

**City of Joburg Property Company
2017/18 Business Plan**



100 - 90



a world class African city



JPC Business Plan 2017/2018

APPROVAL

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CITY OF JOBURG PROPERTY (SOC) LIMITED

COMPANY INFORMATION:

Registration number:	2000/017147/07
Registered address:	1st Floor Forum II Braampark 33 Hoofd Street Braamfontein
Postal address:	PO Box 31565 Braamfontein 2017
Telephone number:	+27 010 219 9000
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Website:	<u>www.jhbproperty.co.za</u>
Bankers:	Standard Bank South Africa
Auditors:	Auditor-General South Africa

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GLOSSARY OF TERMS / LIST OF ACRONYMS

Acronym/abbreviation	Name/phrase
AFS	Annual Financial Statements
AOPO	Audit of Predetermined Objectives
ATR	Annual Training Report
B-BBEE	Broad-based Black Economic Empowerment
CAPEX	Capital Expenditure
CBD	Central Business District
CBO	Community-based Organisation
CEO	Chief Executive Officer
CoJ	City of Johannesburg
FMMU	Facilities Management and Maintenance Unit
GDS	Growth and Development Strategy
GIAMA	The Government Immovable Asset Management Act
GIS	Geographic Information System
GRI	Global Reporting Initiative
IDP	Integrated Development Plan
IMATU	Independent Municipal and Allied Trade Union
JMPD	Johannesburg Metro Police Department
JoshCo	Joburg Social Housing Company
JPC	City of Joburg Property Company (SOC) Ltd
JRA	Joburg Roads Agency
LIS	Land Information System
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act
MMC	Member of the Mayoral Committee
MOE	Municipal-owned Entity
MSA	Municipal Systems Act
MTC	Metropolitan Transportation Commission
NGO	Non-Governmental Organisation
OCM	Organisational Change Management
OD	Organisational Design
OHASA	Occupational Health and Safety Act
OPCAR	Operation Clean Audit Register
OPEX	Operational Expenditure
OSO	Office Space Optimisation
PIMS	Property Information Management System
POWA	People Opposing Women Abuse
REMCO	Remuneration and Human Resources Committee

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RFP	Request for Proposal
SAMWU	South African Municipal Workers' Union
SAPOA	South African Property Owners Association
SCM	Supply Chain Management
SDA	Service Delivery Agreement
SDM	Service Delivery Model
SMME	Small, Medium and Micro-Enterprises
UNGC	United Nations Global Compact
WSP	Workplace Skills Plan

1. Executive Summary

1.1. Introduction

The City of Johannesburg Property Company SOC Ltd (JPC) business plan has taken an inter-cluster approach and aligned its projects and programmes in line with the Department of Economic Development (DED) business plan, including identifying areas of cooperation between the DED and its other ME's, Joburg Market in order to deliver on its mandate. It has also taken into account the priority implementation plans of the other clusters into consideration. The following background, therefore, outlines the consensus reached during several inter-cluster strategic sessions to focus on SMME and entrepreneurial development as a driver of economic growth and development.

1.2. Background

The City of Joburg Property Company SOC Ltd (JPC) was established in 2000 and is wholly owned by the City of Johannesburg (CoJ). It was converted into a State-Owned Company after the implementation of the Companies Act of South Africa, 2008 (Act No. 71 of 2008). Consequently, JPC complies 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 a municipal entity, the company is also subject to the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

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Its sole shareholder, the CoJ, to carry out the following functions, mandates JPC:

- Asset Management,
- Property Management,
- Property Development; and
- Facilities Management Services (including managing informal trading facilities and taxi rank facilities);
- Other property related matters such as outdoor advertising and cell mast rentals

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 making Johannesburg a "World-class African City". JPC's primary goal in supporting the vision and mission of the 2040 Growth and Development Strategy (GDS) is based on recognising and emphasising its role as an economic and social property agency to achieve positive developmental outcomes. These strategic objectives are aligned with the strategies of the Economic Growth, Human and Social Development, Sustainable Services, and Governance clusters, as well as various Integrated Development Plan (IDP) programmes. The company seeks to achieve economic and social transformation through property and this implies:

- city properties will be comprehensively well-managed;
- city decision-making on property related matters will be faster but also well-considered within a sound strategic framework; and
- there will be well-considered public property developments supporting City strategy.

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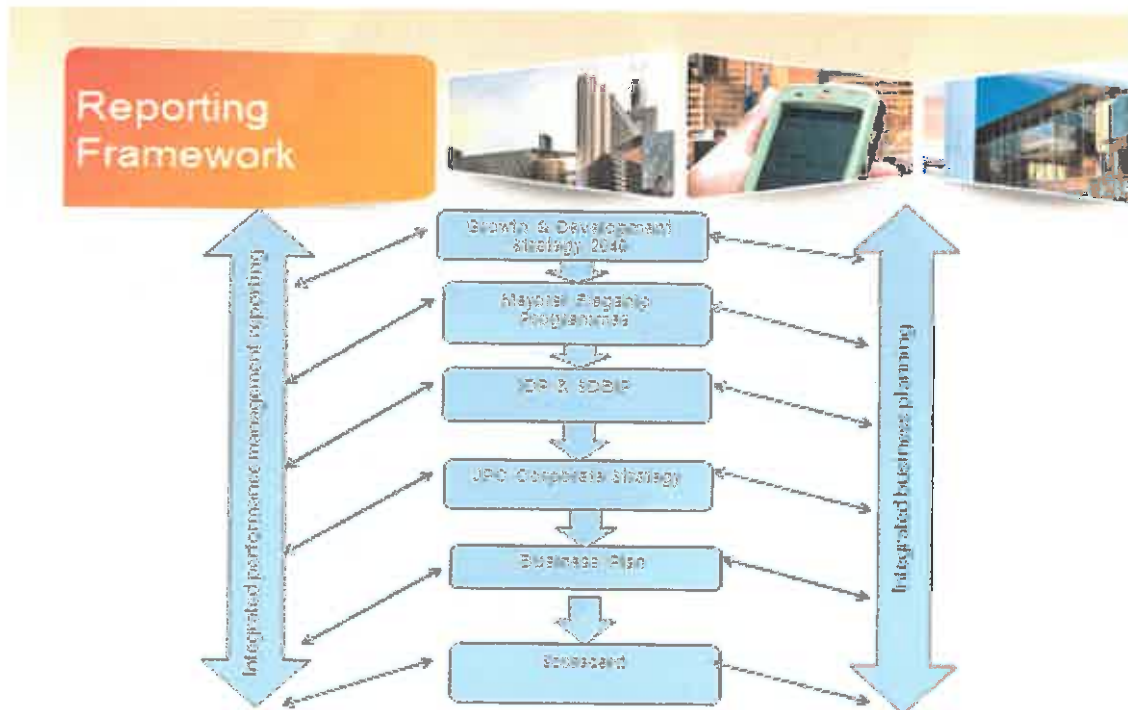
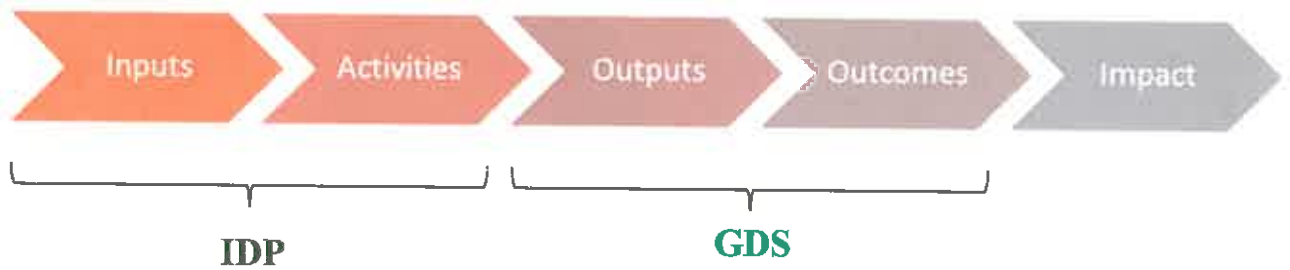


GDS 2040, IDP, AND JPC.

The CoJ Growth and Development Strategy 2040 (GDS 2040) is a Vision document that provides the broad guidelines for planning and development over the next few decades. It affects all CoJ departments and municipal entities, including JPC. It must be used to form a roadmap to implement the important outcomes of the strategy. It does not replace other long-term strategy documents, but instead provides a pre-requisite for medium-term, strategic, spatially oriented plans for infrastructure, housing and transportation sectors. In summary, it offers a clear vision, mission, framing paradigm and principles alongside outcomes, outputs and indicators.

The Integrated Development Plan (IDP), with a 5-year horizon short-term to medium-term operational plan, focuses on the inputs and activities that generate the long-term strategic outcomes and outputs stated in the GDS, as depicted in the diagram below:

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The broad principle in the provision of services by JPC is that all services linked are to the Priority Implementation Plan of the City and the results shall have a contribution to the outcomes as set out in the IDP. The City has identified key priorities, which are the developmental focal areas that service delivery of JPC must deliver against. Economic development interventions must be geared towards addressing the following economic imperatives through the city's key strategic priority plans derived from the GDS and IDP.

Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment

- Inner city regeneration, including key economic nodes
- Increased infrastructure investment (from both public and private sectors)

Create a culture of enhanced service delivery with pride.

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- Fast-tracking service delivery, especially to poorer communities
- Developing pro-active maintenance and service teams

Create an honest and transparent City that fights corruption

- Absorption of most municipal-owned entities into the City after consideration of a thorough review and due diligence

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

- Identifying land to be serviced before any human settlements are built
- Fast-tracking acquisition of buildings in the Inner City for housing

Enhancing our financial sustainability

Create an honest and transparent City that fights corruption

- Cutting wasteful expenditure on non-core functions

Enhancing our financial sustainability

Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment

- Improving revenue collection
- Focussing on driving up capital expenditure investment in infrastructure

Create a City that responds to the needs of citizens, customers, and business.

- Access to food
- SMME and Entrepreneurial Development
- Sector Diversification, Productivity and Competitiveness Support - Green Economy

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1.3. Vision

"To provide Property Management, Property Development and Property Asset Management services 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."

1.4. Mission

JPC is the manager of the property assets 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 asset management, property management and property development 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.

1.5. Values

Our Company Values provide an ethical foundation and are fundamental to our success

- Professionalism
- Customer Service
- Accountability
- Responsibility
- Trust

1.6. Strategic Objectives

JPC's primary goal in supporting the vision and mission of the 2040 Growth and Development Strategy (GDS) is based on recognising and emphasising its role as an economic and social property agency to achieve positive developmental outcomes. In synchronising the various strategic objectives, JPC identified the following as strategic objectives:

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

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1.7. Description of core business

JPC provides an all-encompassing range of property services required for the management and development of the property portfolios of the CoJ and the MOE's. Our core business, because of the implementation of the institutional review, has expanded to include facilities management to provide an overall property service. These commissioned services are on a sole-agency basis to administer the acquisition, disposal and conveyance of all land required for rendering municipal services. JPC manages approximately R9 billion (historic value) worth of a property portfolio.

