• Centralisation of Legal, security, Marketing and Communication budget.</li> <li>• Insufficient funding to fully deliver on the mandate which includes human capital;</li> <li>• Lack of IT innovative solutions and leadership to support business</li> <li>• Loss / lack of specialised skills.</li> <li>• Inability to generate sufficient revenue to cover all our expenses.</li> </ul>
		<ul style="list-style-type: none"> <li>• Private property developers abuse/constrain JPC's expansion into property development value chain</li> </ul>

2.3. PESTLE

Political Factors	Economic Factors
<ul style="list-style-type: none"> <li>• There is limited participation of black people, particularly women, in ownership and control of property companies</li> <li>• The commercially driven activities surrounding property, including development, management and sales, rest largely in white-owned companies.</li> <li>• Enterprises in the sector have inadequately addressed employment equity with the result that the sector continues to be under-represented in terms of race and gender, under-represented in ownership, control, management and in possession of professional skills required in the sector.</li> </ul>	<ul style="list-style-type: none"> <li>• Long approval processes increase holding costs of property such as security, cleaning and maintenance, which also increase the risk of illegal occupation and vandalism;</li> <li>• Economic growth and investor confidence affects the property market;</li> <li>• Delays in economic development and job creation;</li> <li>• There is a lack of investment and <i>property development in under-resourced areas</i>, perpetuating service</li> </ul>

Political Factors	Economic Factors
	inequalities, exacerbating the limited tradability of these properties and consequently the wealth and capital creation potential of properties
Socio-Cultural Factors	Technological Factors
<ul style="list-style-type: none"> <li>The current spatial development of Johannesburg benefits a small portion of the community.</li> <li>Land is not timeously availed to individuals, entrepreneurs and indeed organized business to drive transformation</li> </ul>	<ul style="list-style-type: none"> <li>Innovative construction methods should be investigated to ensure cost reduction.</li> </ul>
Legal Factors	Environmental Factors
<ul style="list-style-type: none"> <li>Temporary Emergency Accommodation (TEA) to be provided for inner city rejuvenation project which affect the appetite from investment.</li> </ul>	<ul style="list-style-type: none"> <li>Environmental regulations and protection - National Environmental Management Act, 1998;</li> </ul>

#### 2.4. Strategic Response

JPC has programmes developed within its core departments to utilize the property portfolio in support of this initiative. In order to redress the previous disparities of land ownership. The Joburg Property Company (JPC) plays a critical socio-economic and transformative role for the City of Johannesburg (COJ) through making land and property available for socio- economic purposes and by unlocking value, realizing socio-economic potential in property assets as well as transforming the property landscape.

JPC undertook the development of a comprehensive Land Strategy, which together with its managing principles, will assist in achieving the City's economic, social and transformation imperatives. Enhance service delivery through unlocking the provision of housing, health, social and community development services to the citizens of the City of Johannesburg Metropolitan Municipality. Its implementation will ensure the comprehensive management of the City's Property Portfolio where there is faster decision making guided by a sound strategic framework and well considered property developments that supports the City's strategy that will unlock transformation both spatially and economically.

The Land Strategy, Transformation and Land Acquisition Policy are guiding principles to ensure that the framework and methodology that is deployed results in a successful and implementable strategy that will meet both the needs of the citizens as well as City's objectives.

### 3. Communication and Stakeholder Management

#### 3.1. Stakeholder Matrix

In developing a Stakeholder Relations Management and Corporate Social Investment strategy JPC aimed to achieve the following key objectives:

- Promote JPC as a professional, transformative and customer centric organisation;
- Position JPC as an employer of choice;
- Foster a corporate social investment and sustainability culture; and
- Build and maintain sustainable relations with JPC stakeholders and the property industry at large.

The department to indicate how they intend to engage with the stakeholders to ensure public consultation/participation and who are the key stakeholders for the department/entity?

Key Stakeholders for JPC includes the followings;

Stakeholder	Ability to Disrupt	Understanding		Commitment		Required Support	Class
		Current	Required	Current	Required		
COJ-MAYCOM	H	H	H	M	H	H	Key Players
Executive Management Team (EMT)	H	H	H	M	H	H	Key Players
Councillors	H	M	H	M	H	H	Keep Satisfied
Municipal Entities	H	M	H	M	H	H	Keep Satisfied
Public / Local community	H	L	H	L	M	H	Keep Informed
Tenants	H	M	H	M	H	H	Key Players
Employees	H	M	H	M	H	H	Key Players
Organised Labour	H	M	H	M	H	H	Keep Satisfied

Stakeholder	Ability to Disrupt	Understanding		Commitment		Required Support	Class
		Current	Required	Current	Required		
Property Industry	H	M	H	M	H	H	Key Players
Board of Directors	H	H	H	H	H	H	Key Players
Government-Deeds Office	H	M	H	M	H	H	Keep satisfied
Property Professionals	H	M	H	M	H	H	Key Players
Planning Professionals	H	M	H	M	H	H	Key Players
Institute of Planning Architects	H	M	H	M	H	H	Key Players
Legal Professional bodies	H	M	H	M	H	H	Key Players

Legend	High	Medium	Low

### 3.2. Communication Plan

Stakeholder	Expectations	Method of engagement
COJ	JPC's mandate by the City is to manage the property portfolio in an efficient and professional manner and to maximise value creation.	JPC continuously engages with COJ through various meetings, including Regional Meetings, Joburg 10 Plus sessions.
COJ-MAYCOM	Approval of all land transactions by MAYCOM, thus it is critical that JPC provides professional and reliable information to enable sound decision making by the COJ.	Through scheduled meetings.

Stakeholder	Expectations	Method of engagement
Executive Management Team (EMT)	All JPC transactions should get the EMT's support before referral to MAYCOM for approval, JPC is to provide professional and reliable advice to enable sound decision-making.	Through scheduled meetings.
Councillors	Councillors are the Community representatives and their support is necessary to curb any community dissatisfaction in the management of the Council Properties. They expect an efficient delivery of service and reliable information.	Councillors engaged through Visible Service Delivery Forums and through other meetings.
Municipal Entities	Municipal Entities require property to operate and an effective facilities management service from JPC.	Engagement through Cluster Meetings
Public at large/local community	There is a need to inform the public at large of JPC's processes and the process of alienating the properties should be transparent, prompt and efficient.	Through open days to walk-in clients and telephonic enquiries.
Tenants	Tenants require an efficient and prompt finalisation of the property process.	Through engagement with Property Managers
Employees	Employees are key to the success of the company thus the need for information, engagement and education.	Through roadshows, internal communication and Intranet
Organised labour	The Unions can disrupt production if not satisfied with management's dealings with the employees, communication and engagement is vital.	Through organised labour forums
Board of Directors	The Board of Directors provide governance oversight and direction to Management and as such expect accurate and professional information to enable sound decision-making.	JPC engages with its Board Members as per scheduled meetings
Government	Lease and Sale transactions need the Deeds Office to endorse them and any	JPC liaises with the Deeds Office through various channels, including telephonic discussions.

Stakeholder	Expectations	Method of engagement
Deeds Office	delays in approving the Deeds can negatively affect JPC's business. It is therefore necessary to develop relations with these stakeholders.	

