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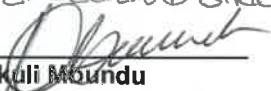


**JOBURG**  
PROPERTY COMPANY

**JOBURG PROPERTY COMPANY (JPC)**

**BUSINESS PLAN 2022/2023**

OFFICIAL SIGN OFF

 <b>Mr. Siphon Mzobe CA(SA)</b> Acting Chief Financial Officer	<u>18/08/2022</u> Date
 <b>Ms. Helen Botes</b> Chief Executive Officer	<u>12/8/2022</u> Date
 <b>Adv. Brenda Madumise</b> Chairperson of the Board	<u>18/05/2022</u> Date
 <b>Ms. Lulama Ndlovu</b> Acting Executive Director: ED	<u>19/05/2022</u> Date
 <b>Mr. Cllr. Nkuli Moundu</b> Member of Mayoral Committee Economic Development	<u>19/05/2022</u> Date

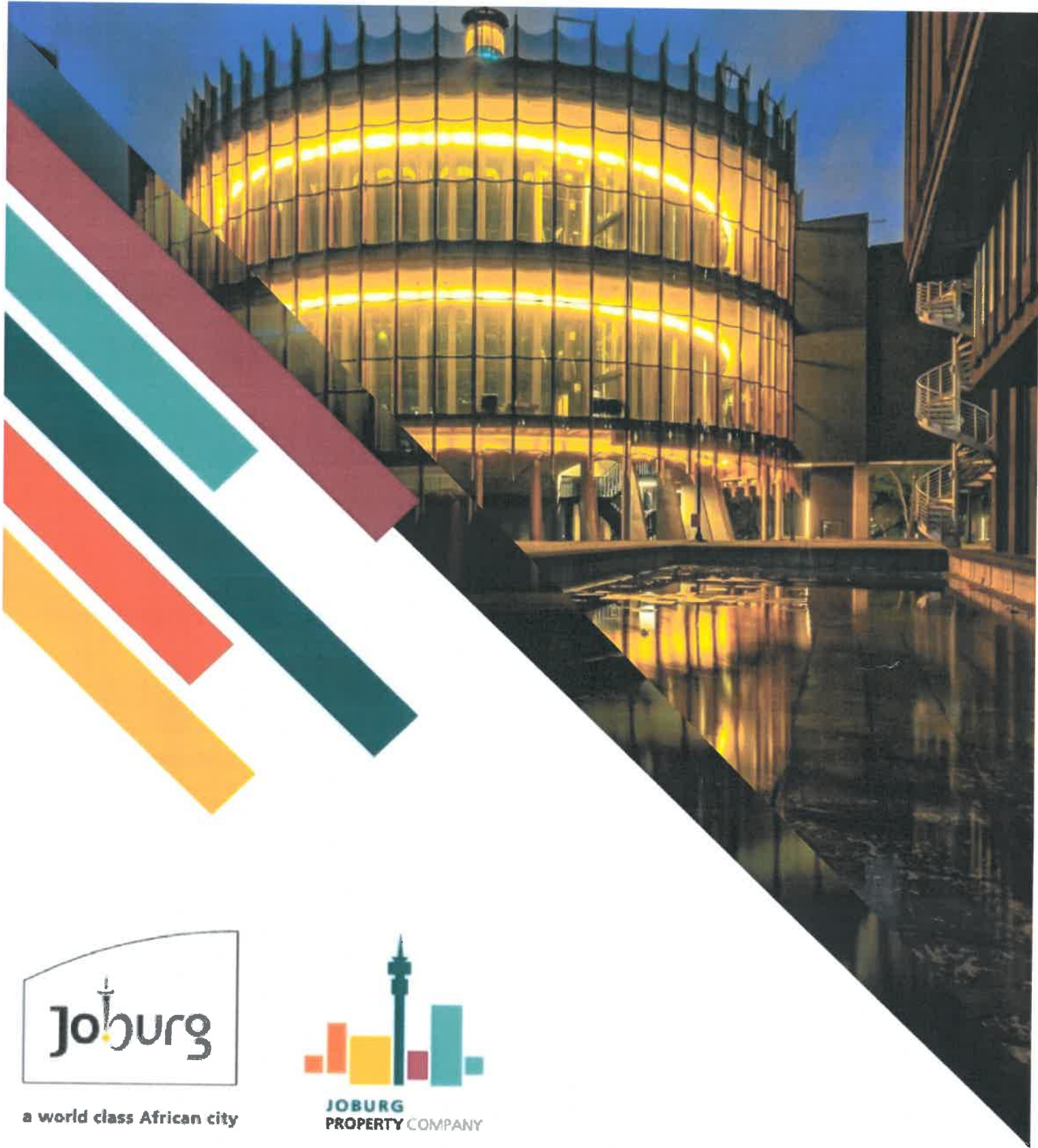
## LIST OF ACRONYMS

Acronym	Description	Acronym	Description
AGSA	Auditor-General South Africa	NT	National Treasury
AMP	Asset Management Plans	OA	Outdoor Advertising
ARPL	Artisan Recognition of Prior Learning	OHS	Occupational Health Safety
BCM	Business Continuity Management	OPEX	Operational Expenditure
BP	Business Plan	PESTLE	Political, Economic, Social, Technological, Legal, Environment
BSC	Balanced Scorecard	PMO	Project Management Office
CAPEX	Capital Expenditure	PPMU	Property Programme Management Unit
CDP	Community Development Programme	RFP	Request For Proposal
CoJ	City of Johannesburg	SCM	Supply Chain Management
EGC	Economic Growth Cluster	SDA	Service Delivery Agreement
FMM	Facilities Management and Maintenance	SDBIP	Service Delivery Business Implementation Plan
FY	Financial Year	SMMEs	Small Medium and Micro Enterprises
GBV	Gender-Based Violence	SLA	Service Level Agreement
GCSS	Group Corporate Shared Services	SOC	State-Owned Company
GDS 2040	Growth and Development Strategy 2040 (In Review)	SWOT	Strength, Weakness, Opportunities, Threats
GIS	Geographic Information System,	YTD	Year to Date
GDP	Gross Domestic Product		
ICT	Information and Communication Technology		
IDP	Integrated Development Plan		
ISO	International Organisation for Standardisation		
KPA	Key Performance Area		
KPI	Key Performance Indicator		
MFMA	Municipal Financial Management Act		
MPG	Multi Party Government		
MSA	Municipal System Act		
MTEF	Medium-Term Expenditure Framework		
NDP	National Development Plan		

# TABLE OF CONTENTS

Chapter 1: Executive Summary	6
Chapter 2: JPC – the entity	12
2.1. Our Vision, Mission and Values	13
2.2. Core Mandate / Purpose / Objectives	13
2.3. Legislation and Policy Environment	15
2.4. Key Performance Functions	17
2.5. Past Performance overview	19
Chapter 3: Strategic Analysis	22
3.1. Operating Context	23
3.2. South African Property Sector Analysis	24
3.4. SWOT analysis	26
Chapter 4: Mayoral Priorities & JPC Strategic Goals	28
4.1. Integration and Linkage to Political Priorities	29
4.2. Strategic Goal 1: Unlocking Investment/ Business through property transactions and development	33
4.3. Strategic Goal 2: Stimulate Economic Development through Mega Projects such as Inner City Rejuvenation, Southern Farms Development, Orlando Ekhaya and Soweto Gateway	34
4.4. Strategic Goal 3: Promote high density & mixed land use in Inner City node through the Inner City property redevelopment projects approved in Council for release to the private sector	35
4.5. Strategic Goal 4: Utilise property transactions to create jobs opportunity and support SMME	38
4.6. Strategic Goal 5: Improve and Strengthen JPC's Financial position	39
4.7. Strategic Goal 6: Use of Technology for Effective and Efficient Operations	41
4.8. Strategic Goal 7: Enhance sound and clean governance	42
4.9. Strategic Goal 8: Invest in our staff to sustain optimal performance & service-focused culture with committed people	42
4.10. Strategic Goal 9: Improve Customer and Stakeholder Satisfaction	45
4.11. Strategic Goal 10: Ensure a Hygienic Environment within COJ Facilities	45

<i>Chapter 5: Sustainable Development Goals (SDGs)</i>	47
<i>Chapter 6: Service Standards</i>	49
<i>Chapter 7: Financial Plan</i>	51
7.1 <i>Financial Structure Overview</i>	52
7.2 <i>City of Joburg Property Company Portfolio</i>	53
7.3 <i>Operating Expenditure</i>	54
<i>Chapter 8: Management &amp; Company Structure</i>	57
8.1. <i>Company Structure</i>	58
8.2. <i>Analysis of the Company Structure</i>	59
<i>Chapter 9: Risk Management</i>	63
9.1 <i>Meeting our statutory obligations</i>	64
9.2 <i>Understanding the risks that could affect our plan</i>	64
9.3 <i>Our approach to risk management</i>	65
9.4 <i>Risks and mitigation strategies</i>	65
<i>Chapter 10: Corporate Scorecard</i>	67
10.1. <i>Company Scorecard</i>	68
10.1.1 <i>Unlocking investments/ business through property transactions &amp; developments.</i>	68
10.2. <i>Technical Indicator Descriptions</i>	80



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## *Chapter 1: Executive Summary*

## Chapter 1: Executive Summary

The Multi-Party Government (MPG) envisions building a prosperous City of Golden Opportunities Johannesburg (CoJ), a City whose citizens enjoy a progressive environment characterised by principles of **good governance, inclusivity and transparency**. The advent of the shifting power in the City ushers in the MPG’s new thinking which aims to guide the socio-economic and service delivery trajectory. The Business plan presents the company’s activities to create value for the shareholder as mandated with the management of COJ properties outlined in the Service Delivery Agreement (SDA).