The CoJ Property portfolio is diverse with approximately 30 000 properties under management, covering 77 900 hectares that spans across 7 municipal regions.

The company is divided into the following core business functions:

Function	Description
PROPERTY ASSET MANAGEMENT	Develops strategic advice relating to activities of public companies, portfolio planning, disposal of assets and identification of possible solutions for the positioning of the portfolio. These opportunities enable the CoJ to achieve their land management goals.
PROPERTY MANAGEMENT	Delivering and maximising value from the property portfolio by effectively administering and leasing, acquiring and selling and safely ensuring maintenance of the property. The portfolio comprises commercial, social, residential, industrial and municipal projects.
PROPERTY DEVELOPMENT	Actively engage with the property development value chain. The function involves interpreting, designing and implementing developments on CoJ land.
FACILITIES MANAGEMENT	Corporate building management and maintenance of public facilities. The O&M Programme is set to create a watch point to elevate service delivery, value for money standards and quality of life.
OUTDOOR ADVERTISING	A wide range of advertising mediums that reach consumers out of home. Monitoring of structures on council land.

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PROPERTY COMPANY

www.jhbproperty.co.za

1.8. Property Asset Management

Land should be viewed as a key resource that is fundamental in influencing and shaping desired spatial, social and economic objectives. JPC is the only Municipal Entity that manages the City's diverse property portfolio and provides a full-spectrum of property services to the City and its stakeholders across the lifecycle of its property ownership. This includes providing a service that integrates purchase, due diligence, management and leasing. The JPC Property Asset Management team strives to optimally manage the City's property portfolio to achieve its maximum potential by unlocking value of the portfolio through a process of careful analysis, strategic planning and efficient management.

The primary function of the Property Asset Management Division is to drive JPC's Land Strategy through defining an appropriate return on investment, cost structure, investment plan, disposal and acquisition strategy and maintenance plan that aligns to transformation targets and job creation. Property Asset Management must maintain the property asset register and warrant that land supports the City's objectives and spatial development framework for each property under management, and the portfolio as a whole.

Objectives

JPC's Property Asset Management aims to implement sound asset management practices including providing access to new assets in a sustainable and affordable manner. These objectives are best articulated in a radial cluster below;

a) Land Strategy Development

To ensure that the City delivers on its vision of a "world class African City" portfolio specific research, strategic planning, policy and strategy development and review, valuations, property life-cycle modelling and monitoring are done. The Land Strategy unit comprises of leasing strategies, including the tenant mix, marketing strategies, investment strategies on acquisitions, disposals and redevelopment functions.

b) Operational and Financial Performance

To provide assurance that performance measurement and client reporting is aligned to City targets this unit focuses on monitoring and evaluating the optimisation of portfolio composition, income and expenditure growth and the maintenance of the property asset register. The emphasis is on increasing the return generated from the portfolio, by disposing of underperforming assets, reducing operational costs, improving risk management, increasing the maintenance spend and hence improving the income generating potential of performing assets in line with the Land Strategy.

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c) Business Development

This unit consists of analysis and land preparation by town planners and urban designers to develop business cases. The goal is to improve the competitive advantage of the City's properties and create a portfolio to rival the private sector in terms of returns, yet maintain a direct focus on developing and contributing towards the citizens of Johannesburg.

Portfolio Profile

The portfolio of the City has a total balance sheet value of R8, 9 billion which comprises of 30 431 properties, measuring 77 830 hectares. Below is a table, which illustrates quantity, size and value per region summaries.

Region	Area	Value %	No. of Properties	Sum Of Value
Region A	15541.54065	8%	1931	R 690 707 236.28
Region B	3707.656318	18%	4018	R 1 596 354 537.10
Region C	9671.82388	13%	2341	R 1 116 326 483.38
Region D	8088.132974	9%	6727	R 802 277 534.39
Region E	4507.473596	19%	4980	R 1 719 872 221.18
Region F	7812.025461	16%	4835	R 1 389 250 165.97
Region G	27456.01189	12%	4600	R 1 052 640 000.53
Outside CoJ Boundaries	1045.5748	6%	491	R 534 488 576.01
	77830.23957	100%	29923	R 8 901 916 754.84

Table 1: High Level Portfolio Summary

2017/2018 Asset Management Plans: Priority Plans

Enhancing our financial sustainability

Create a culture of enhanced service delivery with pride.

Create an honest and transparent City that fights corruption

- Providing verification and recommendations on queries referred by Client servicing unit.
- Ensure overall effective financial and risk management.
- Implement the operational plan for Asset Management, highlighting opportunities, risk, weakness and strength.
- Implementation of mitigating measures as per the strategic risk register
- Monitor and manage a compliant Asset Register
- Conduct effective Research and Benchmarking
- Third Party investment on CoJ property transaction

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Facilities Management

Facilities Management plays a very important role planning, organising, and directing Facilities Management activities. They further ensure the effective management and integration of multi – disciplinary activities within the built environment and the mana Facilities management is a quintessential business function, affecting not only revenues and costs, but also production, quality of life for employees, health and safety, the work environment.

Our facilities management approach is focused on assessing business trends; focusing on cost reduction and increasing shareholder value, the integration of facility resource information into corporate business data, emphasis on speed of delivery, new ways of working enabled by mobile technology, new sustainability initiatives and targets and concerns about security and emergency preparedness.

Property Development

The Property Development unit seeks to maximise social, economic, and financial returns on the portfolio of public land by transforming high potential vacant land into high yielding property assets through the property development process.

JPC works towards being more involved in the property developments value chain, particularly in the management of the selected sub-portfolio of municipal properties referred to elsewhere as the 'commercial' portfolio.

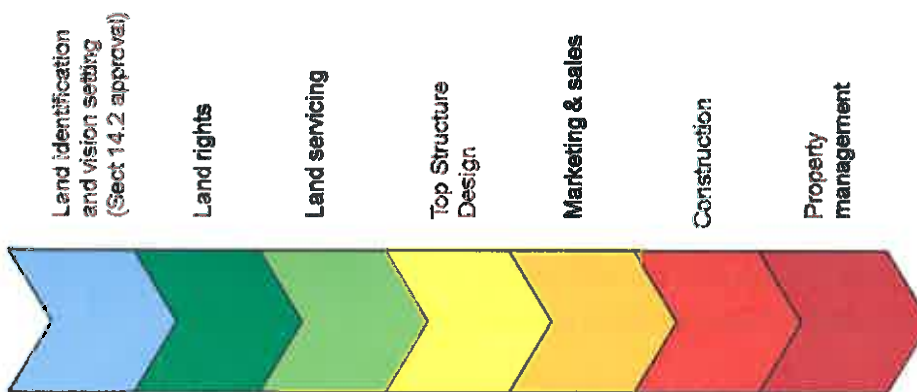


Figure 1: The Property Value Chain

The task of selecting a commercial portfolio (land and buildings), which is property that is additional to the requirements of the City, is an exercise between the JPC, the City's Development Planning Department and Department of Economic Development, and the line departments. It requires screening from the property register land and buildings (property) that are not needed for the City's line department service delivery responsibilities and will involve land use planning based on existing precinct plans, spatial development plans, the GDS 2040 and IDP, and also economic development and service delivery plans of service or line departments.

2017/2018 Property Development Plans

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Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment

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

- Facilitation of the creation of jobs
 - SMME and Entrepreneurial development
- Optimal Revenue collection
- Investment attraction on COJ property transaction
- Office and Residential Development

Property Management

This function involves maximizing the efficiency of the CoJ's Portfolio of properties. The property manager manages the properties. This includes leasing the premises (themselves or with agents) collecting the rentals, overseeing building maintenance, paying service providers, managing tenant relationships, running the accounts and providing reports. Facility Management is a sub function of property management, which refers to building 21 planning, design, and management of occupied buildings and their associated building systems, equipment, and furniture to enable and enhance the organisation's ability to meet its business and programmatic objectives.

Outdoor Advertising

Outdoor advertising refers to all types of advertising that reaches consumers whilst they are "outside the home", whether on premise or third party. Whereas on premise signage is a constitutional right, it is regulated, however requires planning approval. Third party signage is not an automatic right and thus easier to regulate. However, all forms of outdoor advertising have monetary value, as they inherently need exposure from public roads funded by the public hence they should all contribute to the signage revenue pool of the city.

2017/2018 Outdoor Advertising Plans: Priority Plans

Enhancing our financial sustainability

- **Transformation:** To transform the ownership landscape of outdoor advertising on CoJ land and to create an environment in which access to the industry is not limited.
- **Legalisation:** To legalise all forms of outdoor advertising in the City.
- **De-cluttering:** To reduce clutter in order to improve the aesthetics of the built environment of the City and to increase the value of the portfolio.

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- **Revenue optimisation:** To develop a strategy for the optimisation of revenue from the portfolio in its current format, as well as to implement additional revenue streams.
- **Process redesign:** To create a seamless and an efficient enabling environment this will allow for fair access to the industry in the form of contracts and rights

2. Strategic Analyses

2.1. PESTLE ANALYSIS:

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 as follows:

Political Factors	Economic Factors
<ul style="list-style-type: none"> • There is limited participation of black people, particularly women, in ownership and control of property companies • The commercially driven activities surrounding property, including development, management and sales, rest largely in white-owned companies. • 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. 	<ul style="list-style-type: none"> • Long approval processes increase holding costs of property such as security, cleaning and maintenance, which also increase the risk of illegal occupation and vandalism; • Economic growth and investor confidence affects the property market; • Delays in economic development and job creation; • There is a lack of investment and <i>property</i> development in <i>under-resourced areas</i>, perpetuating service 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"> • The current spatial development of Johannesburg benefits a small portion of the community. • Land is not timeously availed to individuals, entrepreneurs and indeed organized business to drive transformation 	<ul style="list-style-type: none"> • Innovative construction methods should be investigated to ensure cost reduction.
Legal Factors	Environmental Factors
<ul style="list-style-type: none"> • The National Credit Act and the global 	<ul style="list-style-type: none"> • Environmental regulations and protection -

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<p>economic meltdown significantly impacting on the growth and demand for residential, commercial and industrial properties;</p> <ul style="list-style-type: none"> • Formalities in respect of Leases Act, 1969. 	<p>National Environmental Management Act, 1998;</p>
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2.2. Strategic Reaction

The City of Johannesburg (CoJ) is a developmental municipality that actively seeks to use the institution and the instrument of local government, the municipality, to improve the quality of life of all its citizens.

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 intends addressing issues around property ownership. As the manager of the property assets of the City of Johannesburg, through its transactions can increase economic growth and implement Broad-Based Black Economic Empowerment (BBBEE). JPC plays an important role in the Integrated Development Plan (IDP) and Growth & Development Strategy (GDS2040) of the City to unlock land and drive development especially in under developed and previously marginalised areas.