## 4. Implementation and Performance Overview

### 4.1. Past performance

#### 4.1.1. Highpoints on previous year performance

- JPC achieved 93% of the KPIs included in the scorecard for the 2017/18 cycle, which was a huge increase compared to 75% achieved in 2016/17
- 100% of allocated Capex was spent for the past seven years
- Achieved clean audit for the fourth consecutive time
- International Property Awards for property development in the public sector
- Twenty three title deeds to qualifying beneficiaries in Diepkloof
- Five hundred and ninety nine properties to the value of R42 million were transferred out of which ninety eight percent were for allocated to housing beneficiaries.
- R1.4 billion investment were attracted during the period
- R1.1 billion was spent on projects within the City, which was the realisation of investments which were attracted in the previous cycle, which directly contributed to increased job opportunities and support for SMMEs

#### 4.1.2. Intentions of improving performance

- SMMEs supported evidence will be collected in the monthly meeting of Supply Chain Management, Legal and the General Manager for Property Portfolio. The SMMEs will further be classified into a number of categories as per the JPC Transformation scorecard. Evidence will be audited quarterly.
- Job opportunities created will be monitored per project with the suppliers. The evidence required to verify a job created will be included in all our contracts / Service Level Agreement with the suppliers. The final invoice on a contract will not be paid if the information has not been provided.
- Implementation of turnaround plan to resolve the insolvency impasse.

#### 4.1.3. Challenges encountered affecting performance

- The subsidy that JPC receives from the City is not sufficient to cover expenses. The subsidy covers the rental costs for Corporate Buildings and part of employee costs only.
- Co-operations between departments and JPC need to be improved in order to deliver on the inner city rejuvenation project which was the only KPI that was not achieved.



- The new Outdoor Advertising By-laws were approved by Council on 20 March 2018 but only promulgated on 30 May 2018 by the City. The delay already impacted on JPC's ability to initiate processes of implementing some of its business such as gateway advertising, high-value signs, green advertising, user fees and other new initiatives. Of significance is the revenue loss estimated at around R40 million that would have been collected by JPC on behalf of the City by June 2018 as a general monetary contribution ("user fee") for advertising signs on private property for the benefits of using the exposure of public roads that vest in the City. The delay will remain for some time, as the implementation of the new By-laws was suspended pending finalisation of legal action by various role-players challenging various aspects of it.
- Inner City projects started slow, with only three projects out of the thirteen released on tender could be recommended for award. Major contributing factor were a number of compliance requirements that prospective developers didn't include as part of their tender submission. This issues has been resolved by delaying with all compliance issues during the compulsory briefing sessions.
- JPC has experienced serious cashflow issues during the 2017/18 financial year. Throughout the financial year our related party debtors have been around half a billion rand, which affected the number of projects that we were able to execute as we didn't want to be perceived as trading recklessly. We are required by law to pay creditors within 30 days and our debtors pay us within 296 days which resulted in us utilising overdrafts to settle creditors timely. Only 50% of planned repairs and maintenance could be done due to non payment by departments, which adversely affected our revenue target.

#### 4.1.4. Mitigating factors to be considered

- Monthly EXCO meeting to include performance against score card
- Reviewing the organisational structure to reduce the vacancy rate as a results of unfunded positions
- Reduction of dependency on service providers to execute repairs and maintenance by utilising internal staff where possible.
- Turnaround plan to be monitored monthly by EXCO and quarterly by the board.

#### 4.2. Key Performance Areas

In order to deliver on both the JPC objectives and Mayoral Priorities, JPC has identified the following performance areas which will be executed during this IDP period.

##### 4.2.1. Maximise revenue generation to improve the financial position of the entity

JPC will be focusing on the initiatives mentiod below to improve the financial position of the entity;

- Improve collection rate for debtors. JPC earns 10% on all debtors collections on properties leased by JPC on behalf of the City. It is in JPC's interest that money is collected as the commission is on receipt and not when the debtor is raised. The more money we collect, the better the commission earnings. Initiates like debit order and blacklisting on non payers will need to be enforced.
- The City has around twenty nine thousand properties at it disposal. The land strategic has highlighted a need for selling a number of non strategic assets. The money realised from the sales will be used to buy strategic assets in order to support the IDP and GDS 2040 objectives. The realise of those properties will increase commission for JPC and also rates and taxes for the City.
- We will separate the calculation of rentals and rates and taxes for long term developmental leases. Rates and taxes to be calculated once the development is complete using the formular used by the City for calculating rates and taxes and to be revalued after every 5 years like all other properties.
- Reduce reliance on external service providers by utilising our own staff to execute the repairs and maintainance and charge other departments. Storerooms in the depots to be stocked by supplies that are regularly used, which will be procured in bulk to ensure we benefits from economies of scale.

#### 4.2.2. Inner City Rejuvenation

Inner-city rejuvenation is a key focus area of the current administration's agenda for Johannesburg, moreover, addressing this issue is in line with the Executive Mayor's commitment to building an inclusive society with an enhanced quality of life.

Parts of the Inner City have become dilapidated and unsafe, projecting an undesirable image of the City of Johannesburg, thus as a solution, the Plan has been established, taking into account all sectors of the Housing Market, as well as the needs of all income groups.

Furthermore, it places emphasis on working with the private and social Housing Sectors to redevelop and revive the Inner City. To-date the Plan has been implemented in various Phases, whereby a sizable number of properties are dealt with at a time.

#### 4.2.3. Acquisition of properties on behalf of the City to support the service delivery initiatives

The council mandated JPC to be the agent that maintains the asset register of the City and playing an active role in the acquisition and disposal of council assets. The City budgets for billions of rands on acquisition of properties for housing or planning department etc but JPC is only involved is a

traction of those transactions and a lot of money leaving the City to external companies providing services that JPC provides.

JPC to be involved in all acquisition of properties and play a vital role in the process including proactively engaging the departments requiring assets. The commission on acquisition will positively affect the financial position of JPC and cement JPC's contribution in the City.

#### 4.2.4. Property Development

The development of COJ owned land has the potential to transform vacant or unused land into high yielding public property assets and thus create economic opportunities for the COJ in the following areas:

- **Creating long-term recurring income streams** for the COJ from its fixed asset portfolio through the facilitation of property development opportunities realised on the basis of long term lease agreements;
- **Delivering on the City's strategic objectives**, such as creating opportunities for affordable housing developments, inclusionary housing opportunities, high density developments along public transit corridors, sustainable developments (green buildings), job creation and investment attraction;
- **Transformation of the property industry** through the empowerment of emerging developers.

In terms of the Development Facilitation process, JPC takes the responsibility for fully packaging and preparing land for development, making it "shovel ready" for development. Thereafter JPC procures a developer for the property based on long term development lease agreement. In terms of the lease agreements, the developer is fully responsible for the development of the land. The full improved assets reverts to CoJ at no cost at the end of the lease period.

#### 4.2.5. Implement Integrated Talent Management Strategies to meet Current and Future Business Demands

JPC requires competent skilled and competent talent with organizational -fit attributes and capacity to perform specialised functions and drive the implementation of the business strategic initiatives. The Talent Management process includes talent attraction, developing, redeploying, assessing and retaining. Through the Integrated Talent Management strategies and initiatives, JPC will accelerate its service delivery and its competitiveness within the property industry and create clients valued added engagements to meet stakeholder requirements and demands.