The new political agenda is based on the theme of changing the status quo over the next five years. This has been incorporated into the seven mayoral priorities adopted by the MPG. The mayoral priorities are as follows:

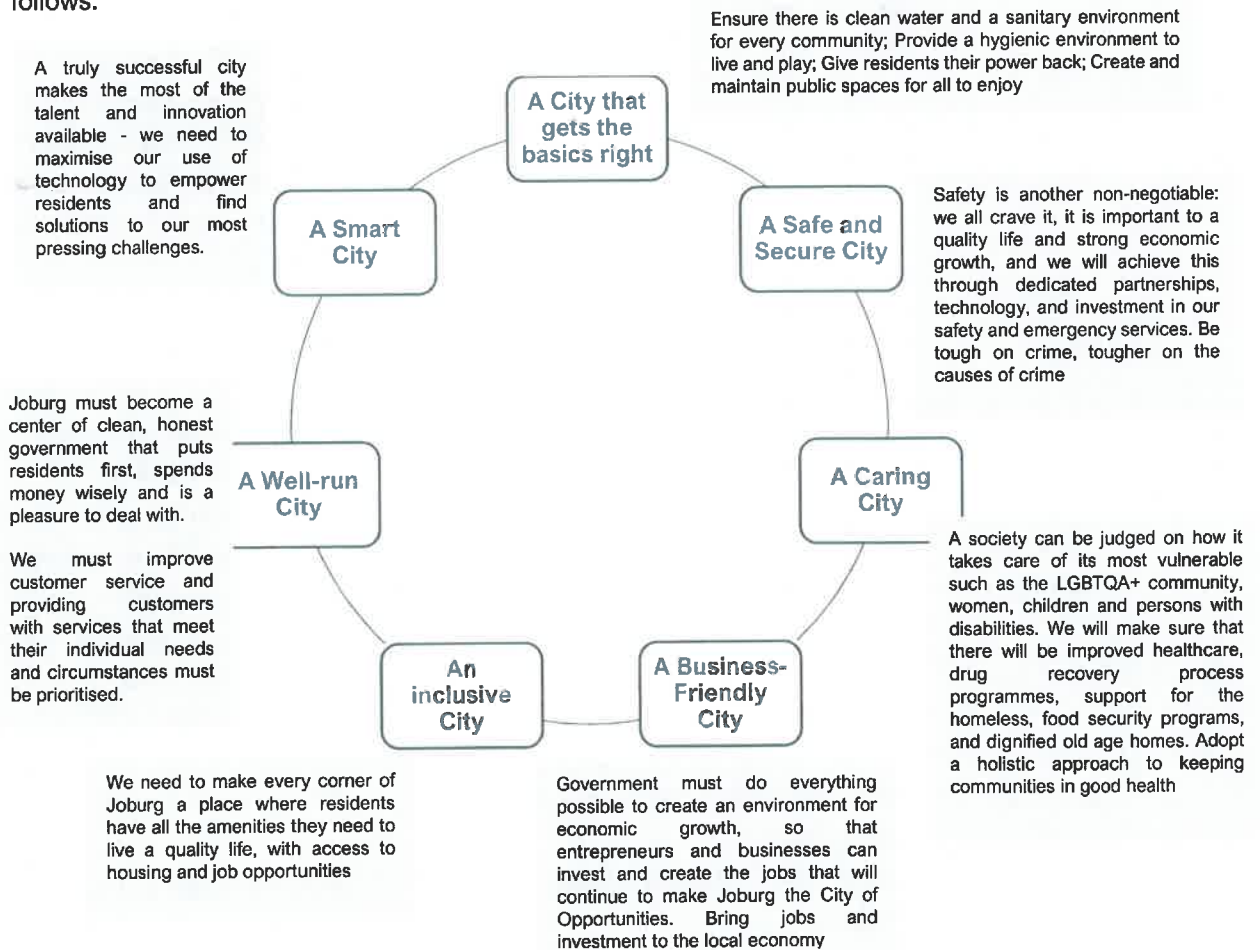


Diagram 1: Mayoral Priorities and related description

In developing the 2022/23 business plan (BP), JPC has fully embraced the City’s strategic priorities and contributes to Maroyal Priorities as follows:

MAYORAL PRIORITY	STRATEGIC PROGRAMME	JPC RESPONSE
A Business-Friendly City	<ul style="list-style-type: none"> <li>Attracting, expanding and ,retaining investment</li> <li>Address spatial inequality within the city</li> <li>Revitalised industrial parks in townships that are safe and can attract invest</li> <li>Revitalise all CBDs through Central Improvement Districts, investment incentives, property releases, and urban upgrades;</li> </ul>	<ul style="list-style-type: none"> <li>Unlocking investment attraction opportunities through property transactions.</li> <li>Implementation of the Land Strategy to sweat and enhance the Assets</li> <li>Stimulate Economic Development through Mega Projects such as Inner City Rejuvenation, Southern Farms Development, Orlando Ekhaya and, Soweto Gateway</li> <li>Creation of Job Opportunities</li> <li>SMME support</li> </ul>
An Inclusive City	<ul style="list-style-type: none"> <li>Develop mixed-use requirements for all housing projects</li> <li>Low-rent and rent-to-buy units in mixed-income developments;</li> </ul>	<ul style="list-style-type: none"> <li>Identification of buildings which contributes to urban decay and implement measures to address urban decay throughout the City.</li> <li>Partner with City to prevent land invasions</li> <li>Mixed-use developments that cater for affordable accommodation with amenities required by low-income residents</li> <li>Refurbishment of COJ facilities and buildings</li> </ul>
A Well-Run City	<ul style="list-style-type: none"> <li>Enhance financial sustainability</li> <li>Create a City that responds to the needs of citizens, customers, stakeholders and businesses</li> <li>Capital spending on infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Reduce revenue shortfall and increase proactive maintenance of Buildings</li> <li>Improving and strengthening the entity's financial position through prudent financial management practices</li> <li>Good Governance</li> </ul>
A Safe and Secure City	<ul style="list-style-type: none"> <li>Reclaim public spaces;</li> <li>Regular inspections to crack down on illegal building and land use;</li> <li>Establish A dedicated Anti-Land Invasion Unit to stop land invasions;</li> <li>Building safe and inclusive communities</li> <li>Eradicating Gender-Based Violence and violence against children</li> </ul>	<ul style="list-style-type: none"> <li>Regular inspections to crack down on illegal building and land use</li> <li>Partner with City to prevent land invasions</li> </ul>
Getting the basics right	<ul style="list-style-type: none"> <li>Safe and secure urban environment and public spaces</li> <li>Building safe and inclusive communities</li> </ul>	<ul style="list-style-type: none"> <li>Improved Cleaning Services of City Corporate Offices and Public facilities within the control of JPC</li> <li>Compliance with all non-compliance environmental directives.</li> </ul>

Table 1: Mayoral Priorities linked with JPC initiatives



At this stage, the Joburg 2040 strategy is under review and has not been approved and strategic elements linked with it will be brought at a later stage. There are detailed strategic interventions unpacked under each of the seven priorities.

In addition to the above Mayoral Priorities, a detailed 200-day programme was developed to outline immediate, medium-long term focus areas that will ensure improved and impactful service delivery. JPC will focus on quick wins interventions outlined in the 200 days program to mitigate short-term challenges. JPC has identified the following initiatives to support the City’s 200 days program

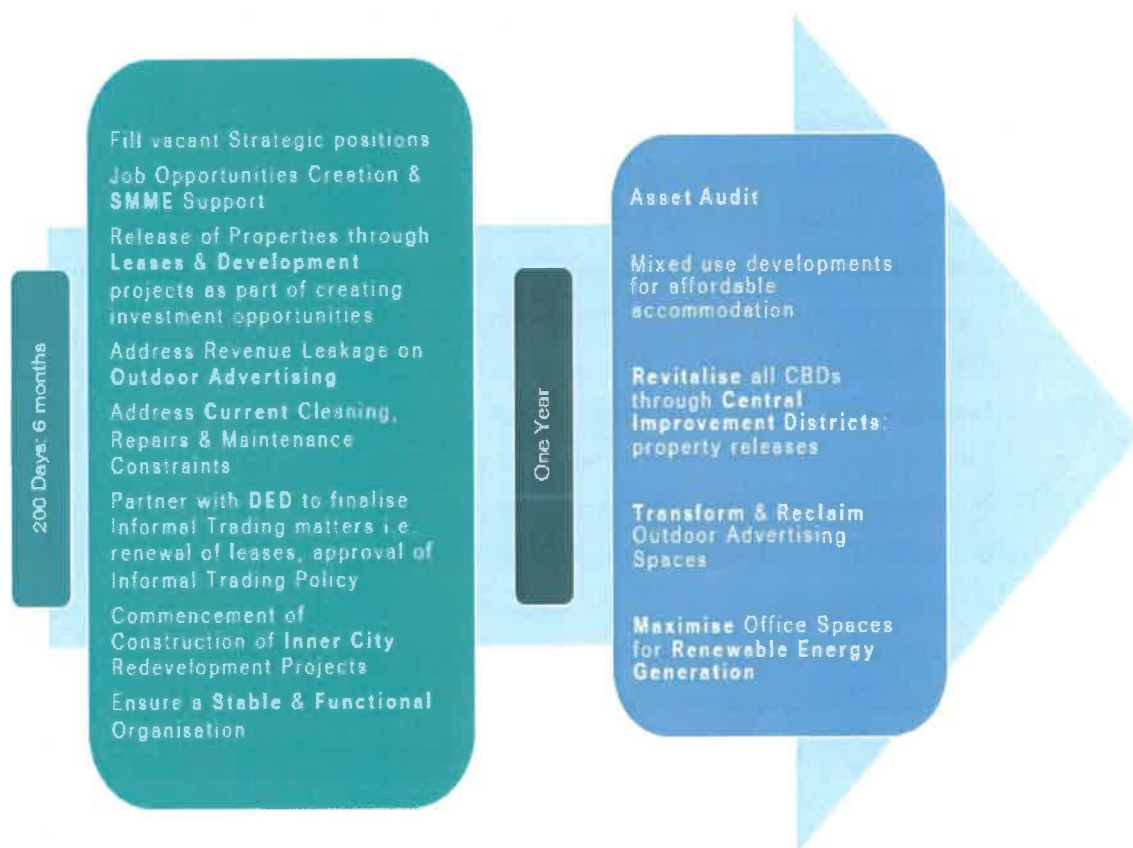


Diagram 2: JPC 200 days program

Given the above context, the focal point for the Joburg Property Company SOC LTD (JPC) 2022/23 Business Plan (BP) is to contribute to economic growth through investment attraction, retention and expansion by utilising the City’s property portfolio. This focal point seeks to accelerate the realisation of the shareholder ‘s Mayoral priorities and strategic interventions as outlined during the Mayoral and Executive Management Team (EMT) Lekgotla.

Given the political changes, the work of the JPC must continue to ensure that residents are placed at the heart of what we do therefore leading to a forced focused approach in the 2023 financial year on the following basis:

- **Minimising the impact of COVID-19** continues – our proactive response must be sustained.
- **Cost containment and improving revenue collection** and achieving revenue targets continue.
- **Improving capital expenditure** performance is non-negotiable.
- **Improving efficiencies** in business processes and **getting the basics right** is a must
- **Encouragement of Economic Growth and Investment:** Investment retention and attraction for high growth sectors. The aim is the facilitation of joint strategies, which include building trust with businesses and addressing impediments to investment.
- **Innovation and Pro-Growth Ecosystem:** Improving strengthened partnerships with Civil Society, Private Sector, and Universities to enable broad-based innovation. Strengthening partnerships with the private sector.
- **Improve and Strengthen JPC's Financial position:** This goal aims to enhance the way the Company is doing business, with a focus on sound financial management, financial sustainability, thus JPC continues to be in a position that will ensure continuous delivery of services while improving and strengthening the entity's **financial position through prudent financial management practices.**
- **Transforming JPC's Operating Model:** The fundamental principles that JPC views as underpinning the achievement of this priority includes a focus on:
  - ❖ Optimising the use of JPC 's resources;
  - ❖ Improved productivity (including doing more with less and managing human resources efficiently); and
  - ❖ The revision and implementation of the JPC finance turnaround strategy.
- **Emphasising Quality Of Governance:** Embracing more efficient practices to enhance the entity's ability to respond to the majority of its citizens and to practice open and participatory governance.
- **Spatial Transformation:** JPC must deliver area-based 'Property development projects and or Urban Upgrade/Renewal' programmes in an integrated manner that has a high/visible impact. The intention is to arrest the decline of urban areas, improve public environments, and enhance infrastructure whilst promoting equitable access to economic opportunities. This drive will be pursued through, not limited to the **Inner-City Rejuvenation Programme** and **Mega projects** such as Southern Farms Development, Orlando Ekhaya and Soweto Gateway.