2.3. SWOT Analysis:

Below are the SWOT elements that would have an impact on the effective implementation of the corporate strategy.

Internal	Strengths	Weakness
	<ul style="list-style-type: none"> • Good and reliable top management; • Extensive experience in property management, development, asset management and facilities; • Solid understanding of legislation and ability/commitment to work within it; • Island of excellence in property management; • Committed leadership 	<ul style="list-style-type: none"> • Lack of an integrated land strategy • There is a shortage of skills internally to fully implement the strategy • Break in JPC's participation in international property trade platforms. • Lack of involvement in property Industry Committees / Platforms. • Insufficient funding to fully delivery on the mandate

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	<ul style="list-style-type: none"> • Capacity to up-skill employees and organisation • A shareholder that supports social transformation (being part of the JPC mandate). • Access to capex and operating budgets • Alignment and access to CoJ which is a regulator and policymaker • 	
External	Opportunities	Threats
	<ul style="list-style-type: none"> • Maximization of revenue through the outdoor advertising portfolio and creation of a property fund; • CoJ office space optimisation; • Comprehensive database of properties which can be used for strategy formulation; • Assist emerging black facility management companies and property development. • To create a JPC which is an employer of choice • Creation of jobs for the unskilled labour market • Integrated and centralised approach to facilities management at market prices and standards (to include non-specialised services/assets) to MEs and other City buildings • Build on market trends and densification 	<ul style="list-style-type: none"> • Vandalism to property portfolio; • Land invasions & illegal occupation of land parcels; • Lack of property ownership in high value areas; • Cumbersome CoJ's land approval processes for land transactions. • Budget constraints • Loss of specialised skills • Mature property market which is risk-prone • Lack of diversification in property investment • Impact of the economy on property development • Private property developers abuse/constrain JPC's expansion into property development value chain

3. Communication and Stakeholder Management

3.1. Stakeholder engagement

2017/2018: Priority Plans

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Create a culture of enhanced service delivery with pride.

Enhance our financial sustainability

In developing a Stakeholder Relations Management and Corporate Social Investment strategy JPC aims 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.
- Build and maintain sustainable relations with JPC stakeholders and the property industry at large.

3.2. Key Stakeholders

Legend	High	Medium	Low
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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
Property	H	M	H	M	H	H	Key

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Industry							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							Key Players
Planning Professionals							Key Players
Institute of Planning Architects							Key Players
Legal Professional bodies							Key Players

3.3. 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.
Executive Management Team (EMT)	All JPC transactions should get the EMT's support before referred 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	Councillors engaged through Visible Service Delivery Forums and through other meetings.

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Stakeholder	Expectations	Method of engagement
	the Council Properties. They expect an efficient delivery of service and reliable information.	
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 Deeds Office	Lease and Sale transactions need the Deeds Office to endorse them and any delays in approving the Deeds can negatively affect JPC's business. It is therefore necessary to develop relations with these stakeholders.	JPC liaises with the Deeds Office through various channels, including telephonic discussions.

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2017/2018 Plans – Priority Plan

Create a culture of enhanced service delivery with pride.

Media Campaign to educate, inform and advocate

- Media Releases (free but not guaranteed)
- Editorials
- Advertorials
- Advertising
- Radio interviews
- Conferences / Seminars
- Social media platforms
- Profiling Case Studies Media Releases (free but not guaranteed)
- Conferences / Seminars – Profile JPC via Key Note addresses etc.
- On-line Publications
- Exhibitions
- SA Tourism
- Department of Trade and Industry Pavilions (subsidized)
- Relationship Building Initiative with Councillors collectively and individually:
- Networking
- Exhibitions
- Brochures
- Newsletters

Position JPC as a leader in Property and Facilities Management – locally and internationally

- Host a Municipal Property Dialogue Session (Round-Table Discussions):
- Potential investors
- Key industry role-players in facilities and property management fields
- COJ stakeholders e.g. MOE's

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4. Implementation and Performance overview

4.1. Past performance

JPC Annual Performance against the scorecard		Prior Year 2014/2015		Current Year 2015/2016	
KPA Description	KPI Description	Annual Target	Actual	Annual Target	Actual
1.Sustainable human settlements	1.1. Develop and implement a comprehensive Facilities Management framework for City owned properties	N/A	N/A	100 % of targeted facilities redeveloped, and / or refurbished against Master Plan	100% of targeted facilities redeveloped, and / or refurbished against Master Plan
	1.2. Remodelling/modernization and refurbishment of all current public toilets	N/A	N/A	100% of project plan for the FY implemented.	100% of project plan for the FY implemented.
	1.3. Partnership model of the transport facility implemented in line with Mayoral resolution.	N/A	N/A	100% of project plan for the FY implemented	100% of project plan for the FY implemented
	1.4. Partnership management model with informal traders implemented	N/A	N/A	100% of management model implemented	100% of management model implemented
	1.5. Develop and Implement a Citywide Land Strategy	N/A	N/A	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

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JPC Annual Performance against the scorecard		Prior Year 2014/2015		Current Year 2015/2016	
2.SMME and entrepreneurial support	2.1. Creation of the SMME's, NGO's, Co-Ops and Community Organisation programme	4 000 SMMEs supported NGO's,Co-Orps and Community Organisation supported	7 159 S supported NGO's,Co-Orps and Community Organisation	4 000 SMME's, NGO's,Co-Orps and Community Organisation supported	4 087 SMME's, NGO's,Co-Orps and Community Organisation supported
	2.2. 4000 jobs created	8 000 jobs created	9 955 jobs created	4 000 jobs created	4 278 jobs created
	2.3. Release of land to SMME's, Co-Ops and Entrepreneurs under the transformation*, social economic*** and social** programme	Issue a request for proposal to Co-Ops	27parcels of land identified, the database for Co-Ops is in place. 50 hectares of land, 1 hectare per 1 Co-Op released	35 SMMEs, Co-Ops and Entrepreneurs supported.	50 SMMEs, Co-Ops and Entrepreneurs supported.
3.Financial sustainability and resilience	3.1. R100m of rental income from leases and servitudes sales, servitudes and acquisition	R100 million income raised	R111 million income raised	R100 million income raised	R131 m income raised
	3.2. Construction of the Council chamber as per the Office Space Optimisation programme	Site handover to the contractor	Site handover to the contractor	Completion of all works and opening of chamber.	Interim refurbishments to be complete to cater for the 1 st council sitting.
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	Acquisition of 20 properties along the Transit Oriented Development and support the	27 properties acquired for Corridors of Freedom and Housing Master Plan	Lodge transfer documents with Deeds Office for the 20 properties in the TOD and to support housing master	Negotiations Finalised. 26 Properties acquired.

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JPC Annual Performance against the scorecard		Prior Year 2014/2015		Current Year 2015/2016	
	Areas (corridors and nodes)	Housing Master Plan by acquiring six properties in Priority Areas (corridors and nodes)		plan.	
5. Investment attraction, retention and expansion	5.1. Third party investment on COJ property transaction/ Investment in construction	Third party investment on CoJ property transaction: R350 million investment by private sector	R477 million investment by private sector	R 400 m investment by private sector	R423m investment by private sector
	5.2. Third party investment on COJ property transaction	R1 billion investment leverage on property transaction	R1 68 billion investment leverage on property transaction	R1 billion investment leverage on property transaction	R1.2 billion investment leverage on property transaction
6. Sustainable Human Settlements	6.1. Transfer or lease cumulative 13 000 properties under the land regularisation programme	13 000 properties leased or transferred	12 803 Identified properties 3 065 transferred properties	N/A	N/A
7. Investment Attraction, Retention and Expansion	7.1 Create a structured Informal City Market in the inner city as a pilot project which is vibrant and tourist attraction: Appoint a successful bidder.	Create a structured Informal City Market in the inner city as a pilot project which is vibrant and a tourist attraction: Appoint a successful	JPC placed and Expression of Interest on 10 April in an advert in the newspaper for the development of the City Market.	N/A	N/A

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JPC Annual Performance against the scorecard		Prior Year 2014/2015		Current Year 2015/2016	
		bidder.			

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4.2. 2017/18 Key Performance Areas

The table below illustrates how the Key Priority programmes and other IDP programmes that JPC will be undertaking in the 2017/2018 financial year. The JPC indicators and CBP provided for each of the project identified as well as the baselines and quarterly performance targets in order to measure performance post the approval of the plan.

Table: Key / Priority Programmes/

Key priority programmes	KPA	Key Project Performance Indicators	Means of verification	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
							Quarter 1	Quarter2	Quarter3	Quarter4
Create a culture of enhanced service delivery with pride	Facilities Management Green Economy Smart City	% implementation of the Facilities Management (FM) Prioritisation plan	Council quarterly performance report	Facilities Management Master Plan	100% implementation of the FM prioritisation plan	100% Implementation of Facilities Management Prioritisation plan	25% Implementation of Facilities Management Prioritisation plan	35% Implementation of Facilities Management Prioritisation plan	25% Implementation of Facilities Management Prioritisation plan	15% Implementation of Facilities Management Prioritisation plan
Encourage innovation and efficiency through the Smart City										

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Key priority programmes	KPA	Key Performance Indicators	Means of verification	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)						
							Quarter 1	Quarter2	Quarter3	Quarter4			
programme													
Enhancing our financial sustainability	Service Delivery through Capex	% spent of allocated CAPEX	% spent of allocated CAPEX	Capex report	100% Capex spend.	100% spend on allocated CAPEX	10% spend on allocated CAPEX	25% spend on allocated CAPEX	35% spend on allocated CAPEX	30% spend on allocated CAPEX			
	Outdoor Advertising	% implementation of the outdoor advertising masterplan	Outdoor advertising masterplan	Performance report	New Indicator	50% implementation of the outdoor advertising masterplan	10% implementation of the outdoor advertising masterplan	20% implementation of the outdoor advertising masterplan	20% implementation of the outdoor advertising masterplan	20% implementation of the outdoor advertising masterplan			
Create a culture of enhanced service delivery with pride.	Asset Register Movements	Asset Management 200 Asset Management plans formulated	Asset Register	Asset Register	200 asset management plans	200 asset management plans concluded	50 asset management plans concluded	50 asset management plans concluded	50 asset management plans concluded	50 asset management plans concluded			

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Key priority programmes	KPA	Key Performance Indicators	Means of verification	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
							Quarter 1	Quarter2	Quarter3	Quarter4
Enhancing our financial sustainability										

Key priority programmes	Projects	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
							Quarter1	Quarter2	Quarter3	Quarter4
Promote economic development and attract investment towards achieving 5%	Creating sustainable SMME sector in the COJ Enterprise Development: 4000 SMME's supported	Number of SMME supported, though property transactions	Number of SMME supported, though property transaction	Register of SMME's, NGO's, Co-Ops and Community Organisations supported.	4000 SMME's	5000 SMME supported, though property transactions	1000 SMME supported, though property transactions	1000 SMME supported, though property transactions	1500 SMME supported, though property transactions	1500 SMME supported, though property transactions