**Talent Management Strategies:**

- Talent Planning
- Talent acquisition
- Performance Management
- People and Leadership Development
- Succession Planning and Retention

**4.2.6. Outdoor Advertising Strategy**

The JPC's outdoor advertising strategy, is the first of its kind and incorporates a spatial framework or masterplan that aim to guide the placement of outdoor advertising signs on the CoJ landscape. The masterplan is a vision for CoJ that aims attain the ideal of a "Less is More". Supply and demand are two very important aspects of outdoor advertising. Scarcity drives value and is what makes it worthwhile and hence the masterplan has been modelled around this principle.

The masterplan resembles other planning frameworks such as SDF's of the City in that it reflects the ideal extent of outdoor advertising across all land and provide the City with an opportunity to be pro-actively involved in outdoor advertising to realize its vision by providing strategic leadership for inclusive growth of the sector. The masterplan consists of various signage zones which indicates the number and size of relative to each area or precinct concerned.

It aims to create areas where high value advertising and innovation will be encouraged to increase revenue, attract investment and augment tourism potential of certain precinct. This will ensure that JPC continuously create sustained revenue sources for the City both in the medium to long term.

4.3. Corporate Scorecard

4.3.1. Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021

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

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget	Capex	Opex	Quarterly Budget target capex and opex	Q1	Q2
Rand value of investment attracted / business facilitated		R1.4 billion	R1.4 billion investment attracted / business facilitated within CoJ boundaries based on signed contract.	R200 million	R200 million	R500 million	R500 million	R38 000	R15 786	R3 946	R3 946	R394 6	R394 6

4.3.1.2. Investment attraction / business facilitated within CoJ boundaries based on construction value on the ground

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget	Capex	Opex	Quarterly Budget target capex and opex	Q1	Q2
Rand value of investment spend on projects within CoJ boundaries		R1.1 billion	R600 million investment attraction on projects within CoJ boundaries based on construction value on the ground	R100 million	R100 million	R200 million	R200 million		R22 786	R5 696	R5 696	R5 696	R5 696



4.3.1.3. Jobs opportunities created

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000	
				Q1	Q2	Q3	Q4	Total Budget	Quarterly Budget target capex and opex
Number of jobs opportunities created		2017	2 000 jobs opportunities created	200	400	600	800	R110 080	R117 125 R128 132 R133 636 R111 620

4.3.1.4. SMMEs supported through property transaction

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000	
				Q1	Q2	Q3	Q4	Total Budget	Quarterly Budget target capex and opex
Number of SMMEs supported		1203	1 000 SMMEs supported through property transaction	100	200	300	400	R110 080	R117 125 R128 132 R133 636 R111 620

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

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000	
				Q1	Q2	Q3	Q4	Total Budget	Quarterly Budget target capex and opex
Percentage of valid invoices paid within 30 days of invoice receipt date		New indicator	100% of valid invoices paid within 30 days of invoice receipt date	100%	100%	100%	100%	R110 080	R117 125 R128 132 R133 636 R111 620





**4.3.2. Priority 2: Ensure pro-development that addresses inequality and poverty and provides meaningful redress**

**4.3.2.1. Number of asset management plans formulated**

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Number of asset management plans formulated		244	250 asset management plans formulated	50	50	75	75	Capex	Opex	Q1	Q2	Q3	Q4
									R18	R4	R4	R4	R4
									550	637	637	637	637

**4.3.2.2. Number of properties acquired on behalf of City departments and entities**

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Number of properties acquired		11	15 properties acquired	3	3	4	5	Capex	Opex	Q1	Q2	Q3	Q4
								R01	R18	R4	R4	R4	R4
									550	637	637	637	637

**4.3.2.3. Leasing / lease renewals of shops and stalls located at various public transport facilities and traders markets owned by the City**

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Number of shops and stalls leases concluded		New indicator	1930 leases of shops and stalls concluded	482	482	483	483	Capex	Opex	Q1	Q2	Q3	Q4
								R10 000	R18	R7	R7	R7	R7
									550	137	137	137	137

<sup>1</sup> This KPI is budgeted for by the Municipal entity or department that JPC is acquiring on their behalf. The operation costs is the costs of JPC acquisition team.



4.3.2.4. Development / Refurbishment of public conveniences

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget					
								Capex	Opex	Quarterly Budget target capex and opex			
Number of public conveniences refurbished / developed		New indicator	50 public conveniences refurbished / developed	0	25	25	0	R5 000	3 105	R2 026	R2 026	R2 026	R2 026

4.3.2.5. Release of 120 properties on social and economic leases including servitudes and sales

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000				
				Q1	Q2	Q3	Q4	Total Budget				
								Capex	Opex	Quarterly Budget target capex and opex		
Number of properties released via lease or sale		New indicator	120 properties release on social and economic leases, including servitudes and sales	20	30	30	30	R0	R41 799	R10 449	R10 449	R10 449

4.3.2.6. Number of Inner City property redevelopment projects approved in Council for release to the private sector

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Number of Inner City property redevelopment projects approved in Council for release to the private sector		New indicator	100 Inner City property redevelopment projects approved in Council for release to the private sector	0	20	40	40	Capex	Opex	Q1	Q2	Q3	Q4
								R9 943	R9 943	R2 485	R2 485	R2 485	R2 485

4.3.3. Priority 3: Create a culture of enhanced service delivery with pride

4.3.3.1. Implement training and development initiatives to address competency gaps

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Number of employees trained and competencies		New indicator	Train three hundred and seventy (370) employees	70	70	130	110	Capex	Opex	Q1	Q2	Q3	Q4
								Rx	R2 700	R500	R700	900	600

4.3.3.2. Skills audit conducted

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Percent of completion of skill audit for employees		New indicator	100 % completion of skill audit for level seven to nine employees	20%	20%	30%	30%	R0	R0 <sup>2</sup>	0	0	0	0

4.3.3.3. Rapid and efficiency in filling of funded vacancy positions identified as strategic

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Percentage of strategic funded vacancies filed within 90 days		New indicator	90% of all strategic funded vacancies filed within 90 days	90%	90%	90%	90%	R0	R38 820	R9 705	R9 705	R9 705	R9 705

4.3.3.4. Streamlining of disciplinary processes

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Percentage of cases concluded within 90 working days		New indicator	100% of disciplinary cases concluded within 90 working days	100%	100%	100%	100%	R0	R2 500	R625	R625	R625	R625

<sup>2</sup> This KPI is fully funded and run by the parent municipality



4.3.3.5. Success rate in cases

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000							
				Q1	Q2	Q3	Q4	Total Budget	Quarterly Budget target capex and opex						
Percentage of success rate on concluded disciplinary cases		New indicator	90% success rate in all cases	90%	90%	90%	90%	R0	R2 500	R625	R625	Q3	Q4	R625	R625

4.3.3.6. Occupational Safety of JPC employees

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000							
				Q1	Q2	Q3	Q4	Total Budget	Quarterly Budget target capex and opex						
Number of fatalities		New indicator	Zero fatalities	zero	zero	zero	zero	R0	R2 500	R625	R625	Q3	Q4	R625	R625