JPC must ensure **sustained growth**, hence, the drive to **invest in long-term high impact projects while appropriate measures allow the entity to ensure that everyday operations** create meaningful and long-lasting solutions i.e. improved economic growth, job opportunities etc.

JPC needs to **start seeing outcomes and end states arising from a customer-centric perspective**, arising from strategic plans that will reverse and not merely **reduce the rate of decline of infrastructural and social backlogs**.

It should also be noted that the GDS will not be utilised in this planning cycle and will be considered at a later stage as it is still under review and not approved for incorporation into current processes.



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## *Chapter 2: JPC – the entity*

## Chapter 2: JPC – the Entity

### 2.1. Our Vision, Mission and Values

#### Vision

To provide property and facilities management, property development, property asset management services and acquisitions to maximise the social, economic and financial benefit to the CoJ and support the CoJ's delivery objectives.

#### Mission

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

#### Values

The values adopted by JPC are:

- Professionalism
- Accountability
- Responsibility
- Customer Service, and
- Trust

The City of Joburg Property Company SOC Ltd (JPC) was established as a private company in 2000 and is wholly owned by the City of Johannesburg (CoJ).

### 2.2. Core Mandate / Purpose / Objectives

The company was established to support the Council's economic and social objectives as well as strategic priorities aimed at achieving the COJ vision. JPC's primary goal in supporting the vision and mission of the City is to recognise and emphasise its role as an economic and social property company to achieve its strategic outputs and outcomes.

JPC's strategy is to deliver on the mandate as indicated in the Service Delivery Agreement (SDA) and has the following long-term strategic objectives:

- Supporting economic development;
- Supporting community development and social initiatives;

- Utilising the property portfolio to address social imperatives and priorities;
- Building Co-operative and intergovernmental partnerships;
- Utilising the portfolio as a vehicle for transformation;
- Ensuring efficient, economic and effective service delivery to clients, customers and stakeholders; and
- A financially and administratively sustainable and resilient city

JPC is mandated to manage and develop COJ's property portfolio to maximise both social and commercial opportunities for the Council. JPC derives its mandate from a signed SDA with its sole Shareholder, the CoJ and it provides the following core functions:

Diagram 3 JPC Core Functions



The entity has 1635 employees, based at the head office and various depots, who execute the strategy of the organisation.

### Unique Competitive landscape

JPC is unique, as no other municipality comprehensively manages its property portfolio through a municipal entity. JPC manages a diverse portfolio consisting of various classes of assets, i.e. residential, office, commercial, social (sports facilities and stadiums), and service delivery (clinics, fire stations, community centres) assets.

While there are companies offering property and facilities management and others dealing with property development, the social and service delivery assets are unique to municipalities. JPC is not only focused on the financial returns but also has to fulfil the social, economic and empowerment mandates of the municipality. JPC provides for two categories of leases i.e. Commercial and social.

Regions	Suburbs	No. of Properties
Region A	Diepsloot, Kya Sands, Dainfern, Midrand, Lanseria, Fourways	1753
Region B	Randburg, Rosebank, Emmarentia, Greenside, Melville, Mayfair, Northcliff, Rosebank, Parktown, Parktown North	3935
Region C	Roodepoort, Constantia Kloof, Northgate, Florida, Bram Fischerville	2349
Region D	Doornkop, Soweto, Dobsonville, Protea Glen	6220
Region E	Alexandra, Wynberg, Sandton, Orange Grove, Houghton	4712
Region F	Inner City, Johannesburg South	4863
Region G	Orange Farm, Wellers Farm, Ennerdale, Lanasia, Eldorado Park, Protea South	4524
Outside COJ Boundaries		490
<b>Total</b>		<b>28846</b>

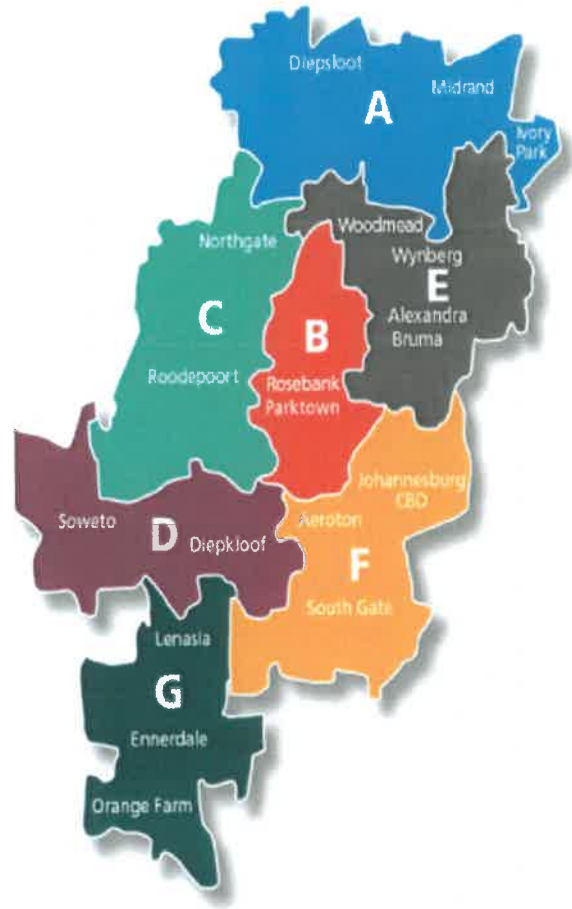


Figure 1 City Regions and number of properties

### 2.3 Legislation and Policy Environment

In relation to land and property management, there are numerous pieces of legislation that affect how JPC operates. These legislations apply in the context of overall systems of governance, decision making, roles and responsibilities of the various tiers of government and the ability to use land and to establish rights on the land. JPC ensures compliance to all relevant and related legislations applicable.

JPC operates in an environment governed by the Municipal Finance Management Act, The Municipal Systems Act, and The Municipal Structures Act, which influence and define the overall ability of JPC to transact on municipal-owned property. JPC as an agent of the COJ needs to achieve the developmental municipal service delivery agenda within the confines of various legislative and policy prescriptions including the Supply Chain Management Policy for Land.

<b>ACTS WHICH JPC NEED TO COMPLY TOO</b>
Advertising on Roads and Ribbon Development Act
Basic Conditions of Employment Act
Broad-Based Black Economic Empowerment Act
Companies Act
Compensation for Occupational Injuries and Diseases Act
Competition Act
Construction Industry Development Board Act
Consumer Protection Act
Employment Equity Act
Labour Relations Act
Local Government Municipal Finance Management Act (MFMA)
Municipal Systems Act
MFMA – Asset Transfer Regulations
MFMA – Municipal Regulations on Debt Disclosure
MFMA – Municipal Regulations on Minimum Competency Levels
MFMA – Municipal Supply Chain Regulations
National Archives and Record Service of South Africa Act
National Credit Act
National Environmental Management Act
National Land Transport Act
Occupational Health and Safety Act (OHASA)
OHASA – Environmental Regulations for Workplaces
OHASA – General Administrative Regulations
OHASA – General Safety Regulations
Preferential Procurement Policy Framework Act
Prescriptions Act
Prevention and Combating of Corrupt Activities Act
Promotion of Access to Information Act
Promotion of Administrative Justice Act
Protection of Personal Information Act
Skills Development Act
Unemployment Insurance Act
Value-Added Tax Act
Water Services Act

Table 2 Applicable Legislations



## 2.4. Key Performance Functions

JPC endeavours to maximise the return on City-owned land. In this regard, the objectives for public land development are understood as a trifecta of returns as follows:

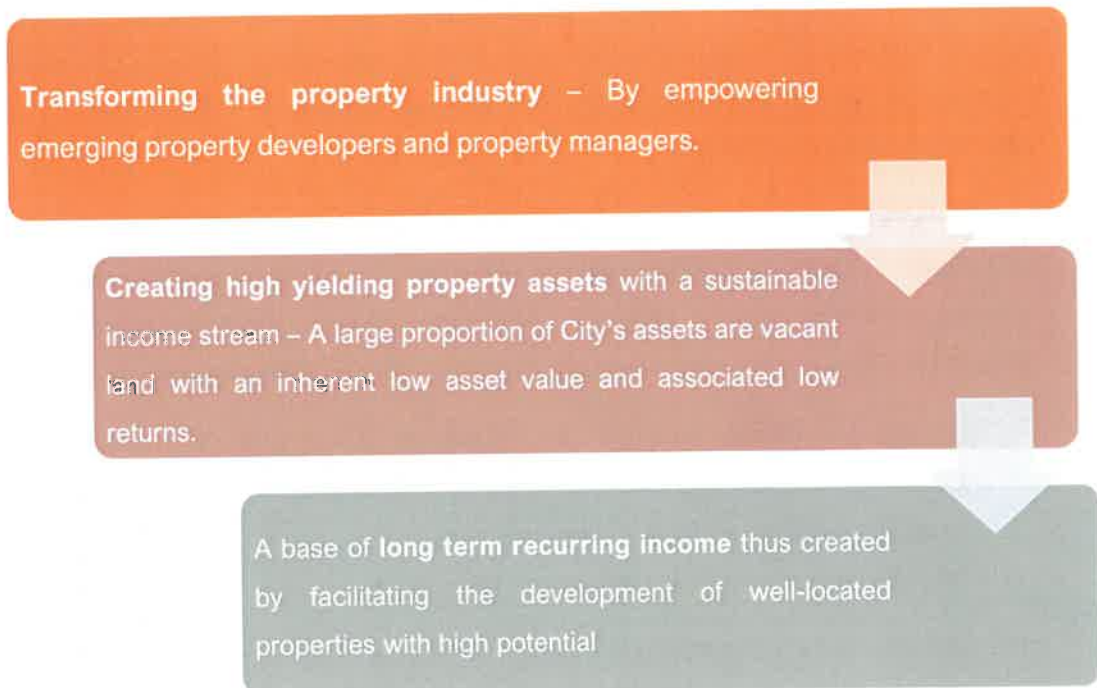


Diagram 4: Objectives for Public Land Development

JPC is dedicated to finding solutions to the developmental challenges i.e. spatial imbalances facing the City of Johannesburg. JPC utilises Council-owned land assets to leverage private sector investment embracing density, diversity and mixed-use of Council-owned land.

In enhancing service delivery, JPC partners with the City's departments to acquire land or property for service delivery purposes such as housing, and temporary accommodation. Furthermore, the Inner City Rejuvenation programme focusses on creating an inclusive society through the roll-out of the **Block-by-Block** strategy for the Inner City to deal with the bad buildings in a precinct manner. This will include cleaning up the Informal Trading and addressing urban decay. The ultimate goal is to realise the vision of a sustainable, economically viable town and a desirable place to live –ultimately improving quality of life.

JPC seeks to contribute to economic growth through investment attraction, retention and expansion with a focus on deprivation areas identified for COJ's High Impact Programmes and the transformation Zone. The Transformation Zone includes areas where investment is prioritised for future urban intensification and growth as such zones have the capacity to trigger positive effects on a City metropolitan scale.