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Key priority programmes	Projects	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
							Quarter1	Quarter2	Quarter3	Quarter4
economic growth that reduces unemployment Ensure poor development that addresses spatial and income inequality and provides meaningful redress Create a City that responds	Job creation	Number of jobs through property transactions.	Number of jobs through property transaction	Record of jobs created	8000 jobs created	3000 jobs Created	700 jobs created	800 jobs created	800 jobs created	800 jobs created

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Key priority programmes	Projects	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
							Quarter1	Quarter2	Quarter3	Quarter4
to the needs of citizens, customers, business										

Key priority programmes	Key Performance Area	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
							Quarter1	Quarter2	Quarter3	Quarter4
Enhancing our financial sustainability	Financially and administratively sustainable and resilient city	Rand value of rental income from leases and servitudes sales	Rental income raised	Statement of Comprehensive Income	R120 million raised	R130 million raised from leases and servitudes	R20m income raised from leases and servitudes sales	R40m income raised from leases and servitudes sales	R50m income raised from leases and servitudes sales	

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Key priority programmes	Key Performance Area	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfill requirements of being SMART)						
							Quarter1	Quarter2	Quarter3	Quarter4			
						sales							
Preserve our resources for future generations Create a culture of enhanced service delivery with pride.	Acquisition of properties	Cumulative Number of properties acquired	Cumulative Number of properties acquired	Signed Agreements	20 properties acquired	20 properties acquired	Quarter1	Quarter2	Quarter3	Quarter4			
							Acquisition of 5 properties	Acquisition of 10 properties	Acquisition of 5 properties and Lodge with Deeds Office for transfer.				

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Key priority programmes	Key Performance Area	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
							Quarter1	Quarter2	Quarter3	Quarter4
Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment	Investment Attraction in the Inner City and key nodes	Cumulative Rand value of investment on COJ property transaction cumulative (Contract signed but no construction yet)	Cumulative Rand value of attraction of investment on property transaction (Contract signed but no construction yet)	Contract Signed	R1,2bn investment leverage on property transaction	R1,3bn investment leverage on property transaction	Nil	Nil	R500 m attraction of investment on COJ property transaction (Contract signed but no construction yet)	R800 m attraction of investment on COJ property transaction (Contract signed but no construction yet)
Promote economic development and attract investment towards achieving 5%		Cumulative Rand value of investment on COJ property transactions, cumulative	Cumulative Rand value of attraction of investment on property transaction	Progress Report on the developments.	R700m attraction of investment on property transaction (Construction)	R350m attraction of investment on property transaction	R50m attraction of investment on property transaction (Construction)	R50m attraction of investment on COJ property transaction (Construction)	R250m attraction of investment on COJ property transaction (Construction)	R350m attraction of investment on COJ property transaction (Construction)

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Key priority programmes	Key Performance Area	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
							Quarter1	Quarter2	Quarter3	Quarter4
economic growth that reduces unemployment		(Construction value on the ground)	(Construction value on the ground)		on value on the ground)	on value on the ground)	on value on the ground)	on value on the ground)	on value on the ground)	on value on the ground)
Create an honest and transparent City that fights corruption	Audit Opinion	Unqualified audit opinion (Clean audit)	Unqualified audit opinion (Clean audit)	Signed Report	(Clean audit)	Unqualified audit opinion (Clean audit)	@	@	Obtain an Unqualified audit opinion	Obtain an Unqualified audit opinion
Create a culture of enhanced service delivery with pride.	Audit Opinion	% resolution of predetermined objective audit findings	% resolution of predetermined objective audit	Internal auditors report	New Indicator	100% resolution of predetermined objective audit	&	&	75% resolution of predetermined objective audit	25% resolution of predetermined objective audit findings

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Key priority programmes	Key Performance Area	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
							Quarter1	Quarter2	Quarter3	Quarter4
Create an honest and transparent City that fights corruption			findings			findings			findings	
Enhancing our financial sustainability	Improved financial, performance and compliance environment within JPC	% resolution of financial management audit findings	% resolution of financial management audit findings	Internal auditors report	New Indicator	100%	&	&	75% resolution of financial management audit findings	25% resolution of financial management audit findings
Create an honest and transparent City that fights corruption	Improved financial, performance and compliance environment within JPC	% resolution of Compliance Management audit findings	% resolution of Compliance Management audit findings	Internal auditors report	New Indicator	100% resolution of Compliance Management audit	&	&	75% resolution of Compliance Management audit findings	25% resolution of Compliance Management audit findings
Create a culture of										

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Key priority programmes	Key Performance Area	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	2017/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)			
							Quarter1	Quarter2	Quarter3	Quarter4
enhanced service delivery with pride.		100% training and development initiatives for employees				findings				
						100% implementation of the training and development plan	25% training and development initiatives for employees	25% training and development initiatives for employees	25% training and development initiatives for employees	25% training and development initiatives for employees

^ - For the first quarter, JPC will be negotiating with the property owners to acquire that identified properties to support the CoJ and Housing Master plan.

@ - The Auditor General will only give an audit opinion in the second quarter of the financial year.

& - The resolution of the audit findings will only start in quarter three after the AG has presented the findings and audit report in the second quarter.

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4.3. Priority Implementation Plan

City Priority	<ul style="list-style-type: none"> • Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment • Ensure pro-poor development that addresses spatial and income inequality and provides meaningful redress • Create a City that responds to the needs of citizens, customers, business
JPC Contribution	<ul style="list-style-type: none"> • Third Party investment on COJ owned Properties. • Rand value attraction of investment on COJ property transaction.
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Bara Corner Site • Lonehill 73 • Parkhurst Bowling club • Driefontein • Rosebank 209 and Mutual Square
City Priority	<ul style="list-style-type: none"> • Create a culture of enhanced service delivery with pride.
JPC Contribution	<ul style="list-style-type: none"> • % implementation of the Facilities Management (FM) Prioritisation plan
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Facilities Management Programmes
City Priority	<ul style="list-style-type: none"> • Ensure pro-poor development that addresses spatial and income inequality and provides meaningful redress • Create a City that responds to the needs of citizens, customers, business • Preserve our resources for future generations
JPC Contribution	<ul style="list-style-type: none"> • Number of properties acquired • Acquisition of properties
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Identification of properties • Acquisition of 20 properties in support of city strategies
City Priority	<ul style="list-style-type: none"> • Enhancing our financial sustainability

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	<ul style="list-style-type: none"> • Create a City that responds to the needs of citizens, customers, business • Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment
JPC Contribution	<ul style="list-style-type: none"> • Financial sustainability and leveraging of City Owned Assets
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Rental income from leases and servitudes sales and acquisition of land. • Implementation of the Outdoor Advertising Strategy clean-up of the sites to reduce the number of boards to ensure the maximisation of income • Service Delivery through Capex
City Priority	<ul style="list-style-type: none"> • Ensure pro-poor development that addresses spatial and income inequality and provides meaningful redress • Preserve our resources for future generations
JPC Contribution	<ul style="list-style-type: none"> • Allocation of properties for agricultural and food security with the focus of SMME's, Co-ops and Informal Traders. • Allocation of property to Youth Development programs Develop a dynamic entrepreneurial spirit, competitiveness, innovation and increased investment through support to SMME's.
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • (35) Properties to be allocated. • (240) Hectares of land to be released. • One Co-op/SMME per hector = 240 Co-ops/SMME's. • 250 Social Leases
City Priority	<ul style="list-style-type: none"> • Encourage innovation and efficiency through the Smart City programme
JPC Contribution	<ul style="list-style-type: none"> • Formulate an energy saving plan for current corporate buildings and facilities • Implementation of the facilities management plan and/or strategy.
JPC Projects Aligned to Priority	<ul style="list-style-type: none"> • Office Space Optimisation (Phase 1- JHB CBD Construction of the Council Chamber Wing) Install LED Lights, Solar panels and automatic switching systems of lights.

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	<ul style="list-style-type: none">• Installation of LED Lights with timers in recreational centres, balance of the COJ Public Transport Facilities and all the clinics. Installation of water tanks at the COJ Recreational Facilities, 20 PC's and 10 Transport facilities to alleviate pressure from JHB Water. Install Solar panels on 10 Transport facilities and 10 recreational centres
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4.4. JPC Day to Day Operation

Day to Day operations	Projects	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	17/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfill requirements of being SMART)			
							Quarter1	Quarter2	Quarter3	Quarter4
Regional Road shows to Councilors at various regions to engage on property issues Customer and stakeholder interactions	Stakeholders engagements	Presentation	Number of Presentations	Presentations	7 presentations	28 presentations across all regions	7 presentations across all regions	7 presentations across all regions	7 presentations across all regions	7 presentations across all regions
		Target companies for engagement on property issues	Number of Targeted companies	Proof of engagements with companies	12 engagements	48 engagements with targeted companies	12 engagements with targeted companies	12 engagements with targeted companies	12 engagements with targeted companies	12 engagements with targeted companies
Annual Outdoor Advertising summit and	Business to Business Match Making	Host an annual Outdoor	Number of stakeholder engagements	Presentations	New indicator	Annual outdoor advertising	Planning and Preparati	Finalise the planning for the Outdoor	Launch of the Outdoor Advertising	
		Site visits to various projects and facilities	Number of site visits	Program	12 site visits	16 site visits	4 site visits	4 site visits	4 site visits	4 site visits

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Day to Day operations	Projects	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	17/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfill requirements of being SMART)				
round table engagements with property industry		Advertising Indaba				summit	on for the Outdoor Advertising summit focusing on transformation and SMME	Advertising summit	summit		
Property Valuations	Land sales, leases. Acquisition, servitudes	No of valuations done per annum			60%	100% valuations of all properties presented for approval	20% valuations of all transactions	50% valuations of all transactions	75% valuations of all transactions	100% valuations of all transactions	
Enhancement of the property portfolio-	Property Sanitation Project	Completion of the Property Sanitation Project			New Indicator	100% Completion of the property sanitation project	Appointment of service provider to assist	15% categorisation of all properties in the asset	50% categorisation of all properties in the asset	100% categorisation of all properties in the	

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Day to Day operations	Projects	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	17/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfil requirements of being SMART)				
							with the sanitation	register	register	register	asset register
Media and Communications	Branding of JPC, Marketing of JPC and projects outlined above Proactive media communications and engagement	Marketing and Media and Communication Strategy for JPC	Number of marketing and communication events to profile the organisation		New Indicator	3	Planning and alignment of marketing strategy to align to corporate strategy and projects	1 event held on marketing and communications	1 event held on marketing and communications	1 event held on marketing and communications	1 event held on marketing and communications
			Number of media releases			10 media releases		3 media releases	4 media releases	2 media releases	
							1 media releases				

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Day to Day operations	Projects	Key Performance Indicators	Measurement unit	Measurement Source	Baseline	17/18 Performance Target	Cumulative performance targets (Tangible, measurable targets that fulfill requirements of being SMART)			
Stakeholder engagements	Client satisfaction survey among external users	Facilitate a client satisfaction survey among external users to conduct a survey & and an empirical study on JPC's Client services	Results and report on analysis of survey	Questionnaire, statistical analysis & results of survey	New	Implementation of corrective measures to improve service delivery	Appointment of a service provider	Empirical study on JPC stakeholders and their satisfaction on service delivery - Questionnaire to stakeholders	Statistical analysis	Final report on results & recommendations Implementation of corrective measures

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5. Financial Impact

5.1. Summary

The City of Joburg Property Company SOC Ltd (JPC) is an entity that provides an asset management, facilities management, property management and property development services to the City of Johannesburg. JPC does not reflect the Cities assets on the JPC books and as such it manages two sets of Accounting Books being the JPC operating books and the Portfolio Books of the City.