4.3.4. Priority 7: Enhance our financial sustainability

4.3.4.1. Income generated through property transactions

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000							
				Q1	Q2	Q3	Q4	Total Budget	Quarterly Budget target capex and opex						
Rand value of income raised from leases and servitudes sales		R145 million income raised from leases and servitudes sales	R200 million income raised from leases and servitudes sales	R50 million	R50 million	R50 million	R50 million	R0	R41 799	R10 450	R10 450	Q3	Q4	R10 450	R10 450





4.3.4.2. Implementation of the Outdoor Advertising masterplan

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Percentage implementation of the Outdoor Advertising masterplan		52.5 % implementation of the outdoor advertising masterplan	30 % implementation of the outdoor advertising masterplan	5%	5%	10%	10%	Capex Rx	R10 450	R2 613	R2 613	Q3 R2 613	Q4 R2 613

4.3.4.3. Spend of allocated CAPEX.

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Percentage spend of allocated Capex		100% spend of allocated Capex	100% spend of allocated Capex	20%	30%	35%	15%	Capex R110 080	R0	R22 016	R33 024	Q3 R38 528	Q4 R16 512

4.3.4.4. Audit Opinion.

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Audit report outcome		Unqualified audit (Clean audit)	Unqualified audit (Clean audit)	Annual target due in quarter two and not applicable in the other three quarters				Capex R110 080	Opex R706 879	Q1 R204 240	Q2 R204 240	Q3 R204 240	Q4 R204 240



4.3.4.5. Resolution of Auditor General and Internal Audit findings

Key Performance indicator	Ref No	Baseline	2019/20 Target	Quarterly Performance Targets				2019/ 20 budget per projects R'000					
				Q1	Q2	Q3	Q4	Total Budget		Quarterly Budget target capex and opex			
Percentage resolution of Auditor General and Internal Audit findings within four months after the		New	100% resolution of Auditor General and Internal Audit findings within four months after the report issued	100%	100%	100%	100%	Capex R110 080	Opex R706 879	Q1 R204 240	Q2 R204 240	Q3 R204 240	Q4 R204 240



4.4. Definition of KPI's

Priority	Key Performance Indicator	Means of Verification	Definition
Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021	Rand investment attraction on CoJ property	Agreement signed by both parties clearly indicating the amount to be spent on the project	This KPI measures the amount of investment leveraged by JPC on COJ land through future construction developments that has been approved by EAC.
	Rand investment attraction on CoJ property (construction value on the ground)	The quarterly investment confirmation certificate signed by the developer's project manager directed to JPC.	This KPI measures the amount of investment attracted by JPC on COJ land, through construction that is currently on the ground
	Number of Jobs opportunities created	Signed appointment letter together with ID document for each and every job opportunity created.	This indicator measures the number of work opportunities created through construction, property management, asset management and outdoor advertising.
	Number of SMMEs supported through property transaction	JPC appointment letter or valid lease agreement with at least one month invoice	This indicator measures the number of SMMEs supported by JPC through construction, property management, asset management and outdoor advertising.
	100% payment of valid invoices within 30 days of invoice receipt date	Nicor system report reflecting date invoice captured and when invoice paid.	The indicator measures how many valid invoices are paid out within the mandatory 30 days. This is presented as a percentage of total valid invoices lodged with JPC
Number of asset management plans formulated	Assets management quarterly report indicating the asset	This indicator is put to plan to provide users with accommodation for service delivery and	



Priority	Key Performance Indicator	Means of Verification	Definition
Ensure pro-development that addresses inequality and poverty and provides meaningful redress	management plans formulated for the quarter.	to measure that council owned land is used to support current and future services of the COJ	
	Number properties acquired	Signed sale agreement together with Windeed confirmation that the property has been transferred to the City.	This KPI measures the amount of properties acquired from external sellers
	Number leases of shops and stalls concluded	Signed lease agreements	This KPI measures the number of leases of shops and stalls concluded between JPC, shop owners and stall occupants.
	Number public conveniences completed	Completion certificates which includes the number of completed cubicles	This KPI measures the number of public conveniences concluded by JPC, within the COJ. The number refers to completed cubicles
	Number of properties released on social and economic leases including servitutes and sales	Lease or sale agreements	This KPI measures the number of properties released on social and economic leases including servitutes and sales
	Number of Inner City property redevelopment projects approved in Council for release to the private sector	EAC minutes indicating awarding of contract to the developer.	This KPI measures the number of properties that qualify for release to the private sector for redevelopment subject to Council approval.
Create a culture of enhanced service delivery with pride	Number of employees trained	Attendance register for trainings	This KPI measures the total number of employees trained within JPC in alignment with the training and development strategy.
	Percentage completion of skills audit for level one to six	Report indicating the completion of skills audit	The indicator measures the number of employees at levels 1 to 6 whose skills have been audited as part of the skills audit process. This process identifies skills



Priority	Key Performance Indicator	Means of Verification	Definition
Enhance our financial sustainability	Percentage of all strategic vacancies filed within 90 days	Appointment letter indicating date position filed and Resignation date or structure approval date as the date of vacancy	shortages in the organization as well as the need for appropriate training and development opportunities for employees. This KPI measures the rate that JPC filed strategic vacancies
	Disciplinary cases concluded within 90 working days	Date on letter of suspension and date the Outcome of disciplinary hearing / case.	This KPI measures the number of disciplinary cases resolved within a 90 working days
	Percentage of success rate in all disciplinary cases	Outcome of disciplinary hearing / case	This KPI measure the success rate of in all disciplinary cases within JPC.
	Zero fatalities	Death Certificates	This KPI measure the fatalities of JPC employees in the their places of work (head office and depots)
	Rand income raised from leases and servitudes sales	Nicor system printout indicating revenue generated by portfolio	This KPI measures the amount of income raised from leases and servitude sales.
	Percentage implementation of the outdoor advertising masterplan	Evidence as indicated in the signed implementation plan, e.g. Council minutes, promulgation in the Government Gazette etc	This KPI measures the implementation of the outdoor advertising masterplan
	Percentage spend of allocated Capex	Invoices relating to the Capex projects	This KPI measures the percentage spent on Capex budget allocated to JPC
	Obtain unqualified audit opinion (Clean audit)	AGSA audit report	This KPI measures the audit opinion of the Auditor-General. The opinion can be one of:



Priority	Key Performance Indicator	Means of Verification	Definition
	Percentage resolution of Auditor General and Internal Audit findings	Audit progress report	<p>disclaimer, adverse, qualified and unqualified opinion. Clean audit refers to an unqualified opinion without matters of emphasis in which the audit report issued by the Auditor-General determines that each of the financial records provided by the JPC is free of any misrepresentations.</p> <p>This KPI measures the percentage resolution of Audit Findings raised by Internal Audit and AGSA.</p>