JPC aims to address clutter, and illegality and sets out to sweat the Outdoor Advertising (OA) portfolio. It seeks to guide the placement of OA signs on the COJ landscape, implement a Street Furniture

Programme and also the introduction of Outdoor Advertising Precincts as part of generating revenue for the City. This will ensure that JPC continuously creates sustained revenue sources for the City both in the medium-long term. These initiatives are influenced and dependent on the review and approval of the by-laws for Outdoor Advertising.

Infrastructure development will not only stimulate economic development but will also further facilitate the accessibility of basic services to the citizens of the City. The initiatives and programmes are guided by the “sustainable service delivery” principles which state that the City will accelerate visible service delivery through the following functions which JPC will drive under facilities Management:

- **Repairs and maintenance** (planned and unplanned maintenance – maintenance mix ratio 40/60);
- **Cleaning materials and compliance costs relating to Covid19;**
- Improved reliability and quality of supply; and
- Improved cleanliness levels within the City facilities.

JPC will be focusing on the initiatives mentioned below to improve the financial position of the entity:

- Improve collection rate of debt from debtors. JPC earns 10% on all debtor collections on properties leased by JPC on behalf of the COJ. It is in JPC’s interest that money is collected as the commission is payable on receipt and not when the debtor is raised. The more money the JPC collect, the better the commission earnings. Initiatives like debit orders and blacklisting of non-payers will need to be enforced.
- The COJ has around twenty-nine thousand properties at its disposal. Implementation of the **Land Strategy** will determine how and when certain types of transactions are entered into:
  - Renewal of leases
  - Disposals of residual properties
  - Acquisition of properties for service delivery i.e. Infrastructure, housing etc.
  - Income generated is based on current market value and takes into account developments within the region or area.

The land strategy has highlighted a need for the selling of non-strategic assets. The income realised from the sales will be used to acquire strategic assets to support the City’s objectives. The release of those properties will increase commission for JPC as well as rates and taxes for the COJ.

In upholding the service standards requirements, JPC ensures that the day to day operational matters such as repairs and maintenance planning for City properties are conducted within set timelines. In improving a focused customer culture, JPC has continual customer and stakeholder engagements with COJ residents through platforms including radio interviews, live broadcasts, print leaflets, the JPC website and various social media platforms.

Stakeholder engagements go as far as having meetings with ward councillors, various SMME and community forums. The content of communication engagements includes messages around services offered by JPC and projects undertaken.

## 2.5. Past Performance overview

The table below reflects the highlights of past service delivery performance and targets for the 2019/2020 and 2020/2021 financial periods. The performance against targets was achieved for some indicators and the Company will focus on those areas where targets were not achieved to improve performance. On the positive side, the trend evidenced by the indicators reflects a sustained performance year-on-year, which impacts service delivery positively.

**SERVICE DELIVERY PAST PERFORMANCE OVERVIEW**

COJ STRATEGIC PRIORITIES/ PROGRAMMES	KEY PERFORMANCE INDICATOR (KPI)	2019/20 TARGET	2019/20 ACTUAL	2021/22 TARGET	2021/22 ACTUAL
Economic Development	Rand value of investment attracted / business facilitated	R2.5 billion	R443 637 332	R2.5 billion	R1 8 63 500 000.00
Economic Development	Rand value of investment spend on projects within COJ boundary	R600 million	R628 935 688.36	R600 million	R302 682 033.20
Job opportunity & creation	Number of job opportunities created	2000	4894	1000	735
Development & Support of SMMEs	Number of SMMEs supported	2000	2226	1000	553
Good Governance	Percentage of valid invoices paid within 30 days of invoice receipt date	100% payment of valid invoices	100% of valid payment of valid invoices	100% payment of valid invoices	100% of valid payment of valid invoices
Financial Sustainability	Number of asset management plans formulated	250	278	200	250
Financial Sustainability	Number of properties acquired	15	11	20	31
Financial Sustainability & Economic Development	Number of shops and stalls leases concluded	1930	136	1930	36
Service Delivery	Number of public conveniences refurbished / developed	50	76	250	0
Financial Sustainability	Number of properties released via lease & sale	100 properties released	60	120 properties released	28
Financial Sustainability	Number of inner-city properties approved in council for release to the private sector	20	55	20	0
Good Governance	Number of employees trained and competencies	300 employees trained	213 employees trained	540 employees trained	94 employees trained
Good Governance	Percentage of strategic funded vacancies filled within 90 days	90% of all funded strategic vacancies filled within 90 days	Not Achieved	90% of all funded strategic vacancies filed within 90 days	Not Achieved

COJ STRATEGIC PRIORITIES/ PROGRAMMES	KEY PERFORMANCE INDICATOR (KPI)	2019/20 TARGET	2019/20 ACTUAL	2021/22 TARGET	2021/22 ACTUAL
Good Governance	Percentage of cases concluded within 90 working days	100% disciplinary cases concluded successfully within 90 working days	Not Achieved	100% disciplinary cases concluded successfully within 90 working days	Not Achieved
Good Governance	Number of fatalities	Zero fatalities	0 % fatalities	Zero fatalities	Zero Fatalities
Financial Sustainability	Rad value of income raised from leases, servitudes and sales	R150 million income raised	R130 962 743.71	R150 million income raised	R94 935 460.69
Financial Sustainability	Percentage implementation of the outdoor advertising masterplan	30%	30%	35%	0%
Financial Sustainability	Percentage spend of allocated capex	100% spend of allocated capex	45% Capex Spend	100% spend of allocated capex	4% Capex Spend
Good Governance	Audit report outcome	Unqualified audit with findings	Unqualified audit with findings	Unqualified audit with findings	Unqualified audit with findings
Good Governance	Percentage resolution of AG & IA findings within four months of the issued report	100% resolution	92% resolution	100% resolution	59% resolution

Table 1: Past Performance



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## *Chapter 3: Strategic Analysis*

## Strategic Analysis

### 3.1. Operating Context

JPC operates within an environment which is impacted by dynamics taking place at national, provincial and local spheres of government. The dynamics in South African cities are fast, complex and challenging. Disruptions such as economic downturns and pandemics like the COVID-19 compound challenges faced by cities. Furthermore, the day to day experience in dealing with these realities in other spheres of government, and adjacent municipalities, is deepening day by day.

This will mean periodic statements of new strategic approaches that the City will have to take into account is now the norm. As a result, JPC must take into account the developmental context within which it operates and focus its initiatives to address or improve these developmental socio-economic issues:

#### Developmental context – Socio-Economic:

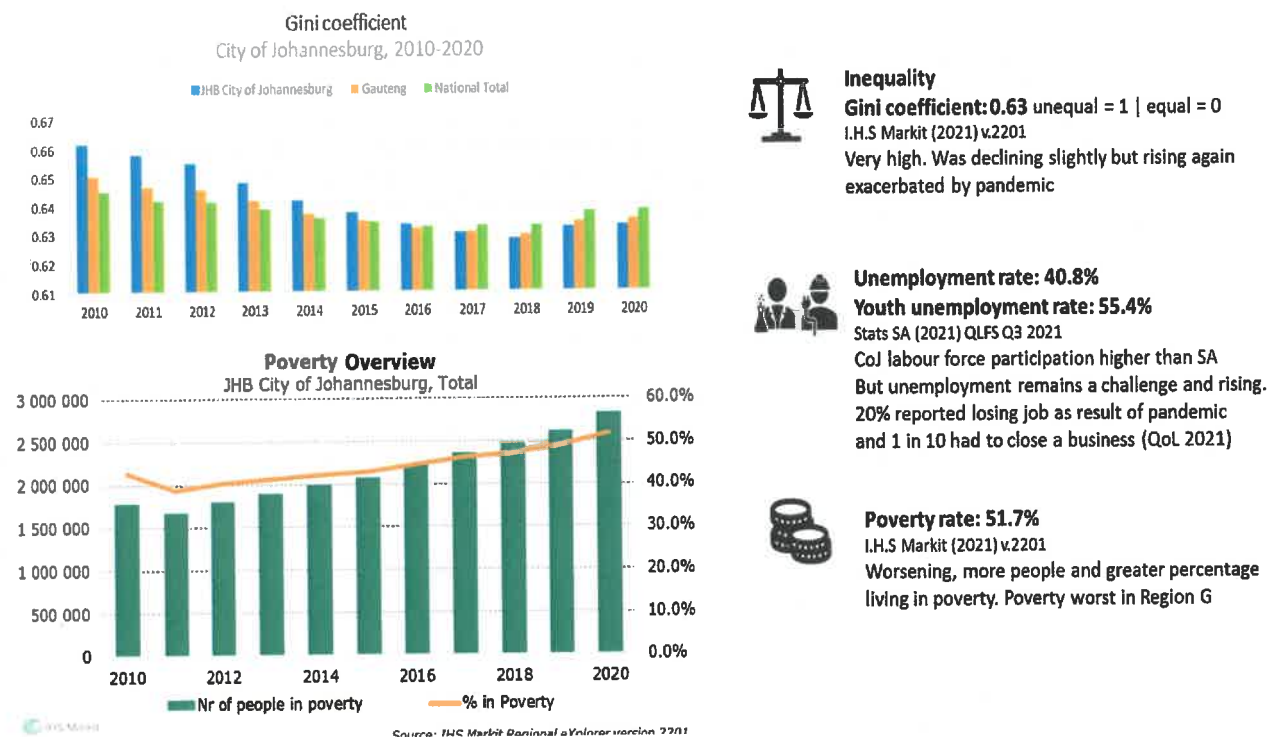


Figure 2 Developmental context - Socio-Economic

## Developmental context – Overview

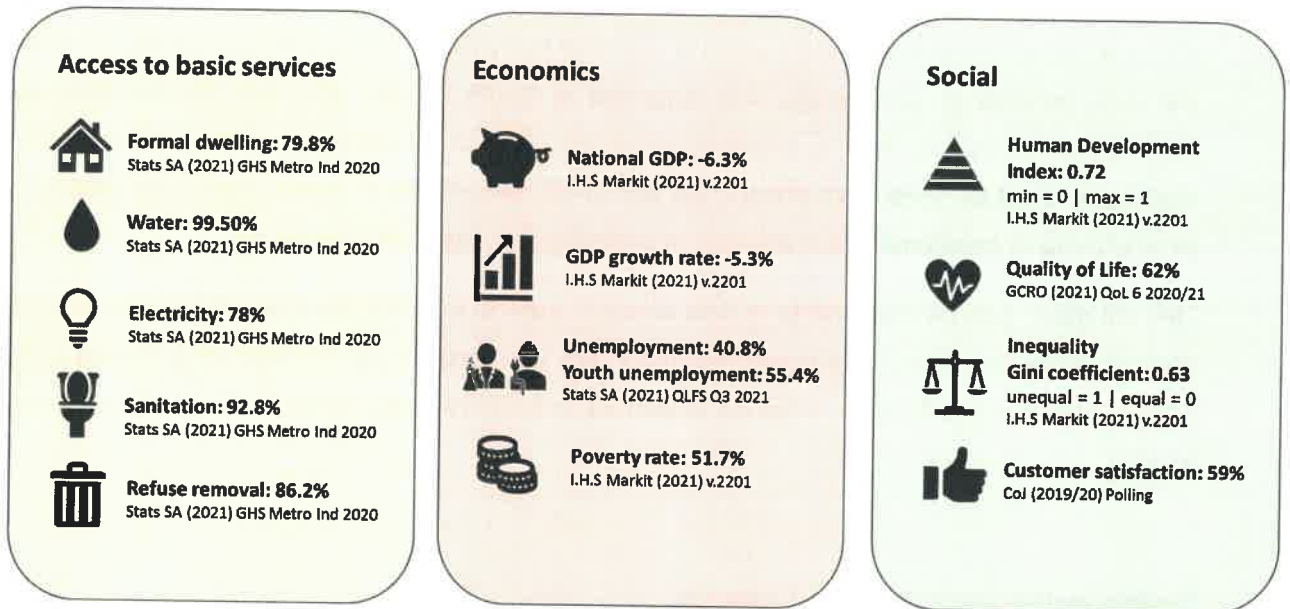


Diagram 2 Developmental Context Overview

### 3.2. . South African Property Sector Analysis

South Africa's economy has been in a cyclical downturn for a while and this economic slowdown continues to impact the property sector. Long-term property market cycles tend to lag behind major economic cycles due to the time scale of project development. The downward economic cycles present several associated factors that indirectly affect property sector activity: ranging from investor confidence that encourages investment to consumer behaviour, which impacts the demand for commercial space.