JPC presented an adjusted budget to the COJ Budget Technical Steering Committee. The budget was prepared on zero-base approach, in line with the City of Johannesburg (COJ) budget guidelines. The budget was prepared on the basis that the entity will reach a break-even for the current financial year and the financial years going forward. Internal controls have been maintained to monitor and regulate the budget. The controls are to ensure that no unauthorized or irregular expenditure will be incurred in 2016/17 and future financial years.

JPC Operating Expenditure Budget 2016/17

JOHANNESBURG PROPERTY COMPANY	Note	Current year 2016/17		
		Adjusted Budget 2016/17 R 000	Approved Budget 2016/17 R 000	Variance 2016/17 R 000
REVENUE				
Interest earned - outstanding debtors		2 687	2 687	-
Operating grants		2 000	2 000	-
Other Revenue	1	45 328	18 158	(27 170)
DIRECT REVENUE		50 015	22 845	(27 170)
Internal Transfers				
Internal recoveries (ME's)	1	119 852	147 022	27 170
Internal Recoveries (Core)	2	378 364	-	(378 364)
Operating Grants & Subsidies from (COJ)	3	379 039	327 295	(51 744)
Total Internal Transfers		877 255	474 317	(402 938)
TOTAL REVENUE		927 270	497 162	(430 108)
EXPENDITURE BY TYPE				

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Employee related costs	3	291 841	240 097	(51 744)
Depreciation & asset impairment		5 646	5 646	-
Repairs and maintenance	2	420 752	42 388	(378 364)
Finance charges		916	916	-
Contracted services		42 178	42 178	-
Other expenditure		164 423	164 423	-
DIRECT EXPENDITURE		925 756	495 648	(430 108)
Internal Transfers				
Internal charges (ME's)		1 514	1 514	-
Total Internal Transfers		1 514	1 514	
TOTAL EXPENDITURE		927 270	497 162	(430 108)
OPERATING SURPLUS / (DEFICIT)		-	-	-

Table 1: Adjusted midterm budget vs approved budget for 2016/17

The preliminary assessment of the JPC's OPEX budget is performed by the COJ. Management have identified the following as matters of concern for the remainder of the 2016/17 financial year:

1. The COJ Budget Office requested to transfer reallocation of R27.1 million budget from Internal Recoveries to Other Revenue. JPC made the necessary budget adjustment however, the reallocation was not approved. The reallocation is required to address accounting challenges during intercompany eliminations between JPC and the COJ for CAPEX Commissions.
2. Internal recoveries relating to repairs and maintenance (R&M) have not been allocated to JPC; the budget resides with the COJ departments and MOE's. The following is important to note:
 - This creates a budget shortfall of R378 million and will result in unauthorized expenditure to the same value being disclosed in the 2016/17 annual financial statements.
 - At present, there exists some difficulties in the treatment and reclamation of VAT between JPC and the COJ that has had detrimental effects on the financial position of JPC due to non-payment by the COJ.
 - JPC requested that the budgets be transferred to refine and expedite the supply chain and finance processes.
 - The proposed funding model has been approved in 2017/18 financial year budget.
3. The shortfall in salaries of R51.7 million required the subsidy to be increased to accommodate all employee costs for warm bodies. The funding of the old-MTC and

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FMMU salaries has, historically, been a problem since the integration that was never addressed in any of the preceding budgets by the COJ, despite JPC's best endeavors to close the matter. There 24 critical vacancies within JPC that require funding to be filled. As the budget cannot accommodate the current warm bodies, JPC will incur further unauthorized expenditure for employee costs in the 2016/17 financial year.

5.2. JPC Operating Expenditure Budget 2017/18

JOHANNESBURG PROPERTY COMPANY	Note	Medium Term Revenue and Expenditure Budget: 2017/18		
		Requested Budget	Indicative Budget per EMT Lekgotla	Variance
		2017/18 R 000	2017/18 R 000	2017/18 R 000
REVENUE				
Interest earned - outstanding debtors		2 837	2 837	-
Other Revenue		33 938	33 938	-
DIRECT REVENUE		36 775	36 775	-
Internal Transfers				
Internal Recoveries (Core)	1	540 747	526 093	(14 654)
Operating Grants & Subsidies from (COJ)	2	672 016	355 884	(316 132)
Total Internal Transfers		1 212 763	881 977	(330 786)
TOTAL REVENUE		1 249 538	918 752	(330 786)
EXPENDITURE BY TYPE				
Employee related costs	2 & 3	324 753	257 677	(67 076)
Depreciation & asset impairment		5 962	5 962	-
Repairs and maintenance	2 & 4	630 102	446 153	(183 949)
Finance charges		967	967	-
Contracted services	2 & 5	61 016	41 793	(19 223)
Other expenditure	2 & 6	225 050	164 617	(60 433)
DIRECT EXPENDITURE		1 247 850	917 169	(330 681)
Internal Transfers				
Internal charges (ME's)		1 688	1 583	(105)
Total Internal Transfers		1 688	1 583	(105)
TOTAL EXPENDITURE		1 249 538	918 752	(330 786)

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OPERATING SURPLUS / (DEFICIT)		-	-	-
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Table 2: Indicative medium term budget vs requested budget for 2017/18

FINANCIAL CHALLENGES DUE TO BUDGET

The 2017/18 financial year budget poses significant challenges. Below are the operational implications of the budget allocated to JPC for 2017/18:

1. The R14.6 million shortfall in Internal Recoveries affects the funding of R&M required to fulfill JPC's obligations to the COJ.
2. The R316.1 million shortfall in the subsidy affects the funding for every major expense required for JPC's service delivery. The following are impacted:
 - Employee related costs – The funding challenges experienced in 2016/17 are carried forward into 2017/18.
 - Repairs and maintenance – Only certain buildings will be prioritized for holistic R&M and no budget is made available to address OHASA findings at Metro Centre.
 - Contracted services – Corporate buildings are mostly affected by the reduction in available budget for cleaning and security.
 - Other expenditure – Most significantly affected is the rental of corporate buildings.
3. The R257.6 million provided for employee costs does not fund the warm bodies that are active in JPC nor is it sufficient to fund the structure of the entity. The operational and strategic risks associated with critical vacancies is further exacerbated by the lack of funding. As raised in 2016/17, unauthorized expenditure incurred in 2017/18 because of the budget shortfall
4. A R183.9 million shortfall in repairs and maintenance entails that only certain buildings can be repaired and improved to support the COJ's drive in improving service delivery to the public. Most significantly affected will be the OHASA initiatives required to improve the Metro Centre, the budget required for this is R174 million. Of the available budget R395 million is to be utilized on citywide R&M and R50 million on corporate buildings.
5. The reduction in contracted services influences Cleaning, Security and Fleet costs. Insufficient funding in this area impacts JPC's service delivery and compliance with contracts entered into with service providers. The following will be reduced to accommodate the R19.2 million shortfall:
 - Cleaning by R6.3 million in corporate buildings. This entails either a stoppage in service or a reduction in the number of cleaning staff deployed by service providers. Given the budgetary constraints, no additional funds are available to accommodate the new Council Chambers.

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- Security (a critical GDS 2040 risk) by R11.1 million in corporate buildings. As with cleaning, this entails either a stoppage in service or a reduction in the number of security staff deployed by service providers. Given the budgetary constraints, no additional funds are available to accommodate the new Council Chambers.
 - Fleet costs by R1.4 million. This is to be achieved through a reduction in the fleet allocated to JPC. The reduction in fleet can only be performed if the contract permits the change in fleet. Should the fleet not be reduced there is a high risk of unauthorized expenditure.
6. The reduction in Other Expenditure by R60.4 million has the greatest bearing on the following:
- Corporate building rentals will be reduced by R39.2 million. Given the contracted escalating costs of rentals, JPC will not be able to cover all rentals and utilities. It is estimated that rental and utilities can only be covered for 9 months of the 2017/18 financial year.
 - Employee initiatives and development costs will be reduced by R7.9 million. The risks associated with little to no employee development underlines the organizational challenges that have been identified by management.
 - A R6.5 million reduction in consumables required for R&M projects undertaken by Facilities Management.
 - Advertising and marketing initiatives will be reduced by R3.3 million. This halts the branding, imaging and positioning of JPC in the property sector.

As the requested budget was not granted to JPC, the entity will not be in a position to take on any additional facilities or works relating to upgrades, maintenance, cleaning, security, hygiene, gardening and other facilities management related services.

In order to mitigate the risk of over-expenditure, the entity proposes the following recommendations:

- To accommodate the shortfall in rental, it is proposed that the R39,2 million shortfall be reallocated from repairs and maintenance for corporate buildings. However, this reduces the available funds for R&M on corporate buildings to R11 million.
- Any work and services relating to additional facilities will have to be covered by the respective departments of which JPC will assist through a SLA.

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5.3. JPC Portfolio Budget

	Current Year	Medium Term Revenue and Expenditure Budget: 2017/18 - 2019/20		
	Approved Budget 2016/17 R 000	Indicative Budget 2017/18 R 000	Indicative Budget 2018/19 R 000	Indicative Budget 2019/20 R 000
REVENUE BY TYPE				
Property rates - penalties & collection charges	2 742	3 016	3 182	3 357
Rental of facilities and equipment	89 617	95 173	100 788	106 231
Other Revenue	65 102	92 138	97 574	102 843
Gains on disposal of PPE	25 000	25 000	25 000	25 000
DIRECT REVENUE	182 461	215 327	226 544	237 431
Internal Transfers				
Internal recoveries (ME's)	-	-	-	-
Internal Recoveries (Core)	-	-	-	-
Total Internal Transfers	-	-	-	-
TOTAL REVENUE	182 461	215 327	226 544	237 431
EXPENDITURE BY TYPE				
Debt impairment	1 699	1 794	1 900	1 900
Depreciation & asset impairment	450	450	475	475
Repairs and maintenance	53 805	57 141	60 512	63 780
Contracted services	10 116	10 743	11 377	11 991
Other expenditure	58 564	62 195	65 865	69 422
DIRECT EXPENDITURE	124 634	132 323	140 129	147 568
Internal Transfers				
Internal charges (ME's)	109 184	91 276	95 128	100 265
Total Internal Transfers	109 184	91 276	95 128	100 265

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TOTAL EXPENDITURE	233 818	223 599	235 257	247 833
OPERATING SURPLUS / (DEFICIT)	-51 357	-8 272	-8 713	-10 402

Table 3: JPC Portfolio budget from 2016/17 to 2019/20

There have been no amendments to the JPC Portfolio budget for the 2016/17 midterm review and the financial years going forward.