5. Financial impact

5.1. Operating expenditure

JPC PORTFOLIO BUDGET

Description	YTD	Full Year	Approved	Change	Revised	Approved	Change	Draft	Approved	Change	Draft	Draft	Draft
R millions	Actual	Forecast	Budget	R 000'	Budget	Budget	R 000'	Budget	Budget	R 000'	Budget	Budget	Budget
	Oct	2018/19	2018/19		2018/19	2019/20		2019/20	2020/21		2020/21	2020/21	2021/22
	2018	R 000'	R 000'		R 000'	R 000'		R 000'	R 000'		R 000'	R 000'	R 000'
Other revenue	51 779	176 573	434 994	-206 642	228 352	458 091	-174 319	283 772	484 190	-150 341	333 849	461 849	
Other Internal Revenue													
<b>Total Revenue</b>	<b>51 779</b>	<b>176 573</b>	<b>434 994</b>	<b>-206 642</b>	<b>228 352</b>	<b>458 091</b>	<b>-174 319</b>	<b>283 772</b>	<b>484 190</b>	<b>-150 341</b>	<b>333 849</b>	<b>461 849</b>	
Debt impairment		1 900	1 900		1 900	2 003		2 003	2 121		2 121	2 231	
Depreciation		475	475		475	501		501	531		531	559	
Repairs/maintenance	718	79 794	60 512	20 000	80 512	63 538		63 538	66 715	40 000	106 715	112 264	
Contracted services	2 436	33 929	36 365		36 365	38 329	-15 900	22 429	40 590	-16 759	23 831	25 070	
Other	1 445	14 266	15 711		15 711	16 559		16 559	17 536		17 536	18 448	
Internal Expenditure	13 577	74 124	145 123	-57 422	87 701	152 865	-39 035	113 830	161 659	-30 523	131 136	137 956	
<b>Total Expenditure</b>	<b>18 176</b>	<b>204 488</b>	<b>260 086</b>	<b>-37 422</b>	<b>222 664</b>	<b>273 795</b>	<b>-54 935</b>	<b>218 860</b>	<b>289 152</b>	<b>30 532</b>	<b>281 870</b>	<b>296 528</b>	
<b>Surplus / (Deficit)</b>	<b>33 603</b>	<b>-27 915</b>	<b>174 908</b>	<b>-169 220</b>	<b>5 688</b>	<b>184 296</b>	<b>-119 384</b>	<b>64 912</b>	<b>195 038</b>	<b>-143 059</b>	<b>51 979</b>	<b>165 321</b>	



JPC BUDGET

Description R millions	YTD	Full Year	Approved	Change	Revised	Approved	Change	Draft	Approved	Change	Draft	Draft
	Actual Oct 2018 R 000'	Forecast 2018/19 R 000'	Budget 2018/19 R 000'	R 000'	Budget 2018/19 R 000'	Budget 2019/20 R 000'	R 000'	Budget 2019/20 R 000'	Budget 2020/21 R 000'	R 000'	Budget 2020/21 R 000'	Budget 2021/22 R 000'
Other revenue	1 052	25 481	20 215	10 318	30 533	27 374	55 655	83 029	28 990	58 522	87 512	92 063
Subsidy from COJ	138 642	378 016	415 926	93 410	509 336	438 304	81 680	519 984	470 214	29 938	500 152	530 839
Other Internal Revenue	15 819	35 712	104 953	79 932	184 885	110 526	-99 035	71 491	116 822	-30 523	86 299	90 787
<b>Total Revenue</b>	<b>155 513</b>	<b>439 209</b>	<b>541 094</b>	<b>183 660</b>	<b>724 754</b>	<b>576 204</b>	<b>98 300</b>	<b>674 504</b>	<b>616 026</b>	<b>57 937</b>	<b>673 963</b>	<b>713 689</b>
Employee related cost	88 756	194 511	271 091	4 855	275 946	287 628	4 785	292 413	306 039	5 967	312 006	332 910
Debt impairment	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	2955	6 080	6 284	2 751	9 035	6 624	2 497	9 121	7 015	2 598	9 613	10 113
Repairs/maintenance	4823	32 123	36 946	137 354	174 300	42 968	46 527	89 495	49 893	44 435	94 328	99 233
Interest paid	654	365	1 019	0	1 019	1 074	-	1 074	1 137	-5	1 132	1 191
Bulk purchases	0	0	0	0	0	0	0	0	0	0	0	0
Contracted services	9 080	34 970	44 050	6 532	44 050	46 428	-149	46 279	49 167	-389	48 778	51 315
Other	47 306	121 634	168 939	32 168	175 472	178 030	-10 306	165 166	188 531	-14 446	174 085	183 137
Internal Expenditure	9190	42 275	12 765	32 168	44 933	26 023	44 933	70 956	14 244	19 777	34 021	35 791
<b>Total Expenditure</b>	<b>162 764</b>	<b>431 958</b>	<b>541 094</b>	<b>183 660</b>	<b>724 754</b>	<b>576 204</b>	<b>98 300</b>	<b>674 504</b>	<b>616 026</b>	<b>57 937</b>	<b>673 963</b>	<b>713 689</b>
<b>Surplus / (Deficit)</b>	<b>-7 251</b>	<b>7 251</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**CITY OF JOBURG PROPERTY COMPANY (SOC) LTD**