Given that the South African Property Sector is in a protracted recession phase and is likely to continue and experience downsizing, consolidations and postponement /halting of developments which is largely driven by the prevailing economic conditions. The implications for COJ at multiple levels and time scales:

- **Long-term trends:** Continued reticence from investors uncertain about the future demand trends and continued negative trends on rates base due to vacancy levels.
- **Medium-term trends:** Impact of technology on consumer markets and work dynamics, shifting towards property as a service i.e. looking at ways of adding value through customised leases and adaptive reuse, given the massive changes brought by the digitization of retail and overabundance of under-utilised commercial/office space.
- **Short/Immediate Trends:** COVID\_19 's impact has had unique impacts on each of the major property market segments:
  - **Commercial-** The convergence of COVID\_19 and innovations in technology for workplace productivity have catalysed the "Work from Home (WFH) trend with the market viewing it as



overwhelmingly part of the commercial/office development future. COVID\_19 has also generated operating cost implications in the commercial sector as there is a growing concern about the expectations on the role of property management and public health responsibilities. The Urban Land Institute has suggested companies are likely to move from large, consolidated office blocks to a more “hub and spoke” model with satellite space more proximate to residential areas.

- **Residential-** Delivery within the residential market is catering for the new WFH era with more focus on integrated home office elements and upgraded accessory dwelling units.
- **Industrial-** Similar to the commercial market, the convergence of COVID\_19 and e-commerce have catalysed a huge shift in wholesale retail and logistics.
- **Catalysing the growth of Proptech-** the pandemic induced significant changes to the market appetite for more technology-driven systems and solutions i.e. innovations for indoor safety and facilities management, online customer relationship management (CRM) support to remote work productivity etc.
- **Experiential Retail/Live Event Venues-** Social distancing and general antipathy to large gatherings have put a damper on experiential retail opportunities- where community and participation is critical. As the pandemic abates, it is expected that there will be a strong resurgence in social activity.
- **Tourism focused event space/retail-** Areas/spaces heavily reliant on tourist footfall continue to be greatly impacted by the pandemic. While there is an expectation of recovery in the near future it is likely that many businesses will not survive the drought of 2020-2022.

JPC must consider as does any other property market around the globe, the trends and issues to understand to remain relevant and implement interventions that address the trends. The areas of opportunity that should be championed are as follows and are not limited to the listed ones:

- Local Economic Development in relation to the enabling property transactions that can have a positive impact on the COJ focus-an opportunity that should be prioritised to counteract the likely downturn in rates given vacancies and economic downturn.
- Advancing digitisation and automation in the administrative process relating to property transactions.
- Re-confirming commitment to densification(in designated areas) can help combat the urbanisation trend and assist in enhancing the utilisation of existing infrastructure in the face of structural redundancy- this approach also presents opportunities to support re-purposing of property and adaptive re-use.
- Enable more temporary use opportunities,
- Support administrative processes and regulations that expedite adaptive reuse and re-purposing of buildings.Participation in the green economy – amongst other climate change interventions

### 3.3. PESTLE Analysis

The political, Economic, Social, Technical, Legislative and Environmental (PESTEL) model involves the collection and portrayal of information about external factors, which have, or may have, an impact on the City of Johannesburg Property Company. These factors are detailed in the below table.

Category	Factors
<b>Political</b>	<ul style="list-style-type: none"> <li>• Change in Political leadership, resulting in political instability.</li> <li>• Service Delivery Protests</li> <li>• Economic, Spatial and Gender inequalities</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Inadequate funding</li> <li>• Low economic growth</li> <li>• Growing unemployment</li> <li>• A lack of investment and <i>property</i> development in <i>under-resourced/ deprivation areas</i> thus perpetuating service and spatial inequalities,</li> <li>• Insufficient Income generation due to the impact of the pandemic and medium/long term trends related to vacancies on JPC and COJ 's fiscal base.</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Urbanisation &amp; Land Release</li> <li>• Transformation of the Property Industry</li> <li>• Poverty rate: 51.7%: Worsening, more people and a greater percentage living in poverty.</li> <li>• Spatial Imbalances/inequalities</li> <li>• A balance between Social needs and Commercial needs</li> <li>• Increased socio-economic vulnerability</li> <li>• Gender inequalities</li> <li>• Gender-based Violence</li> <li>• Inequality: Was declining slightly but rising again exacerbated by pandemic</li> </ul>
<b>Technological</b>	<ul style="list-style-type: none"> <li>• A rapid change in technology</li> <li>• 4IR Disruption: Digitalization, international competition &amp; e-commerce</li> <li>• Inadequate Research and technology</li> </ul>
<b>Legislative</b>	<ul style="list-style-type: none"> <li>• Compliance with legislative prescripts relevant to JPC</li> <li>• COVID_19 Regulations</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Environmental regulations and protection - National Environmental Management Act, 1998.</li> </ul>

Table 2 Pestle Analysis

### 3.4. SWOT analysis

The Strength, Weakness, Opportunity and Threat (SWOT) analysis as outlined in the table below highlights the operating environment opportunities and threats, together with JPC's strengths and weaknesses. JPC's strategic goals, as defined, strive to enhance the strength and opportunities and in the same breath apply mitigating strategies to address the weaknesses and threats identified.

<b>INTERNAL FACTORS</b>	<b>Strengths</b>	<b>Weakness</b>
	<ul style="list-style-type: none"> <li>• Industry Knowledge</li> <li>• Solid understanding of applicable legislation</li> <li>• A shareholder that supports the financial and operational mandate of the company (being part of the JPC mandate).</li> <li>• Alignment and access to CoJ which is a regulator and policymaker.</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Business continuity</li> <li>• Labour Unrest</li> <li>• Reactive maintenance programme</li> <li>• Unfavourable financial position.</li> <li>• Lack of IT innovative solutions</li> <li>• Inability to generate sufficient revenue to cover all company expenses.</li> <li>• Limited time to augment resources to bolster essential services to extend service delivery reach and impact</li> <li>• Lack of automation and digitization within the City and JPC's administrative has a direct impact on the property market and its functionality.</li> </ul>
<b>EXTERNAL FACTORS</b>	<b>Opportunities</b>	<b>Threats</b>
	<ul style="list-style-type: none"> <li>• Maximization of revenue through the outdoor advertising portfolio and Informal Trading.</li> <li>• CoJ office space optimization.</li> <li>• Increasing emerging black companies within the property space.</li> <li>• To create a JPC which is an employer of choice.</li> <li>• Creation of more job opportunities for the unskilled labour market.</li> <li>• Build on market trends and densification</li> <li>• Smart City Initiatives</li> <li>• Partnerships.</li> <li>• Initiating or participating in Mega Projects.</li> <li>• Fixing of ICT Infrastructure to address future operations of the JPC using virtual offices and working from home</li> <li>• Re-purposing and adaptive re-use of the property.</li> </ul>	<ul style="list-style-type: none"> <li>• Slow implementation of land strategy outcomes.</li> <li>• Debtors not paying within agreed timelines, affecting our cash flow and projects we can execute.</li> <li>• Vandalism to the property portfolio.</li> <li>• Land invasions &amp; illegal occupation of land parcels.</li> <li>• Depressed Economic Outlook</li> <li>• Implications of massive vacancies in urban form- The Johannesburg office market is experiencing levels of vacancy not seen since 2003 and these levels represent "structural redundancy". Without operating revenue, these spaces quickly deteriorate and impact the surrounding urban environment and the rates base of the municipality.</li> </ul>

Table 3: SWOT Analysis



a world class African city



**JOBURG**  
PROPERTY COMPANY

## *Chapter 4: Mayoral Priorities & JPC Strategic Goals*

#### 4.1. Integration and Linkage to Political Priorities

JPC actively contributes to four of seven mayoral priorities as part of being categorised as falling under the Economic Growth Cluster. The contributions are listed below as follows:

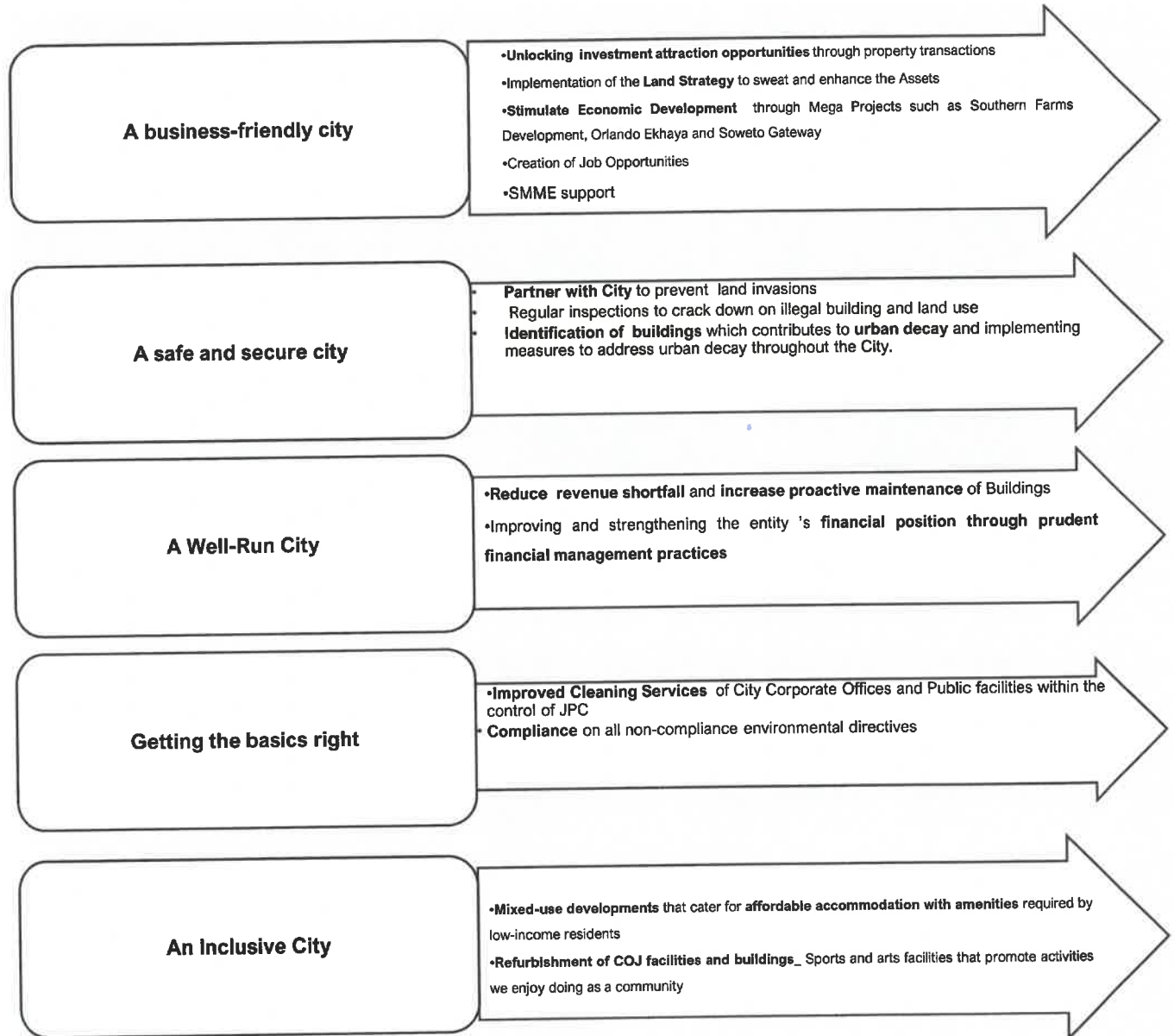
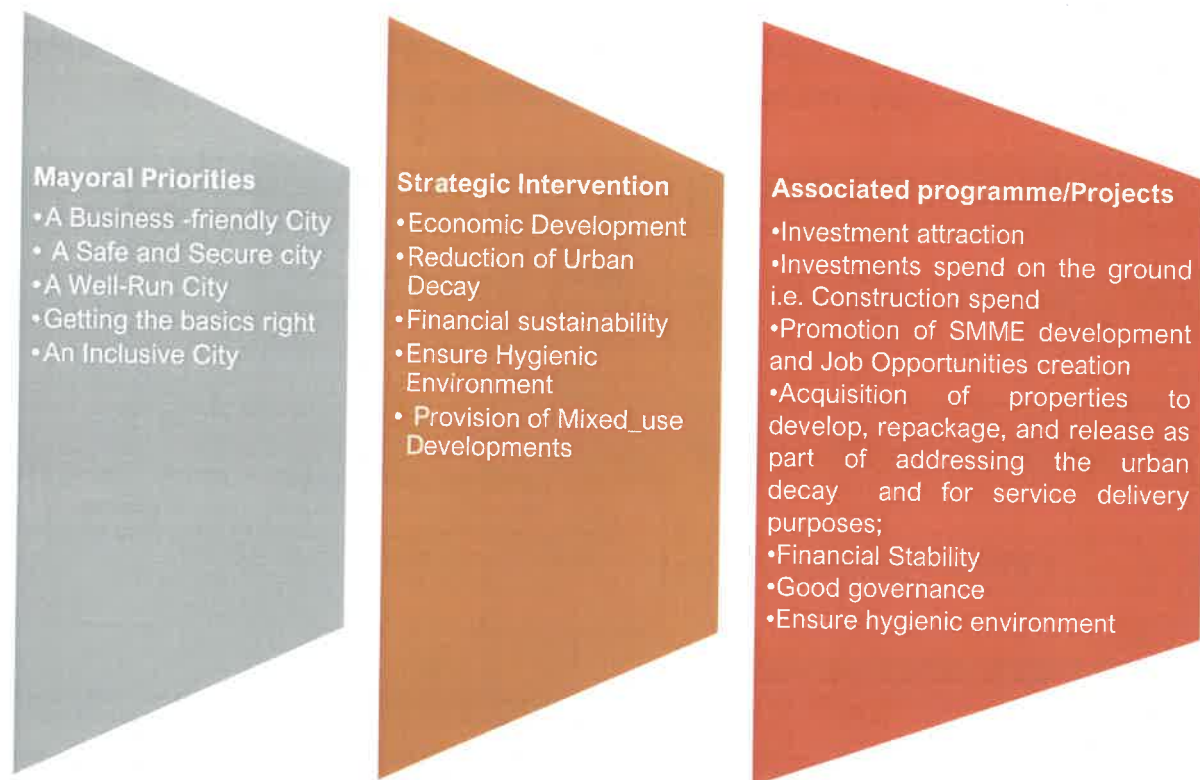


Diagram 3: Mayoral Priorities and Strategic Interventions

Stemming from the 2022/23 planning review process, JPC contributes to the achievement of the strategic intervention and programmes linked to the Mayoral priorities which serve as a roadmap for medium to short term towards the attainment of the long term goals in the City's long-term strategy. The strategic Alignment is outlined as follows:



In addition to the above Mayoral Priorities, a detailed 200-day programme was developed to outline immediate, medium-long term focus areas that will ensure improved and impactful service delivery. Furthermore, the 200 days programme forms the basis for the approach to the next financial year's planning and budgeting cycle.

JPC will be focusing on quick wins interventions outlined in the 200 days programme as part of mitigating short-term challenges. JPC has identified the following initiatives to support the City's 200 days programme:

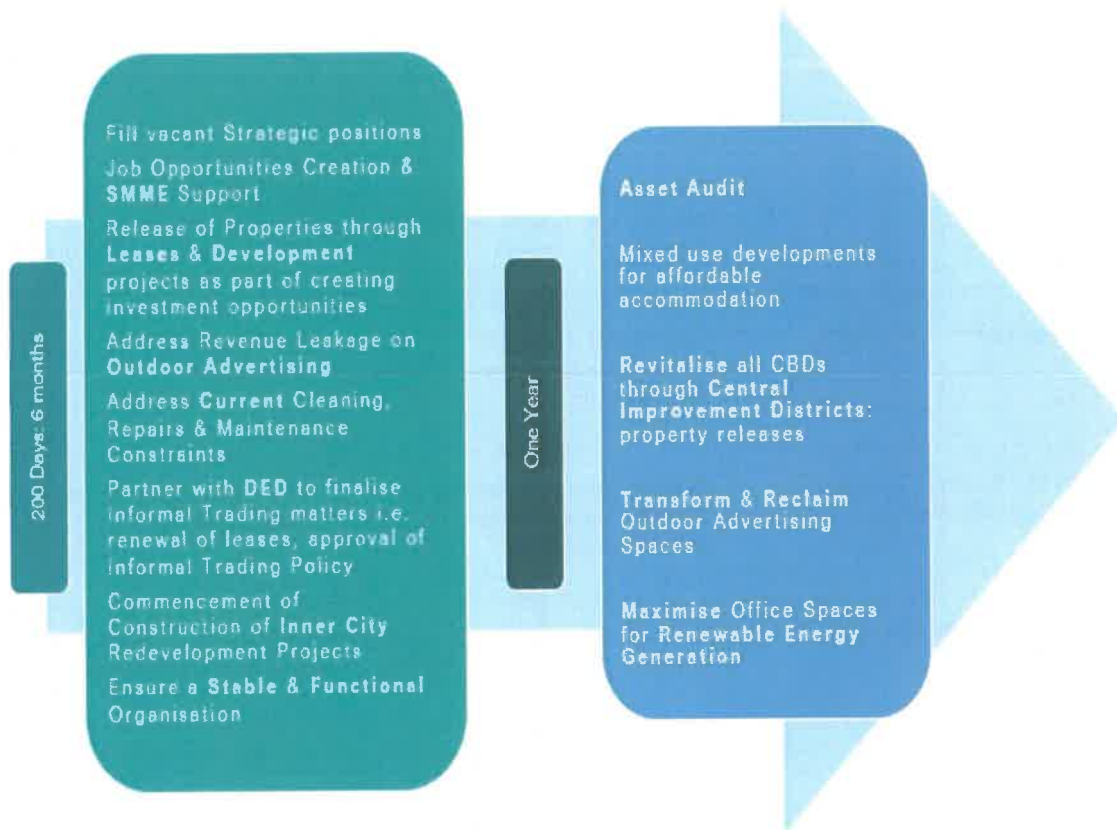


Diagram 4 JPC 200 days programme

This 200-day programme was informed by the strategic outlook( 1year \_5yrs) defined by the MMC for Economic Development for the Economic cluster reflected in the Table below:

<b>200 Days</b>	<b>3yrs</b>	<b>5yrs</b>
Asset Audit	Restructure for Operational Efficiency & Turn to Liquidity & Solvency	Competitive Real Estate Player
Fill Vacant Executive Roles	Deliver a Transparent Procurement System to Improve Accountability	Eco Friendly & Green Spaces Conversion
Address Revenue Leakage on Outdoor Advertising	Reclaim Hijacked Properties & Accelerate Conversion to Social & Retail Spaces	Maximize Spaces for Renewable Energy Generation
Accelerate & Close Open Investigations	Re-evaluate property values and amend lease values and tenure	Implement Sustainable Monetization Strategy
Address Current Maintenance Constraints	Provide Transparent Asset Base to Public	Commercialize Asset Base



#### 4.2. Strategic Goal 1: Unlocking Investment/ Business through property transactions and development

This goal seeks to promote economic growth by unlocking investment opportunities for new and existing businesses. This goal will be driven through the roll-out of property development projects which will lead to investment attraction, job opportunities being created with emphasis on developing and supporting also Small, Medium and Microenterprises (SMME). JPC has the sole mandate from the CoJ to manage the property portfolio that it owns on its behalf. To fulfil this sole mandate, JPC leverages property value through property development projects that cater for various interests of the City.

The property portfolio has been categorised to create a focus on revenue enhancement and effective portfolio management which would provide a true reflection of properties available for **service delivery, spatial transformation, lease, development and disposal**; based on the highest and best use, current market valuation, and service delivery targets aligned to the mayoral priorities and strategic interventions.

JPC has identified various property development programmes and projects that are key in the achievement of CoJ s' strategic objectives and focused mainly on:

- Mixed-use properties are occupied by various players in the economy.
- Properties are allocated for service delivery purposes only.
- Make the urban land market work for the poor.
- Empowering emerging developers and contractors, job creation, skills transfer and enterprise development.
- Efficient land utilization, advancing spatial transformation.
- Commitment to densification in targeted nodes and inclusionary housing models.
- Spatial & Economic Transformation.