5.4. Capital Expenditure Budget

Capital expenditure for 2017/18 has been revised to accommodate a 15% decrease in available funding for capital projects.

The table below illustrates the various projects, highlights the impact, and challenges the shortfall in available budget presents.

Capital Expenditure Projects 2017/18				
Project Name	Cash CRR 2017 / 2018	MTEF 2017- 18	Variance	Implication of variance
Randburg CBD Renewal Building Alteration Renewal Building Alterations FERNDALE B Regional	R10 300 000	R3 000 000	R7 300 000	The original requested capex was based on estimated the work required to refurbish the Randburg Civic Centre. JPC has been receiving increasing numbers of complaints regarding the state of this property and has initiated upgrades during the current financial year. The most significant problems relate to the flooding of the basement of the main building, which seems to be related to larger problems regarding storm water management on site. An assessment of the problem is currently underway.

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				<p>The capital intended to restructure the access arrangements to the buildings.</p> <p>The cut in capex should be sufficient to address the flooding and storm water problems on site but will mean that the restructuring of the access and other maintenance items will have to be carried over to future financial years.</p>
<p>Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex JOHANNESBURG F Ward</p>	R15000 000	R15000 000	R0	No change
<p>FMMU - Public Conveniences New Public toilets JOHANNESBURG F Ward</p>	R10 000 000	R10 000 000	R0	No Change
<p>Sandown Extension 49 Erf 575RE Renewal Building Alterations SANDOWN EXT.49 E</p>	R35 000 000	R35 000 000	R0	No change
<p>Orlando Ekhaya Waterfront Development Renewal Park ORLANDO EKHAYA D Regional</p>	R10 000 000	R5 000 000	R5 000 000	<p>The budget cut will result in a reduced scope of work for the envisaged capital works at the waterfront.</p> <p>The budget is however sufficient to complete the access roadway to the waterfront, which is considered to be, the essential works.</p>

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				The works to be cut will be the erection of boardwalks and jetties which were intended to complete the waterfront park and make the waterfront usable to the public. These works will have to be deferred to future years. There is potential that the non-completion of the park will deter private sector investors for the development sites which are being placed on tender (these development are expected to attract investment of over R50Million)
Jabulani CBD Precinct development New Operational Capex JABULANI D Ward	R5 000 000	R3 000 000	R2 000 000	The reduction in the budget will mean that the services to be installed to development sites in the cultural precinct will be reduced this may delay private sector cultural investment in the semenye music school, incubator village , MK vets village and vuyani dance facility (with a combined investment value of over R100M), as these developments are dependent on services being installed to the sites
Kliptown Market & Taxi Rank (Improving Trading Facilities) Renewal Informal trading Stalls PIMVILLE ZONE 9 D Ward	R4 720 000	R4 720 000	R0	No Change
Upgrading of the Hillbrow Public Transport Facility and taxi rank upgrade	R1 080 000	R1 080 000	R0	No change

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JOHANNESBURG F Ward				
Dobsonville Informal Trading Market Upgrading and construction of Informal Trading Facility New Informal trading Stalls DOBSONVILLE D Ward	R1 240 000	R1 459 000	R-219 000	No change
Computer Equipment New Computer Upgrades BRAAMFONTEIN WERF EXT.1 F City Wide	R2 000 000	R1 700 000	R300 000	
Salisbury House Erf 1052 and 1053 Renewal Heritage JEPPESTOWN F Ward	R200 000	R0	R200 000	This project is complete and this allocation should have been taken off.
Land Regularisation Renewal Operational Capex JOHANNESBURG F City Wide	R5 000 000	R0	R5 000 000	In terms of new direction for LRP this funding is no longer required
Neighbourhood Development for Bertrams Priority Block New Building Alterations BERTRAMS F Regional	R1 000 000	R1 000 000	R0	No change-
Site Development Projects New Land Preparation JOHANNESBURG F City Wide	R8 000 000	R6 800 000	R1 200 000	Reduction in budget by R2m will mean that 15% less projects can be prepared and that future pipeline of projects will be affected. The impact of this cut will not be felt immediately but will slow the release of projects for development in future years. The 15% reduction will result in a drop in investment value in

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				property development projects of R52Million in future years.
Purchase & Development of land in Perth Empire, Louis Botha and Turffontein Corridors New Corridors of Freedom Intervention CORONATIONVILLE F City Wide	R2 000 000	R2 000 000	R0	No change –
Rissik Street Post Office Restoration Project New Heritage JOHANNESBURG F Regional	R40 000 000	R40 000 000	R0	Committed no change
Erf 43-46 Victoria Ext 3(Paterson Park Node) VICTORIA EXT.3 E Regional	R3 000 000	R3 000 000	R0	Committed- no change
Rosebank Linear Park ReDevelopment New Precinct Redevelopment ROSEBANK B Regional	R3 000 000	R0	R3 000 000	Allocation proposed for temporary relocation of library. RFP will be redefined to place obligation for development of temporary library on the developer. This has the effect of complicating the RFP to be issued by increasing the obligations of the developer. Experience has shown that more complicated RFP get fewer and poorer responses from the market. The cost of redevelopment the temporary library will also be deducted from the bidder's offers and will result in a lower return on rental.

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Office Space Optimisation Program New Precinct Redevelopment JOHANNESBURG F City Wide	R2 000 000	R2 000 000	R0	No change
	R158 540 000	R134 759 000	R23 781 000	

Table 4: Capital expenditure for 2017/18

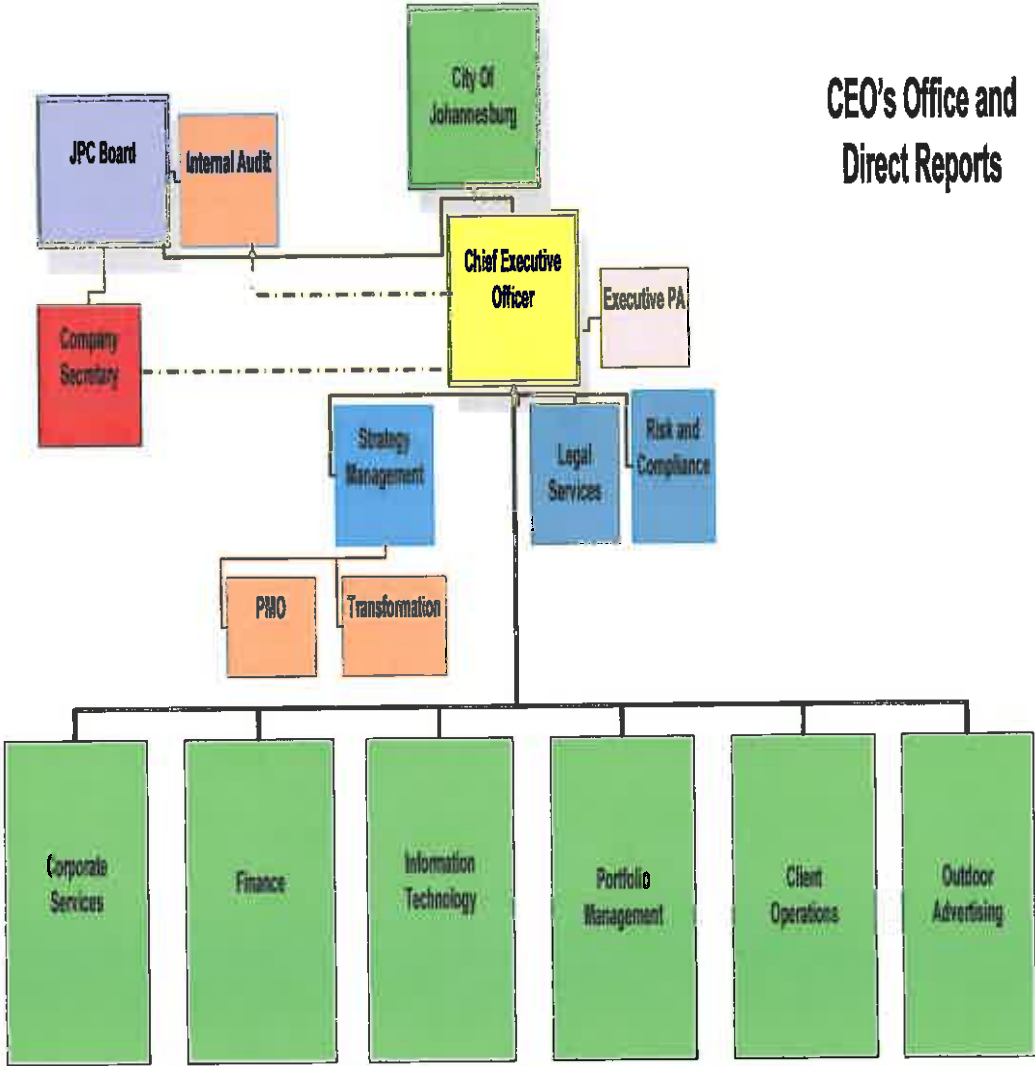
Conclusion

Despite the budgetary constraints, identified above, JPC remains committed and will endeavor to provide the COJ with the best possible service it can deliver on the funding made available. It is imperative that the COJ Budget Office re-evaluates the funding shortfall for the salaries of JPC to prevent unauthorized expenditure and to consider all alternatives to fund the rental of corporate buildings.

In the interim, the management of JPC will reconsider how best to configure its operations to align itself to the COJ's deliverables on the budget provided.

6. Management and organisation structure

6.1. Organisation Structure



CEO's Office and Direct Reports

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6.2. Senior Management Team

The following individuals constitute the management team under the leadership of the Chief Executive Officer.

Number	Name	Surname	Position	Email address
1.	Helen	Botes	Chief Executive Officer	hbotes@jhbproperty.co.za
2.	Sthembiso	Mntungwa	Executive Manager: Property Portfolio	smntungwa@jhbproperty.co.za
2	Imraan	Bhamjee	Chief Financial Officer	ibhamjee@jhbproperty.co.za
3	Fanis	Sardianos	Executive Manager: Client Business Operation	fsardianos@jhbproperty.co.za
4	Makhosi	Tisani	Executive Manager: Corporate Services	mtisani@jhbproperty.co.za
5	Musah	Makhunga	Head: Strategic Management	mmakhunga@jhbproperty.co.za
7	Mala	Padayachee	Head: Information Technology	mpadayachee@jhbproperty.co.za
8	Sipho	Mbethe	Senior Manager: Outdoor Advertising	smbethe@jhbproperty.co.za

6.3. Capacity Analyses

6.4. Employment Equity

Employment Equity demographics indicates that for this period under review, JPC has a total staff complement of 584 employees including People with disabilities and Temporary staff. Note: A=African, C=Coloured, I=Indian and W=Whites.