**BUSINESS PLAN 2019-2020**

**5.2. Capex Expenditure**

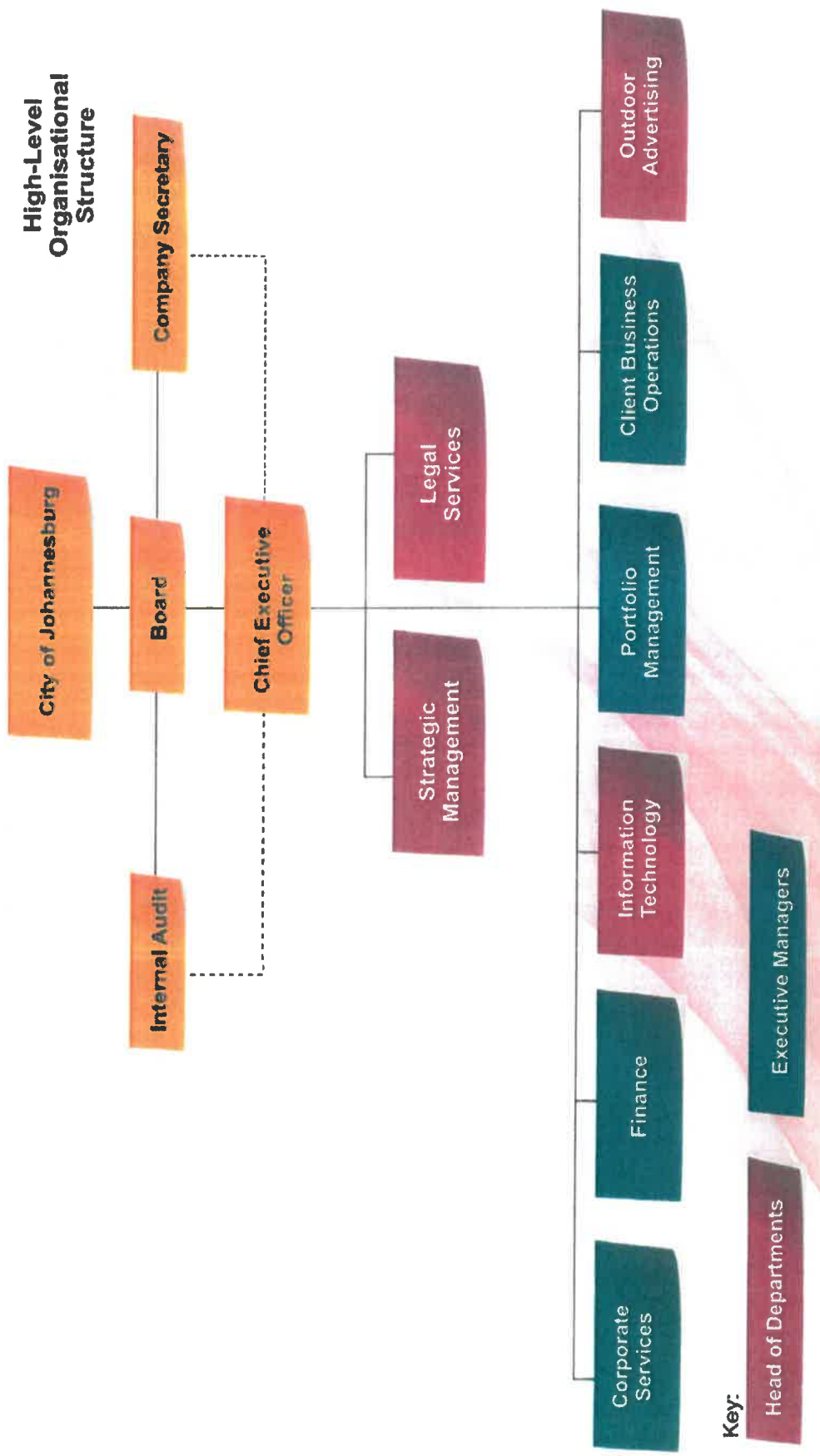
Project ID	Project Name	Total 2018 / 2019	Total 2019 / 2020	Total 2020 / 2021
2669	Computer Equipment - New Computer Upgrades	2 000 000	1 000 000	1 100 000
22832	Construction of a Linear Market in Klipfontein	1 000 000	-	-
22824	Construction of Noordwyk Sports fields	1 000 000	-	-
4142	Erf 43-46 Victoria Ext 3(Paterson Park Node) VICTORIA EXT.3 E Regional	5 000 000	11 000 000	-
6358	Metromall Taxi Rank Shop Revitalisation and Waste Management Area Redesign	-	25 000 000	-
22149	Midrand Station Development public environment upgarde	3 000 000	-	-
3943	Neighbourhood Development for Bertrams Priority Block New Building Alterations BERTRAMS F Regional	10 000 000	-	-
6348	Newtown Land Preparation and Packaging	5 000 000	-	-
22094	Newtown Public Park Upgrade and service connections	10 000 000	-	-
4184	Office Space Optimisation Program New Precinct Redevelopment JOHANNESBURG F City Wide	9 600 000	25 000 000	30 000 000
2284	Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex JOHANNESBURG F Ward	20 000 000	10 000 000	-
4181	Rosebank Linear Park ReDevelopment New Precinct Redevelopment ROSEBANK B Regional	10 000 000	-	-
2507	Sandown Extension 49 Erf 575RE Renewal Building Alterations SANDOWN EXT.49 E	27 300 000	30 000 000	-
3944	Site Development Projects New Land Preparation JOHANNESBURG F City wide	5 000 000	-	-
2638	Dobsonville Informal Trading Market Upgrading and construction of Informal Trading Facility New Informal trading stalls Dobsonville D Ward	5 000 000	-	-
2523	Jabulani CBD Precinct development New JABULANI D ward	5 000 000	-	-
2632	Upgrading of the Hillbrow Public Transport Facility and taxi rank Johannesburg	-	1 080 000	-
2290	FMMU – Public Conveniences New Public toilets JOHANNESBURG F Ward	5 000 000	-	-
2421	Soweto Empowerment Zone New Economic Infrastructure DIEPKLOOF D Regional	3 000 000	-	-
4180	Watt Street Inter-change New Housing Development WYNBERG E Regional	2 000 000	2 000 000	-
		<b>126 900 000</b>	<b>110 080 000</b>	<b>31 100 000</b>









**6. Management and organisation structure**

**6.1. JPC's High-Level Organisation structure**



## 6.2. Management Team

	<p><b>Helen Botes</b> Executive Director: Chief Executive Officer</p> <p><b>Expertise and experience</b> Helen Botes brings expertise and experience in treasury and banking, money market trading, trading of financial instruments, foreign exchange, raising of the first City bonds and retail bonds for CoJ, economic development, property development and management.</p> <p><b>Qualifications</b> Diploma in Treasury Management and Executive Leadership Development Programme MBA (Milpark Business School)</p>
	<p><b>Imraan Bhamjee</b> Executive Director: Chief Financial Officer</p> <p><b>Expertise and experience</b> Financial management, auditing, risk, process and control mapping, management consulting, product management, relationship management.</p> <p><b>Qualifications</b> BCompt Honours, Accreditation as Registered Government Auditor (RGA) Advanced certificates in Auditing, Leadership Management, and CTA</p>
	<p><b>Sthembiso Mntungwa</b> Executive Manager: Property Management</p> <p><b>Expertise and experience</b> New business opportunities, innovative finance structuring skills, knowledge of property portfolios of various municipalities, and stakeholder liaison.</p> <p><b>Qualifications</b> Bachelor of Commerce, Postgraduate Diploma in Business Management, Property Development Programme (PDP)</p>
	<p><b>Fanis Sardonios</b> Executive Manager: Client Business Operations</p> <p><b>Expertise and experience</b> Member of the task team that established JPC, implemented JPC's client service and applications system. Strategic and operational property management planning and support, monitoring and reporting of performance management, coordination and monitoring of strategic projects and implementation of operational plans, development, monitoring and reporting on budget.</p> <p><b>Qualifications</b> IAC (Institute of Administration and Commerce – Local Government), IMFO (Institute of Municipal Finance Officers), BMA (Board for Municipal Accountants)</p>

	<p><b>Musah Makhunga</b> Head of Department: Strategic Support</p> <p><b>Expertise and experience</b> Business plan development, implementing corporate strategy, strategic and operational risk assessment, reporting and disclosure, management of transformation initiatives, company-wide monitoring and evaluation.</p> <p><b>Qualifications</b> BCom (Hons), SA Government Procurement and Law</p>
	<p><b>Tshepo Mokataka</b> Senior Manager: Legal</p> <p><b>Expertise and experience</b> Admitted Attorney of the High Court of South Africa, providing strategic legal advice, operational transitional compliance, vetting strategic agreements and legal documentation, managing legal advisors, managing legal risks, managing the legal budget, legal departments, budgets, the deputy information officer, conducting internal investigations of alleged fraud and corruption.</p> <p><b>Qualifications</b> BA (Law) LLB, Postgraduate Certificate in Provincial and Local Government Law; Postgraduate Diploma in Labour Law</p>
	<p><b>Mala Padayachee</b> Head of Department: Information Technology</p> <p><b>Expertise and experience</b> IT strategy development, development of IT Policies and governance, aligning IT services with the needs of business, mitigating and maintaining IT risk and security, system development, system design, hardware/software and testing. Manage, maintain, monitor and monitor IT systems.</p> <p><b>Qualifications</b> Public Administration and Management (Diploma), Business Information Systems (Honours), National certificates in Project Management, Business Engineering (Certificate), System Development and Customer Complaints (Certificate), Leadership Skills Development Knowledge Management (Certificate), Auditing and Service Level Agreements (Certificate)</p>
	<p><b>Craig Matthews</b> Company Secretary</p> <p><b>Expertise and experience</b> Admitted to practice as an attorney. Practised for a number of years. More than 15 years' experience as board/ company secretary in public sector fields such as merchant shipping regulation, agriculture and diamond mining, and exploration. Worked as a corporate governance consultant in the private sector.</p> <p><b>Qualifications</b> BA (Law) LLB, MAP</p>



### 6.3. Capacity analyses

JPC has a total staff compliment of 518 employees and the employment equity demographics indicates that JPC has as a majority male employees within Junior Management, skilled Technical and Semi-skilled occupational levels. Male employees represent 61% of total staff compliment.