It is envisaged that the following Property Development Projects at various stages of the development facilitation process i.e. **property packaging, preparation, contracting & development** will lead to an investment attraction on COJ land in the financial year 2022/23:

- Soweto Gateway Precinct
- Ptn 14 Of erf 32 Sandown
- Watt Street
- Victoria Park

It is estimated that these projects will result in an investment attraction of **+R2 billion**. These property development projects will result in investment spending based on construction value on the ground within CoJ boundaries:

- Ivory Park filling Station
- Alan Manor

- Diepsloot Phase 2
- Randburg OSO

#### 4.3. Strategic Goal 2: Stimulate Economic Development through Mega Projects such as Inner City Rejuvenation, Southern Farms Development, Orlando Ekhaya and Soweto Gateway

In an effort to re-energise the CoJ's economy, the City has identified economic developmental nodes that need attention, namely the Inner City, Randburg, Roodepoort and the South. In support of the political-strategic direction, JPC has planned various projects that seek to support economic activities within the identified nodes. JPC has several flagship projects which are deemed as interventions to stimulate development in the South.

This is driven by the City's Spatial Development Framework (SDF) 2040 and Urbanisation Development Zone (UDZ) which endorses spatial transformation that will significantly change the City's apartheid landscape. The focus to stimulate development in the south will include unlocking Soweto as a True City District by diversifying Soweto to address its largely residential nature by developing mixed land uses (particularly economically productive ones) and social services, making use of its good street pattern and public transport network. It will further develop it into a series of self-sufficient mixed-use nodes as drivers of economic growth and job creation, allowing Soweto to function as a liveable city district in its own right with access to jobs and the full array of urban amenities.

JPC's flagship projects that drive development in the south are mainly: Southern Farms and the Soweto Gateway. These development projects are at the **property packaging, preparation, and contracting** stages of the development facilitation process and will result in economic implications for the City over a three to five years period.

#### SOUTHERN FARMS MEGA PROJECT

##### Developments



A vibrant mixed use development (Commercial, Retail, Mega Housing, Public Amenities)

##### Vacant Land



2 000ha for conservation ("no go") and will be preserved.  
50ha Commercial Land  
178ha for light industrial, warehousing, distribution activity  
65ha for **Commercial land uses**  
35 000 housing opportunities

##### Revenue Generation



Estimated investment of **R27billion** (of which **R16billion** will be privately funded, **R11billion** government funded)

##### Job Creation



**168 000 job opportunities** during the construction phases  
**42 000 permanent job opportunities** after construction i.e. (retail, offices, industrial etc.)  
**Location:** Spans 2 regions – Region G & F

- Diepsloot Phase 2
- Randburg OSO





**4.3. Strategic Goal 2: Stimulate Economic Development through Mega Projects such as Inner City Rejuvenation, Southern Farms Development, Orlando Ekhaya and Soweto Gateway**

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**SOUTHERN FARMS MEGA PROJECT**

Developments	Vacant Land	Revenue Generation	Job Creation
 <p>A vibrant mixed use development (Commercial, Retail, Mega Housing, Public Amenities)</p>	 <p>2 000ha for conservation ("no go") and will be preserved. 50ha Commercial Land 178ha for light industrial, warehousing, distribution activity 65ha for Commercial land uses 35 000 housing opportunities</p>	 <p>Estimated Investment of R27billion (of which R16billion will be privately funded, R11billion government funded)</p>	 <p>168 000 job opportunities during the construction phases 42 000 permanent job opportunities after construction i.e. (retail, offices, industrial etc.) Location: Spans 2 regions – Region G &amp; F</p>

## SOWETO GATEWAY

## Developments



A vibrant mixed-use development (Commercial, Retail, Mega Housing, Public Amenities). Support facility for small businesses in Soweto. Aims to grow local enterprises in the area

## Vacant Land



Project size 30,5ha  
A hot spot for high-value infrastructure development. Situated along the N1 with great visibility.

## Revenue Generation



An estimated investment of R3.2billion.

## Job Creation



Retail & Commercial component. Medical Precinct with Student Accommodation. In addition, Community facilities such as a daycare centre, open spaces, and multi-purpose sports centres.

#### 4.4. Strategic Goal 3: Promote high density & mixed land use in Inner City node through the Inner City property redevelopment projects approved in Council for release to the private sector

The Inner-City Programme comprising the Johannesburg Central Business District (CBD) and adjacent suburbs has been defined as a priority development node for the CoJ. In the Inner CoJ, JPC will continue to support the redevelopment of the Inner City and bad buildings with the aim of resolving the illegal occupation of vacant land and buildings.

The vision is for bad buildings/ old properties/ vacant land to be repurposed and redeveloped with a focus on social housing. Efforts to revitalise the Inner City have come to life through the implementation of the Inner City Rejuvenation Programme by JPC.

Phases 1, 2 and 3 of the Programme have been implemented throughout 2017/18, 2018/19, and 2019/20 financial year(s). Developments consisting of various city-owned properties have been advertised by way of public tender for development into:

- ❖ Affordable mixed-income residential developments and or
- ❖ Affordable Student Accommodation.

Parts of the Inner CoJ have become dilapidated and unsafe, projecting an undesirable image of the CoJ. thus as a solution the Inner City Rejuvenation Programme. Furthermore, this programme emphasises working partnerships with the private sector aiming at also transforming the property sector.

To date the programme has been implemented in various phases whereby a sizeable number of properties are dealt with at a time. Progress Overview:

<b>Phase One:</b>	13 developments advertised <u>3</u> Properties awarded
<b>Phase Two:</b>	35 developments advertised consisting of 71 properties 24 developments awarded consisting of <u>89</u> properties
<b>Phase Three</b>	17 developments consisting of 70 properties advertised 11 developments consisting of <u>55</u> properties awarded
<b><u>147 properties awarded</u> to date</b>	

Several Inner City developments were awarded and construction has not commenced as we are still awaiting approval of all town planning applications. As result, the focus for Inner City is on the continuous monitoring of the Town Planning Applications of Inner City Rejuvenation Phase 1, 2 & 3 properties awarded for development so that construction could commence in the coming quarters of the financial year.

Secondly, due diligence and forensic investigations have to be conducted and finalised so that the City can thoroughly explore and identify options on how to release the privately-owned building's properties that have issues ranging from illegal connections to buildings owing rates and services which exceed the property value (i.e. by means of Declaratory Order, Expropriation, Sale in Execution, Abandonments, etc.).

The next steps would involve the circulation of Section 14(1) and Section 14(2) approval for the release of these privately owned properties. We are currently also in the process of securing temporary emergency accommodation (TEA).

The Inner City Rejuvenation Programme will also focus on these upcoming developments projects:

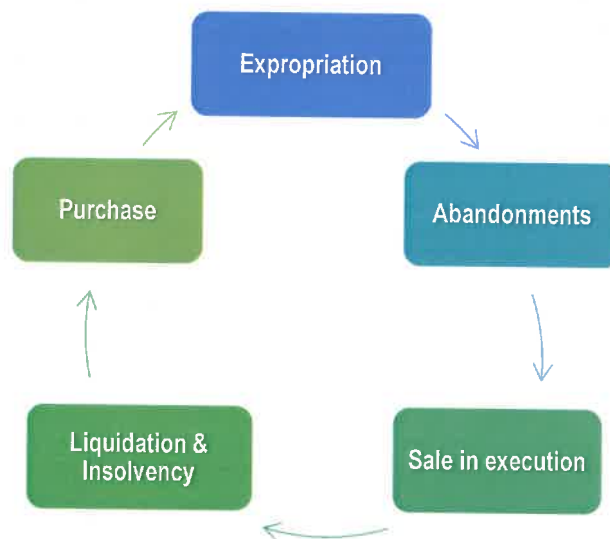
❖ **Acquisition of properties to support the block-by-block approach**



GFIS and JPC have handed over a list of properties to Attorneys to effect the transfer of properties from Provincial Government to Local government. 500 Bad buildings were identified which includes 187 privately owned buildings for acquisition. The City seeks to re-purpose them for development into affordable mixed-income residential developments and/or Student Accommodation. These have the potential of yielding at least 2 173 units with an average size of 70m<sup>2</sup> per unit.

We have identified 27 properties to be acquired in the 2022/2023 financial year. The development will consist of a Mixed-income development, which will allow for an inclusive city where residents can live, work and play within the same area, contributing to transforming the Spatial landscape, SMME support and job creation.

**The acquisitions block-by-block approach entails the following:**



#### 4.5. Strategic Goal 4: Utilise property transactions to create jobs opportunity and support SMME

The CoJ strives to increase economic growth and bring down unemployment with a special focus on youth. In line with the CoJ's commitment to support SMME's, JPC will continue to implement various programmes that are geared toward job creation, SMME development and empowerment. In its endeavour to reduce unemployment within the CoJ.

JPC will continue with the Learnership Programme in 2022/23. The Programme intends to capacitate the youth with various property development & management skills. The Programme is currently in its second phase and it is anticipated that, upon completion, trained learners will have the required skills and experience to be employed within the property sector.

In the 2022/23 financial year, JPC has planned to support a total of 500 SMMEs through rolling out of repairs and maintenance & property development projects. To further boost the development of

SMMEs, JPC will also include measures that require user departments to implement the following initiatives:

- ❖ Development of Skills for the unemployed;
- ❖ Opportunities targeting the youth and women;
- ❖ Co-production; and
- ❖ Encourage larger businesses not only to sub-contract but also to form partnerships with SMMEs that will result in the transfer of skills and improve their capacity and expertise.

#### 4.6. Strategic Goal 5: Improve and Strengthen JPC's Financial position

The purpose of this goal is to enhance the way the Company is doing business, with a focus on sound financial management, financial sustainability and clean governance. The focus is that JPC continues to be in a position that will ensure ongoing delivery of services while ensuring the funding of key initiatives that targets the realisation of the City s' vision. The fundamental principles that JPC views as underpinning the achievement of this priority include a focus on:

- Optimising the use of JPC's resources.
- Improved productivity (including doing more with less and managing human resources efficiently).
- The revision and implementation of the JPC finance turnaround strategy.

#### Financial management

JPC has an approved delegation of authority matrix to ensure that the approval of transactions and activities is done at an appropriate level. These delegations also ensure that there is segregation of duties for incompatible functions.

#### Financial sustainability

Financial sustainability is critical to ensure that JPC delivers services to the residents of the CoJ. The City acts as a guarantor in terms of the Service Level Agreement. JPC aims to reduce revenue shortfall and increase proactive maintenance of Buildings. This increase in the proactive maintenance of Buildings will result in a 10% commission earned for JPC through works carried out on behalf of COJ departments.

As a measure of curbing commercial losses and enhancing revenue, JPC intends to:

- ❖ Develop a review process to ensure that the current leases are billed correctly.
- ❖ Investigate unbilled/uncollected revenue from leases.
- ❖ Improve the Collection rate of debt from debtors. JPC earns 10% on all debtor collections on properties leased by JPC on behalf of the CoJ.
- ❖ Implement measures to increase revenue generation from these streams regulated by SDA:
  - 25% on Rental Collections
  - 25% on Outdoor Advertising

- 10% on Land Sales
- 25% on Servitudes registered
- 1.5% development facilitation fees
- 25% Cell Masts (Outdoor Advertising)
- 10% Management fees for works carried out on behalf of other CoJ. Departments
- 10% on Land Acquisitions

### Clean governance

JPC received unqualified audit opinions from 2018/19 to 2020/21 financial years and it has nevertheless taken the findings in the Auditor-General South Africa's (AGSA's) management letter seriously by implementing mitigating controls to reduce the level of the control deficiencies and thereby improve the resolution rate of the findings. The resolution of findings is a matter of course overseen by the Audit and Risk Committee on a quarterly basis.