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	1	0	0	0	1	0	2	0	0	0	4
Professionally qualified and mid-	16	1	4	6	14	1	2	3	0	0	47

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management											
Jun. Management, Superintendents and Skilled Technical	111	3	5	12	47	8	2	5	1	0	194
Semi-skilled / Administration	103	7	3	1	41	8	0	2	0	1	166
Unskilled and defined decision making	76	10	0	1	64	15	0	0	0	0	166
Total Permanent Staff	309	21	13	21	167	33	6	10	1	1	582
Temporary Employees	0	0	0	0	2	0	0	0	0	0	2
GRAND TOTAL	309	21	13	21	169	33	6	10	1	1	584

JPC view employment equity as a key factor in achieving sound human resources practices. This includes eliminating barriers that prevent advancement of the designated groups by applying positive affirmative action measures. The ultimate aim is not only to ensure that the workplace is free from all forms of discrimination but that employees have equal opportunities and are equitably represented in all occupational levels despite of race, gender, disability, religion, sexual orientation etc., in the workforce.

The approved Employment Equity plan marks the 2nd year of the 5-year term show in respect of the barriers identified within the affirmative action measures made significant progress in relation to the EE distribution against the set EAP targets. Audit analyses conducted with regard to accessibility of buildings for Persons with Disability. The key gender equality factor gave JPC an opportunity to prioritise and address the imbalances off over-representation of males experienced and promote an all-inclusive gender balance within the workplace.

Plans for 2017/18: Priority Plans

Create a culture of enhanced service delivery with pride.

The following will be the HR strategic priorities that attention will be focus on supporting the JPC Strategic Objectives:

- Development of a Strategic Employment and Talent Management programme to meet the current and future organisational human capital needs;
- Transforming the organisation through the development and implementation of a comprehensive change management plan which will include employee engagement and a culture change;

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- Identify and implement appropriate leadership development programs to equip leaders to influence and drive the JPC strategy, culture and operations;
- Embed a high performance culture through the implementation of the new performance management system to promote organisational excellence and enhance productivity;
- Promote a healthy and productive working environment through the development and implementation of a sustainable health and wellness program;
- Ensure sound employee and union relations through the establishment of an integrated collective bargaining structure.

Employment Equity

- Ensure that key principles underpin the approach
- Develop employment equity plan
- Identify critical positions which can be filled through employment equity
- Implement a diversity management programme

Effective Communication

- Develop a stakeholder (internal and external) engagement and communication plan: which includes management, unions, employees, Board
- Promote organisational unity through regular communication with staff and by inculcating open communication lines

Leadership and Management Approach

- Align culture through:
- Redefining the values and principles
- Strategic sessions to align thinking of future strategic direction
- Leadership development programmes for the entire management team
-

Skills Development

- Conduct a Training and Development Needs Analysis in line with the new organisational competencies required.
- Compliance with legislation
- Compile all WSPs using PDPs as the basis.
- Develop updated Personal Development (Learning) Plans that are beneficial to both the individual and the organisation
- Execute an effective training and development programme

7. Risk

Risk management forms a critical part of any institution's strategic management. The recognition of risk management is an integral part of sound organisational management and promoted internationally as good practice applicable to both the public and private sectors.

The underlying premise of risk management is that every institution exists to provide value for its stakeholders. All institutions face uncertainty, and the challenge for management is to determine how much uncertainty the institution is prepared to accept as it strives to grow stakeholder value.

Value is maximised when management set strategy and objectives to strike an optimal balance between growth and related risks, and effectively deploys resources in pursuit of the institution's objectives.

The RMS provides a basis for management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value. The framework specifically addresses the structures, processes and techniques to be implemented to manage risk on an enterprise – wide basis and in a consistent manner.

Joburg Property Company (JPC) places high importance on positioning risk management as a central part of service delivery improvement. Such importance is emphasized with the various legislative instruments that make up the legal framework for risk management in the public sector.

Management undertook a process to review the risk management policy, risk management framework to align to the CoJ revised documents on risk management. Management is now reviewing the strategic risks for the entity ensuring that the reviewed risk management documents are complied with as the guiding documents on how risks will be dealt with at JPC. A board risk management workshop is being organised for management to present the revised strategic risk of the company for the current financial year. JPC has rolled forward the strategic risks that were identified in September 2015.

JPC Risk Management unit acquired a license to utilise Exclaim risk management system of which JPC had acquired for the compliance purposes. The system will ensure that risk management is managed and monitored effectively and will also improve the reporting thereof. A risk workshop will be scheduled to train the risk champions on how to use the system to gather information and capture the operational risks from each business unit.

JPC Risk Management unit acquired a license to utilise Exclaim risk management system of which JPC had acquired for the compliance purposes. The system will ensure that risk management is managed and monitored effectively and will improve the reporting thereof. A risk workshop will be scheduled to train the risk champions on how to use the system to gather information and capture the operational risks from each business unit.

Ranking	Department/ MDE Objectives	Risk Category	Risk Description	Causes of the risk (Background)	Consequences	Impact	Likelihood	Inherent Risk	Current controls	Control Effectiveness	Residual Risk	Trend	Risk Owner	Action to improve management of the risk	Action Owner	Time scale
1	Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders	Asset Loss	Inadequate management and maintenance of property	1.Absence of a comprehensive facilities management plan/(Reactive approach taken) 2. Shortage of personnel in key management roles 3.Skill deficiency and some staff performing at less than expected level 4. Inadequate contract management/ enforcement of contracts clauses 5. Incomplete lease register	1. Obsolescence of property 2. Rapid Aging Infrastructure and loss of value in the property 3. absence of maintenance framework	5 Critical	5 Almost Certain or Common	25 Very High	1. Schedule of maintenance plan per department that signed SLA 2. Ad hoc maintenance as prompted by call outs due to urgent repairs 3. Some project teams have been formed and being deployed to temporarily complement teams that require assistance	Poor 0.90	22.5 Very High	□	CEO	1. Develop and implement a comprehensive facilities plan 2. Training plan to be implemented and complemented by individual learning plans/follow up on budget requested 3. Follow up on budget that has already been requested to increase head count. 4. Contract management system being implemented. 5. Establish framework orders with the entities and departments. 6.Approval and implementation of succession planning framework	1. EM: Property portfolio 2. EM: Corporate Services 3. EM: Corporate Services 4.SM: Legal/SCM 5. EM: Property portfolio 6. EM: Corporate Services	2017/06/30
2	Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders	Governance	Inadequate Contract management	1. Inadequate monitoring of contracts 2. Poor stakeholder relationship management (Contractual) 3. Inadequate property development project management 4.Absence of contract management procedures and protocol	1. Terms and conditions of contracts not being adhered 2. Poor service delivery 3. Financial Loss 4.Contracts not being renewed timely 5. Reputational damage	5 Critical	5 Almost Certain or Common	25 Very High	1. Adhoc contract management by project owners. 2. Contract register which is reviewed monthly by SCM 3. Financial terms are monitored by Finance and deviation from expectation is timely followed up	Poor 0.80	22.5 Very High		CEO	1. Establishment of the Project Management Office (PMO). 2. Upskilling of staff with emphasis on contract management in accordance with set JPC standards. 3. Establishment of the contract management system.	1. HOD: Strategic Management 2. EM: Corporate Services 3. HOD: Legal	2017/12/31

3	Supporting community development and social initiatives	Asset Loss	Illegal occupation and use of property	<ol style="list-style-type: none"> 1. Housing shortages citywide 2. Poor enforcement of by-laws 3. Hijacking of buildings 4. Rapid urbanisation 5. Insufficient regular monitoring of property 	<ol style="list-style-type: none"> 1. Loss of revenue 2. Health hazards 3. Property safety compromised 4. Decline in value of property 5. Reputational damage 6. Criminal activity promoted 	Critical	5	Likely	4	Very High	20	<ol style="list-style-type: none"> 1. Client servicing centre which deals with client complaints and concerns. 	Poor	0.90	High	18	CEO	<ol style="list-style-type: none"> 1. Monitoring of high risk properties, with the assistance of CRUM, and ward councillors 2. Campaigns in communities/hotline 3. Improve communications with relevant stakeholders 4. Enter into maintenance agreements with tenants 5. Completion and implementation of Land Strategy 	<ol style="list-style-type: none"> 1. EM: Property portfolio 2. EM: Corporate Services 3. EM: CBO 4. EM: Property Portfolio 	2017/12/31
4	Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders	Service Delivery	Organisation under resourced and under capacitated	<ol style="list-style-type: none"> 1. Insufficient Head count in certain key areas 2. There is absence of skills in certain areas where positions have been filled 3. Budget constraints 	<ol style="list-style-type: none"> 1. Poor service delivery 2. Financial losses 3. Organisational Reputation 4. Strain within the organisation 5. Low productivity 	Critical	5	Almost Certain or Common	5	Very High	25	<ol style="list-style-type: none"> 1. Skills Development Initiatives 2. Approved organisational structure linked to our mandate. 3. Have a system of prioritising critical vacancies to minimise the impact to service delivery. 4. Performance Management in place and regularly reviewed. 	Fair	0.50	High	12.5	CEO	<ol style="list-style-type: none"> 1. Skills development Initiates underway. 2. Submission to City for additional budget for vacancies 3. Develop Internship programme roll out plan for approval and implement 4. Conducting training needs analysis 	EM: Corporate Services	2017/06/30
5	Utilising the portfolio as a vehicle for transformation	Strategic	Inability to implement the outdoor strategy	<ol style="list-style-type: none"> 1. Current by-law restrictions 2. Protracted legal processes makes it difficult for CoJ to remove illegal advertising signs without a court order. 3. Absence of capacity and resources to enforce the By-laws by CoJ. 4. Lack of a vision for outdoor advertising In CoJ renders the City to be driven by the industry (reactive approach). 5. Over reliance on outdoor 	<ol style="list-style-type: none"> 1. Stagnant industry / absence of transformation 2. Loss of revenue 3. Reputational risk 4. Decrease in value due to clutter and over supply 	Critical	5	Almost Certain or Common	5	Very High	25	<ol style="list-style-type: none"> 1. Approved strategy by JPC Board 2. Approved master plan (vision for outdoor advertising) by JPC Board 3. Approved implementation plan of the strategy and industry engagement resolution by the Board 4. Approved consolidation of the portfolio at JPC by CoJ 5. Interim procedures developed with 	Fair	0.50	High	12.5	CEO	<ol style="list-style-type: none"> 1. Joint intervention between JPC and the City in reviewing the by-laws and implementation of JPC outdoor strategy 2. Regular interaction with the industry with resolutions reached. 3. Approval of Turnaround plan by Council for implementation by JPC and CoJ DDP subject to budget provision 4. Upskilling and retraining: staff development and enhancement of capacity and skills 	EM: Outdoor	2017/12/31