The employment equity gaps for JPC relates to gender representation within all occupational levels and under representation with respect to demographics within the non-designated group. The gaps are as a result of the nature of work within JPC deemed to be work performed traditionally by male employees.

Occupational Levels	MALE				FEMALE				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	1	0	1	1	0	1	0	0	0	0	4
Senior Management	1	0	0	0	1	0	1	0	0	0	3
Professionally qualified and mid-management	17	1	5	5	20	3	2	5	0	0	58
Jun. Management, Superintendents and Skilled Technical	106	6	6	9	85	15	2	2	1	1	233
Semi-skilled / Administration	84	7	1	1	1	1	0	0	0	0	95
Unskilled and defined decision making	39	4	0	1	54	14	0	0	0	0	112
<b>Total Permanent Staff</b>	<b>248</b>	<b>18</b>	<b>13</b>	<b>17</b>	<b>161</b>	<b>34</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>505</b>
Temporary Employees	3	0	1	0	8	1	0	0	0	0	13
<b>GRAND TOTAL</b>	<b>251</b>	<b>18</b>	<b>14</b>	<b>17</b>	<b>169</b>	<b>35</b>	<b>5</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>518</b>



JPC is committed and views employment equity as a strategic objective and focus for next year, which marks the 4<sup>th</sup> year of the five-year EE plan. Moving forward the business agenda will focus on closing the targeted gaps as outlined in the plan and implement Diversity programmes.

This year's achievements highlights against the EE Implementation Plan are as follows:

- The Terms of Reference on the Constitution of the Employment Equity forum were finalized and approved, in consultation with EE representatives.
- The on line registration to submit the annual EE report has successfully been achieved.
- This year the Department of Labour audited JPC's compliance in respect of Employment Equity Act. JPC responded well in terms of the audit requests and still awaiting the outcome.

The organization experienced challenges with regard to recruiting and filling of vacancies as a result of budget constraints and the challenge has had adverse impact on the core departments such as facilities management, assets management, and finance and property development. To address the matter a motivation for additional funding for 126 critical vacancies was been submitted to the City. To date, the City has not provided feedback on the submission for additional funding. As part of the 2019/2020 budget submissions as result prioritisation of vacancies taking into account the challenges facing JPC and City with regard to financial constraints and the ratio between the salaries budget and the revenue generated the critical vacancies were reduced from 126 to 37 positions

Inability to fill the identified critical vacant positions has led to scenarios in which employees are rotated within departments to perform other duties. The inability to fill vacancies has resulted in increased level of absenteeism in departments where employees are expected to perform more than one function i.e. work burn out and stress. The other measure employed to address challenge is to opt for outsourcing where possible.

#### 6.4. Skills development and training

The learning and development provides occupationally directed learning activities to enable and enhance knowledge, practical skills and workplace experience and behaviour for optimal organizational performance and sustainability. Learning and development interventions is informed by four training clusters aligned to the organizational competencies which includes organizational (legislative compliance) functional, generic, managerial competencies.

In order to achieve the organizational strategic objectives and improve employees' skills, employees and managers jointly completed the Individual Learning Plans (ILPs) identifying competencies to be addressed and types of interventions required to improve job performance. The identified interventions will form part of the workplace skills plan.

## 7. Risk management

Effective risk management is integral to the company's objective of consistently adding value to the business. Management is continuously developing and enhancing its risk and control procedures to improve the mechanisms for identifying and monitoring risks. The JPC policy and framework on risk is in full alignment with

the CoJ Group policies. The Audit and Risk Committee ensures that there is an effective risk management process in place and that the internal controls are effective and adequately reported on. The committee oversees the effectiveness of risk management through quarterly risk management reports that are prepared and presented by management to the committee.

JPC’s risk management unit, which is responsible for the executing their risk management activities and for integrating risk management into their operational routines, is strategically placed within the office of the CEO. The unit is supported by risk champions who are responsible for co-ordinating and providing feedback on risk management activities within the different business unit of JPC. The Group Risk and Advisory Services (GRAS) plays an important support function to the JPC’s risk management unit and ensuring implementation of group policies.

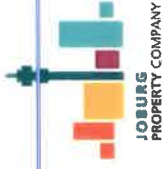


Enterprise risk management focuses on identifying those risks that are most significant to its ability to achieve and realise its core business strategy and objectives supporting value creation. JPC performs annual strategic risk assessments linked to the organisation’s strategic objective and annual planned target in the form of the business scorecard. JPC’s business scorecard emanates from the GDS 2040, which is linked to the 2016 – 2021 IDP, that is monitored via the annual SDBIP, which is our annual planned target. Management, with the assistance of GRAS, reviews the organisation’s risk for the year. A strategic risk workshop is held with the board to solicit their inputs prior to finalising the strategic risks. The board approves the strategic risks and action plans to reduce the residual risk to acceptable levels are monitored quarterly. The design, implementation and operational effectiveness of the risk management process are assessed by the internal auditors before using the strategic risks in their risk-based internal audit plans.

The table below illustrates the top 10 strategic risks, the strategic objectives that impact each risk and the mitigation plans that are put in place to mitigate these risks. The likelihood and impact have been taken into account in the inherent risk reflected on the table below. The current control used to manage the risk were assessed prior to concluding on the residual risks. Future actions further to mitigate the risk are also highlighted

in the table below. The Risk Management Unit has been tracking and reporting on the status of the risk rating and the implementation of the mitigation plan on a quarterly basis.

The board is in the process of reviewing the organisational risks.

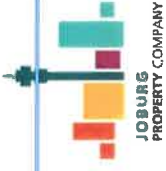


THE OVERVIEW OF JPC'S CURRENT STRATEGIC RISK AND MITIGATING FUTURE ACTION PLANS FOR MONITORING BY THE COMMITTEE

MOE	Objectives	Risk Description	Inherent Risk	Residual Risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date
1	Ensuring a professionally managed and sustainable company	Perceived to be trading recklessly.	Very High 25	Very High 20	4 Increase revenue enhancing plans including the following initiatives: 4.1 Pro-actively approach all departments with a budget to acquire properties and ensure properties are acquired and budget not returned, in order to earn our commission. 7 Implementation of Outdoor Advertising Masterplan (piecemeal).	CFO SM: Outdoor Advertising	June 2020	n/a
2	Ensuring a professionally managed and sustainable company	Inability to generate revenue	Very High 25	Very High 20	2 Increase projects that can generate facilitation fees in line with CFO list of departments that can be approached for	E.M: Portfolio Management SM: Outdoor Advertising	June 2020 June 2021	n/a