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advertising by CoJ entities and departments
 6. Skills shortages in outdoor advertising
 7. Poor turnaround times

CoJ Planning to fast track processing of applications

base of the two Departments
 5. Approval of master plan as a vision for outdoor advertising by Council for implementation by CoJ and JPC
 6. Remodelling of CoJ portfolio by JPC in line with the vision (Less is more)
 7. Review of By laws by CoJ in consultation with JPC to empower CoJ to remove illegal signs without a court order
 8. Reduction of fees subject to CoJ approval to assist new entrants
 9. Proposed introduction of user fee on all signs facing public roads to reduce number of signs in the urban environment
 10. Introduce street furniture to supply amenities at no cost to CoJ as per strategy
 11. MOU with Industry associations to foster partnerships with all players for inclusive and responsible growth of the sector
 12. Finalisation of a panel of professional service providers to ensure that JPC obtains all statutory approvals before contracting and site for development

6	Utilising the property portfolio to address social imperatives and priorities	Reputational	Crime and security incidents	<p>1. Ineffective by-law enforcement (Outdated by-laws making it difficult to enforce transgressions)². Increasing crime due to increasing informal settlements³. Tenants engaging in corrupt activities⁴. Inadequate resources to performance inspections⁵. Increased unemployment rates. Increased social ills (e.g. substance abuse, lifestyle diseases)</p>	<p>1. Decline investment in the City². Negative perception about City's response to safety incidents³. Inhabitable City⁴. Damage to property and infrastructure⁶. Lawlessness⁷. Reputational damage⁸. Increase in criminal activities</p>	Major	Possible	3	High	12	<p>1. All leases include a clause restricting submitting without written consent from JPC</p>	Poor	0.90	Moderate	10.8	CEO	<p>1. Procedure to be put in place that governs regular inspections to ensure that properties are being utilised in line to approved terms and conditions². App to be developed as part of the land strategy³. Explore a forum where information can be shared Citywide to identify possibly affected properties</p>	1. EM: Property portfolio	Sep-17
7	Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders	Asset Loss	Inadequate asset management	<p>1. Depletion of assets/Managing assets with no strategic value 2. Delay in finalising, approval and implementation of land strategy. 3. Asset management planning and life cycle not performed optimally</p>	<p>1. Future development of properties is negatively affected resulting in undesired product 2. Reputational damage 3. Negative effect on revenue generation</p>	Critical	Likely	4	Very High	20	<p>1. Asset register has been updated and assets physically verified 2. Condition assessment performed on properties to compile the prioritisation plan. 3. Ongoing valuation 4. Reconciliation of property register with deeds records</p>	Fair	0.50	Moderate	10	CEO	<p>1. Completion and Implementation of Land Strategy 2. Completion and implementation of Asset Management Categorisation 3. Completion and implementation of Facilities Management Plan 4. Asset management plans and lifecycle costing per category being drafted per facilities management framework, masterplan and strategy</p>	EM: Property Portfolio	2017/12/31
8	Ensuring a professionally managed and sustainable company	ICT	Inadequate ICT delivery	<p>1. Poor Access Controls 2. Aging Infrastructure 3. Hacking 4. Non compliance with POPI Act 5. Leakage of sensitive information 6. Inadequate funding 7. Inadequate skills and competences 8. Different systems/platforms stand alone systems/no systems/no</p>	<p>1. Poor service delivery 2. Absence of interoperability 3. Adverse impact on operation and business interruptions 4. Financial losses</p>	Critical	Likely	4	Very High	20	<p>1. Change management processes in place 2. Security IT policies and procedures in place and being implemented 3. Periodic activity checklists 4. Annual babasance box penetration test 5. Disaster Recovery Plan implemented 7. IT service</p>	Fair	0.50	Moderate	10	CEO	<p>1. Procedure to be put in place that governs regular inspections to ensure that properties are being utilised in line to approved terms and conditions². App to be developed as part of the land strategy³. Explore a forum where information can be shared Citywide to identify possibly affected properties</p>	1. EM: Property portfolio	2017/12/31

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<p>Ensuring a professionally managed and sustainable company</p>	<p>Financial</p>	<p>Integration 9. Delays in the SAP Hanna upgrade</p>	<p>1. Insufficient revenue from various sources of income 2. Inadequate funding from the subsidy 3. Social commitment higher than commercial income 4. Inadequate planning for contracts and portfolio income 5. Billing at old lease rates, leases are not renewed</p>	<p>1. Incurring losses due to exceeding expenses 2. Overdraft due to insufficient cash inflow 3. Breach of SLA - absence of service delivery 4. Lower revenue from contracts due to lesser work performed and billed 5. Expired leases resulting in lost revenue 6. Inability to deliver against mandate</p>	<p>Major</p>	<p>4</p>	<p>4</p>	<p>4</p>	<p>High</p>	<p>16</p>	<p>16</p>	<p>8</p>	<p>0.50</p>	<p>Fair</p>	<p>providers panel appointed to safeguard business continuity 8. ICT Steering Committee in place</p>	<p>1. COJ subsidy in place and being received monthly 2. Maintenance contracts and SLAs in place and work is being done and billed accordingly. 3. Commissions income received from capital projects, Lease income and acquisitions. 4. Prudent expenditure management 5. Strict adherence to the approved and allocated annual JPC budget</p>	<p>CEO</p>	<p>1. 100% execution of the approved implementation plan for the facilities to ensure that planned work is done and billed. 2. Timely renewal of leases so that revenue generation can be enhanced 3. Lease Audit ongoing to ensure completeness of properties leased by JPC in order to increase and measure revenue base. 4. Promotion of JPC strategy, brand and value proposition with City shareholders. 5. Increase the work performed by facilities management by 5% a year.</p>	<p>1. EM: Property portfolio 2. EM: Property portfolio 3. EM: Property portfolio 4. EM: Property portfolio 5. EM: Corporate Services 6. EM: Property portfolio</p>	<p>1. 2017/06/30 2. 2017/12/31 3. 2017/06/30 4. 2017/06/30 5. 2017/12/31</p>
<p>Supporting community development and social Initiatives</p>	<p>Stakeholder Management</p>	<p>1. Inadequate stakeholder communication. 2. Absence of a centralised system to monitor stakeholder enquiries (call centre). 3. Inadequate tracking of the transaction process until finalisation and/or resolution thereof in terms of the Shareholder Compact.</p>	<p>1. Perceived poor service deliver reputation 2. Insufficient property information</p>	<p>Major</p>	<p>4</p>	<p>4</p>	<p>4</p>	<p>High</p>	<p>16</p>	<p>16</p>	<p>8</p>	<p>0.50</p>	<p>Fair</p>	<p>1. Marketing and communications strategy being executed (Social Media, Internet etc.). 3. Internal communication strategy in place and implemented. 4. JPC Client Services Unit in place. 5. Weekly Open Day for stakeholder engagements. 6. Stakeholder matrix in place. 7. Periodic monitoring of the stakeholder</p>	<p>1. Implementation of business processes and systems integration (link the JPC Call Centres to PIMS, TRIM) which will improve the tracking and monitoring of stakeholder and client enquiries. 2. Full implementation of the marketing and communications strategy. 3. Implementation of an integrated JPC Call Centre. 4. Undertake a stakeholder survey. 5. Corporate social Investment strategy and policy to be</p>	<p>CEO</p>	<p>1. EM: CBO 2. EM: CS</p>	<p>2017/06/20</p>		

Ensuring a professionally managed and sustainable company	Regulatory	Non-Compliance with legislation, policies, procedures and poor governance	<ol style="list-style-type: none"> Inadequate governance structures. Inadequate knowledge of respective regulations required. Insufficient capacity for monitoring of adherence to regulations. Unethical employee conduct; poor implementation of governance structure 	<ol style="list-style-type: none"> Litigation and penalties for non compliance should incidences occur 	Critical	5	Possible	3	High	15	<ol style="list-style-type: none"> IT Disaster recovery plan in place and tested as per the policy. Insurance of all assets in the asset register (indemnities). Wellness programmes Five alternative office locations (depos) 	Fair	0.50	Moderate	7.5	CEO	approved by board	SM: Legal	2017/06/30
Ensuring a professionally managed and sustainable company	Business Continuity	Business Continuity Management	<ol style="list-style-type: none"> Severe damage to property, e.g. floods, fire and earthquakes Absenteeism, industrial action, transport shortages Terrorist attacks Loss of systems and networks Destroyed relationships with stakeholders. Assets insured at historical values. No succession planning or exit strategies. Changes in the City's plans for Municipal Owned Entities. 	<ol style="list-style-type: none"> Reputational damage Asset Loss Financial Loss Business collapse 	Critical	5	Possible	3	High	15	<ol style="list-style-type: none"> IT Disaster recovery plan in place and tested as per the policy. Insurance of all assets in the asset register (indemnities). Wellness programmes Five alternative office locations (depos) 	Fair	0.50	Moderate	7.5	CEO	<ol style="list-style-type: none"> Comprehensive Business Continuity Plan to be crafted, approved and implemented. Approval and implementation of the succession plan Mitigative actions for the possible integration will include the following <ul style="list-style-type: none"> Appointments in support units will be for short term. Each business unit will prepare a hand over report indicating how it will function in case of integration. Updating all the JPC's Standard Operating Procedures for all processes Approval and implementation of succession planning framework 	HOD: Strategic Management	2017/06/30

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<p>Ensuring a professionally managed and sustainable company</p>	<p>Financial</p>	<p>Fraud and corruption (both internal and external)</p>	<p>1. Fraudulent sales and unlawful occupation of land and buildings 2. Mismanagement of cash. 3. Collusion between officials and clients 4. Corruption and bribery 5. Unethical employee conduct</p>	<p>1. Reputational damage 2. Asset Loss 3. Financial Loss</p>	<p>Major 4 Possible 3 High 12</p>	<p>1. JPC support service policies and procedures in place. 2. Fraud and Corruption (Prevention) Committee in place. 3. Fraud and whistle blowing hotline and policy in place. 4. Periodic staff awareness training and workshops. 5. Quarterly reporting to ARC on fraud issues. 6 Caveats are noted against all COJ owned properties to safeguard against fraudulent transfers 7. Employee Relations consequence management. 8. Fraud prevention hotline has been fully implemented</p>	<p>Good</p>	<p>0.20</p>	<p>2.4</p>	<p>CEO</p>	<p>1. Continue the promotion of fraud prevention and fraud hotline awareness campaigns. 2. External stakeholder awareness 3. Implementation of ER based on consequence management measures</p>	<p>1. SM: Legal 2. SM: Legal 3. EM: Corporate Services</p>	<p>1. Ongoing 2. Ongoing 3. 2017/06/30</p>
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