CITY OF JOBURG PROPERTY COMPANY (SOC) LTD

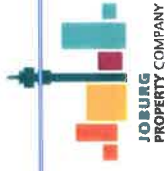
BUSINESS PLAN 2019-2020



MOE	Objectives	Risk Description	Inherent Risk	Residual Risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date
					additional work (CAPEX projects) prior to or at inception. 3 Release assets that are not strategic and not used, to increase commission 5 All Outdoor Advertising new agreements to empower the City to remove remove illegal signs without a court order 8 Formalisation of traders leases and collection of market related rentals.		Timeline to be confirmed in approved Register	
3	Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders	Occupation of buildings not OHASA compliant	Very High 25	Very High 20	1 Quarterly assessment of properties to allow the assessment of repairs and maintenance to be increased from the current 16 corporate building, to all	EM: Portfolio Management	Timeline to be confirmed in approved Register	n/a

**CITY OF JOBURG PROPERTY COMPANY (SOC) LTD**

**BUSINESS PLAN 2019-2020**



**JOBURG  
PROPERTY COMPANY**

MOE	Objectives	Risk Description	Inherent Risk	Residual Risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date
					<p>properties housing CoJ staff.</p> <p>2 The CoJ OHASA team to be part of the team doing the assessment</p> <p>3 Letters issued to entities and departments that occupying buildings not OHASA compliant.</p> <p>4 Follow up to be made on commitment made by entities and department on OHASA issues.</p> <p>5 Entities and department with buildings not OHASA compliant to be reported to City Manager and later to the Executive Mayor, if necessary.</p> <p>6 Approval of Operating model by</p>			



CITY OF JOBURG PROPERTY COMPANY (SOC) LTD

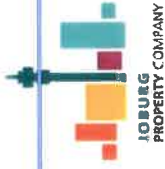
BUSINESS PLAN 2019-2020



MOE Objectives	Risk Description	Inherent Risk	Residual Risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date
4 Utilising the property portfolio to address social imperatives and priorities	Erosion of the City owned land and property asset base	Very High 20	High 16	<p>labour and staff in order to assign buildings to technical teams.</p> <p>1 Full utilisation of allocated budget for acquisition of properties                      3 Implementation of land strategy                      4 Implementation of facilities management strategy                      5 Acquire skill through external appointment opportunities which will result in JPC taking additional projects thereby increasing income.                      6. Asset Management Plans to be monitored to ensure that they result in a transaction in the future as indicated by that plan.</p>	1. EM: CBO 3. EM: Portfolio Management	2020/06/01  Timeline to be confirmed in approved Register	n/a

**CITY OF JOBURG PROPERTY COMPANY (SOC) LTD**

**BUSINESS PLAN 2019-2020**



MOE	Objectives	Risk Description	Inherent Risk	Residual Risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date
5	Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders	Inadequate maintenance of property	Very High 20	High 16	<p>1 Implement a comprehensive facilities management plan of all properties of the City.</p> <p>2 Bi-annual inspection of properties allocated to departments and entities, to ensure that the properties are well maintained. If not request the Managing Director or Executive Director to repair the property. If not satisfactory response is received escalate the issue to the City Manager.</p> <p>3. For all properties in bad state after point two, report the consolidated list to the board, in order for the board to engage with</p>	EM: Portfolio Management	Timeline to be confirmed in approved Register	n/a

CITY OF JOBURG PROPERTY COMPANY (SOC) LTD

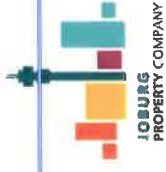
BUSINESS PLAN 2019-2020



MOE	Objectives	Risk Description	Inherent Risk	Residual Risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date
6	Ensuring a professionally managed and sustainable company	Ineffective governance structures	Very High	High	<p>MMC and Mayor regarding the issue</p> <p>4 Allocated budget for repairs and maintenance to be 100% spent properties</p> <p>5 Repairs on leased properties to be effected by the lessees and their condition regularly inspected.</p> <p>1 Annual workplan to be prepared taking into account all deliverable as per Charters / Terms of references.</p> <p>4 The internal audit reports to indicate all the risks (both strategic and operational) that were tested for that audit.</p> <p>5 Internal Audit Charter to be drafted</p>	Company Secretary	Timeline to be confirmed in approved Register	n/a

CITY OF JOBURG PROPERTY COMPANY (SOC) LTD

BUSINESS PLAN 2019-2020



MOE	Objectives	Risk Description	Inherent Risk	Residual risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date
7	Ensuring a professionally managed and sustainable company	Poor governance (Non-compliance with legislation, policies and procedures)	Very High 20	High 16	<p>and clearly indicate responsibilities for the internal auditors, ARC and management including escalations</p> <p>6 Annual assessment of the effectiveness of the internal audit by ARC</p> <p>7 Weaknesses identified during the assessment of the effectiveness of Internal Audit Function to be timeously resolved.</p> <p>8 Annual assessment of each committee to be performed and gaps identified timeously resolved.</p>	SM: Legal Services SM: Legal Services HOD: Human Capital	Timeline to be confirmed in approved Register	n/a



MOE	Objectives	Risk Description	Inherent Risk	Residual risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date
8	Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders	Organisational infrastructure not aligned to the strategic objectives	Very High	Moderate	<p>aligned to the City Wide Compliance Management Framework.</p> <p>2 Manual monitoring of legislation amendments</p> <p>3 Disciplinary processes for employees contributing to over-spending, irregular, fruitless and wasteful</p>	HOD: Human Capital	Timeline to be confirmed in approved Register	n/a
			20	8	<p>1. Intensify skills development initiatives.</p> <p>-Training plans to be implemented and complemented by individual learning plans.</p> <p>2. Implement succession planning policy.</p> <p>3. Fill critical vacancies in line with budget.</p>			



MOE Objectives	Risk Description	Inherent Risk	Residual risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date
				<p>4. Implementation of a change management framework.</p> <p>5. Employees not complying with JPC code of conduct and other policies to undergo a disciplinary cases.</p> <p>6. Disciplinary cases to be completed within 90 working days</p> <p>7. Outcome of the disciplinary cases to be reviewed and gaps identified dealt with immediately to ensure that future cases are improved.</p> <p>8. All employees to be informed about the outcome of all disciplinary cases to increase awareness and tolerate level for non compliance with the aim of deterring other employees.</p> <p>9. Recognise employees who are</p>			





MOE Objectives	Risk Description	Inherent Risk	Residual risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date	
9	Ensuring a professionally managed and sustainable company	Fraud and corruption	Very High 20	High 16	1 Implementation of ER based on consequence management measures 10 Promote high performing individuals	HOD: Human Capital	Timeline to be confirmed in approved Register	n/a
10	Supporting economic development	Inadequate Contract Management	High 16	Moderate 8	1 Request budget for site development costs 2 Request Council approval in terms of exemption provisions of the current 2009 By-laws (Section 8.(1) (J)) for JPC to implement certain aspects of the Masterplan such as high value advertising precinct sites and street furniture, pending finalisation of the current legal challenges facing the	EM: Portfolio Management	Timeline to be confirmed in approved Register	n/a



MOE Objectives	Risk Description	Inherent Risk	Residual risk	Actions to improve management of the risk	Action Owner	Time scale	Progress to date
				new Outdoor Advertising By-laws. 3 Council's approval of restructuring current contracts to introduce better terms, revise the revenue model to contribute towards the financial sustainability of CoJ and remove non-compliant signs on City's land to reduce clutter and create value.			