### System of internal controls

JPC has employed internal auditing as per the MFMA (2003) Section 165 (1 and 2) requirements. The Internal Audit Department (IAD) is an independent, objective assurance and consulting activity designed to add value and improve JPC's operations. The IAD assists JPC to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The IAD adds value in ensuring that JPC accomplishes its objectives by:

- ❖ Developing and implementing a risk-based three-year rolling strategic Audit Plan ending 30 June 2021, which is approved by the Board.
- ❖ Annually preparing an assessment report expressing an opinion (Statement of Internal Control).
- ❖ The adequacy and effectiveness of the system of internal controls on issues of deficiencies not addressed or resolved by management on a quarterly basis. The report will form the basis of the Audit and Risk Committee Report.

### Anti-fraud and corruption

JPC has prioritised fraud risk management as per the MFMA (2003). The Board has adopted a zero-tolerant approach to acts of fraud and corrupt activities. Internal auditing, risk management, internal controls and tip-offs recorded through the anonymous hotline assist in detecting fraudulent and corrupt activities. All reported cases, internally and externally, are registered, monitored and investigated by Group Forensic Investigation Services (GFIS) to ensure that they are resolved and people are held accountable. GFIS will be responsible for assessing the nature of investigations and will transfer cases relating to compliance matters to IAD for internal investigations. GFIS will be required to report on the



status and progress of all the investigations and will in this regard submit and present Investigation Report on a quarterly basis to the Audit and Risk Committee.

#### 4.7. Strategic Goal 6: Use of Technology for Effective and Efficient Operations

The purpose of this goal is to spearhead the use of technology and innovation for effective and efficient operation company-wide. The Information and Communication Technology (ICT) service plays a key role in strategically enabling the entity to deliver better services through the use of technology. The technology objectives for 2022/23 have been re-focused pursuant to a challenging 2022/23 financial year. The use of technology to automate services to drive efficient and effective operations remains core in the planned technology projects for 2022/23.

Technology initiatives or projects are imperative to curb the impact of the pandemic and implement innovative ways to leverage technology and change JPC s' world of work to accommodate the new demands for work.

Key ICT business objectives:

- ❖ Improve engagement with customers.
- ❖ Increase focus on business and ICT's agility to support business.
- ❖ Integrated Enterprise Resource Management (ERP-SAP) solution for the management of the entity's operations.
- ❖ Develop innovation into an organisational capability.
- ❖ Execute the Smart Cities Programme.
- ❖ Optimise operational processes and reduce the total cost of operations.

Business analytics gives the power of insights to uncover significant events and identify trends in order to adapt quickly to ever-changing business dynamics. Delivering the right information to the right people in the right format and at the right time is a significant aspect of real-time business intelligence. It is the process of delivering information about business operations as they occur with minimum latency.

The long-term strategy is to create a platform that can seamlessly scale up (increased performance) and scale out (incorporate new data sources) to meet business information and reporting needs.

#### Innovation & technology

JPC has always recognised the importance of Research, Development and Innovation (RDI) as a means to improve services, and efficiencies and increase effectiveness. The ICT Unit has been set up to be a "virtual" operating section with a mission to promote the growth of RDI and appropriate/new technologies at JPC. The Unit achieves this by undertaking analyses of the critical operational issues facing JPC, identifying needed actions and resources, promoting collaboration among key stakeholders, influencing policy decisions, and securing strategic investments for technology-based development.

#### 4.8. Strategic Goal 7: Enhance sound and clean governance

The City as a shareholder identifies good governance as a key principle for the attainment of its Strategic Vision. It is this principle that lays the foundation which focuses on creating a high-performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City.

Good governance requires not only efficient administration but also respect for the rule of law, accountability, accessibility, transparency, predictability, inclusivity, equity and participation. Furthermore, citizen participation is central to good governance principles.

It is therefore important for the City to create innovative platforms that enable meaningful citizen participation. JPC has attempted to attain and maintain its good governance principles. Therefore, this priority focuses on:

- ❖ The attainment of a clean audit,
- ❖ Running a functional administration that is corruption-free with deterrent mechanisms for possible occurrences.
- ❖ Optimising City resources, increasing productivity and focusing on service delivery.
- ❖ Professionalising JPC's service to ensure that the citizens' experience with the City is in line with the theme to be A City that must be felt, heard and seen to improve the daily lived experiences of citizens.

#### 4.9. Strategic Goal 8: Invest in our staff to sustain optimal performance & service-focused culture with committed people

Performance is the key driver, which requires competent staff. The purpose of this goal is to ensure that staff is consistently developed to a competent level and keeps abreast with changing environment. Staff satisfaction remains key in order to have a committed workforce.

##### Talent management

JPC manages and retains talent through the development and implementation of programmes such as succession planning, skills development and implementation of competitive remuneration. The Talent Management process includes talent attraction, developing, redeploying, assessing and retaining. Through the Integrated Talent Management strategies and initiatives, JPC will accelerate the service delivery and its competitiveness within the property industry and create client value-added engagements to meet stakeholder requirements and demands.

##### Retention of scarce skills

JPC intends to implement an active Retention strategy which aims to improve retention rates, particularly for scarce skills, while at the same time decreasing the associated costs of high turnover.

There are a number of programmes in place that cement the low turnover rate and encourage retention. These include the availability of career counselling, proper on-boarding and induction programmes as well as regular analysis of exits.

As part of retaining talent within JPC, the Board approved a Succession Plan/Policy in line with the entity's Talent Management Strategy. The overall objective of the talent management and succession planning process is to facilitate structured identification and growth of employees, as well as aid the retention of talent, in the process, create, and strengthen the talent pool of the entity. Succession planning is carried out through functional talent forums. The talent forums identify key positions at all levels for which succession planning is considered important. Succession plans, which identify individuals as well as their competency gaps, are drawn up and the identified individuals sign a succession planning agreement whereby they acknowledge their responsibilities as part of the succession planning process.

### Recruitment

In an increasingly competitive national and global market for limited skills, it is critical that JPC provides a comprehensive working environment that will attract, retain and motivate the right calibre of employees. Our recruitment process serves as the first stage in ensuring that JPC provides quality service and sustainable optimal performance. Identifying and attracting suitable applicants depends on the effectiveness of our sourcing strategies. The job design system ensures that job profiles which are utilised to draw advertisements are able to attract the right candidates for the job. Optimising our talent sourcing and recruitment is therefore one of the top priorities.

Reducing the time taken to fill vacancies has to be prioritised and a target of 10 weeks has been set for the filling of a vacancy for 2022/23. To accelerate the filling of positions the standard operating procedure for recruitment has been reviewed to ensure that the timelines are specified and adhered to. Furthermore, in the long-term certain phases of the recruitment process will be automated.

JPC's economic and financial circumstances and ability to fund the filling of vacancies continue to be the biggest threat to filling vacancies. To date, JPC has managed to fill funded vacancies within the requisite time period and even in the scarce skills categories although taking longer; it has been possible to attract appropriate talent

### Health and safety

JPC continues to be committed to protecting its employees, customers and the public from risks arising out of work-related activities and as a result relates is mandated by the country's Constitution to provide a healthy and safe working environment for all.

### Employment equity

JPC acknowledges the need to develop a culture of diversity that goes beyond achieving the numbers through workforce representation. The society we service is very diverse and as such, it is important to develop a diverse workforce to serve the community.

### Capacity building

Analysis of the capacity requirements of JPC takes cognisance of training needs, attrition due to resignations, retention of scarce skills, retirements, employee well-being and addressing the changing needs of the staff complement due to growth and restructuring. Plans for the next five years, including the 2022/23 financial year, are aimed at addressing the above goal.

Capacity building in terms of skills development is directly linked to the skills needs that exist in JPC and that are projected for the next five years. JPC conducts a Skills Audit once every five years, to identify the skills and knowledge that the company requires, as well as the skills and knowledge that the company currently has. A training needs analysis is conducted annually to identify the training needs at the employee, departmental or company level to help JPC to perform effectively. This investment in employee skills development ensures a culture of lifelong learning and quality service delivery through committed people.

In an endeavour to achieve optimal performance and remain service focused, culture is an important factor. Company performance is an important factor and the contribution of employees is critical.

### Skills development

JPC makes available a training budget equal to an average of 1% of the total annual payroll and has several initiatives being implemented and planned for internal staff, which include the following and are mainly focused on skills programmes, learnerships, apprenticeships, Management and Development Programmes – some of these, culminating into full qualifications.

JPC is not only committed and focused on the development of the current and future skills of employees but also to provide learning opportunities to learners from previously disadvantaged communities. These interventions increase their portability within the Company and marketability for jobs in industries outside the company. The Company adopts a holistic approach toward skills development initiatives. Training interventions planned from the 2022/23 financial year are categorised in four categories, namely:

- ❖ Technical Training Programmes include apprenticeships; technical learnerships; technical skills programmes and ARPL.
- ❖ Occupational Health and Safety (OHS) and Compliance Training.
- ❖ Non-Technical Training Programmes; which include Adult Education and Training (AET); learnerships (non-technical related programmes); soft skills programmes, Management Development Programmes and RPL.

- ❖ The Company has a bursary scheme in place to assist employees to obtain approved qualifications through tertiary institutions. Enrolments for bursaries are conducted once a year.

#### 4.10. Strategic Goal 9: Improve Customer and Stakeholder Satisfaction

The purpose of this goal is to enhance internal and external communication, which will lead to improved customer satisfaction. The JPC is looking at all stakeholders, both from an internal as well as an external point of consideration. It is against this backdrop that programmes will be inward and outward-looking. The JPC will create a culture of enhanced service delivery with pride through the use of an internal staff communication platform. Internal communication creates awareness of the company values and the importance of improved customer service. The company will further develop and disseminate the necessary publicity material to help create awareness among employees on the company values and the CoJ IDP outcomes and the strategic priorities.

Establishing an efficient customer-responsive culture will ensure that JPC responds to the needs of citizens, customers, stakeholders and businesses in the CoJ. The JPC will respond promptly and timeously to customer queries raised through petitions, public meetings, and the Councillor Consultations process.

In addition, the company will conduct regular targeted stakeholder engagement to establish a rapport with them, communicate targeted messages and receive and respond to their concerns and frustrations to minimise stakeholder and customer dissatisfaction.

Through various social media platforms, JPC will maximise the social media following and effectively use these platforms to ensure that external stakeholders and customers are kept informed of the various service delivery disruptions taking place in their respective areas.

There will be an engagement on an extensive drive to encourage community members to register on our SMS database to be able to reach out to all our customers who may not be following us on the various social media platforms.

#### 4.11. Strategic Goal 10: Ensure a Hygienic Environment within COJ Facilities

JPC provides cleaning services for all corporate City offices and public facilities within the control of the city. JPC.'s measures to ensure a hygienic working environment will focus on the following:

- ❖ Implement a hybrid cleaning service model: insourcing vs outsourcing
- ❖ Securing COJ facilities to prevent vandalism and unhygienic behaviours which may lead to disorder and unsafe environments.
- ❖ Ensuring compliance to COVID-19 regulations in respect of the Corporate Building Portfolio within the allocated financial resources.

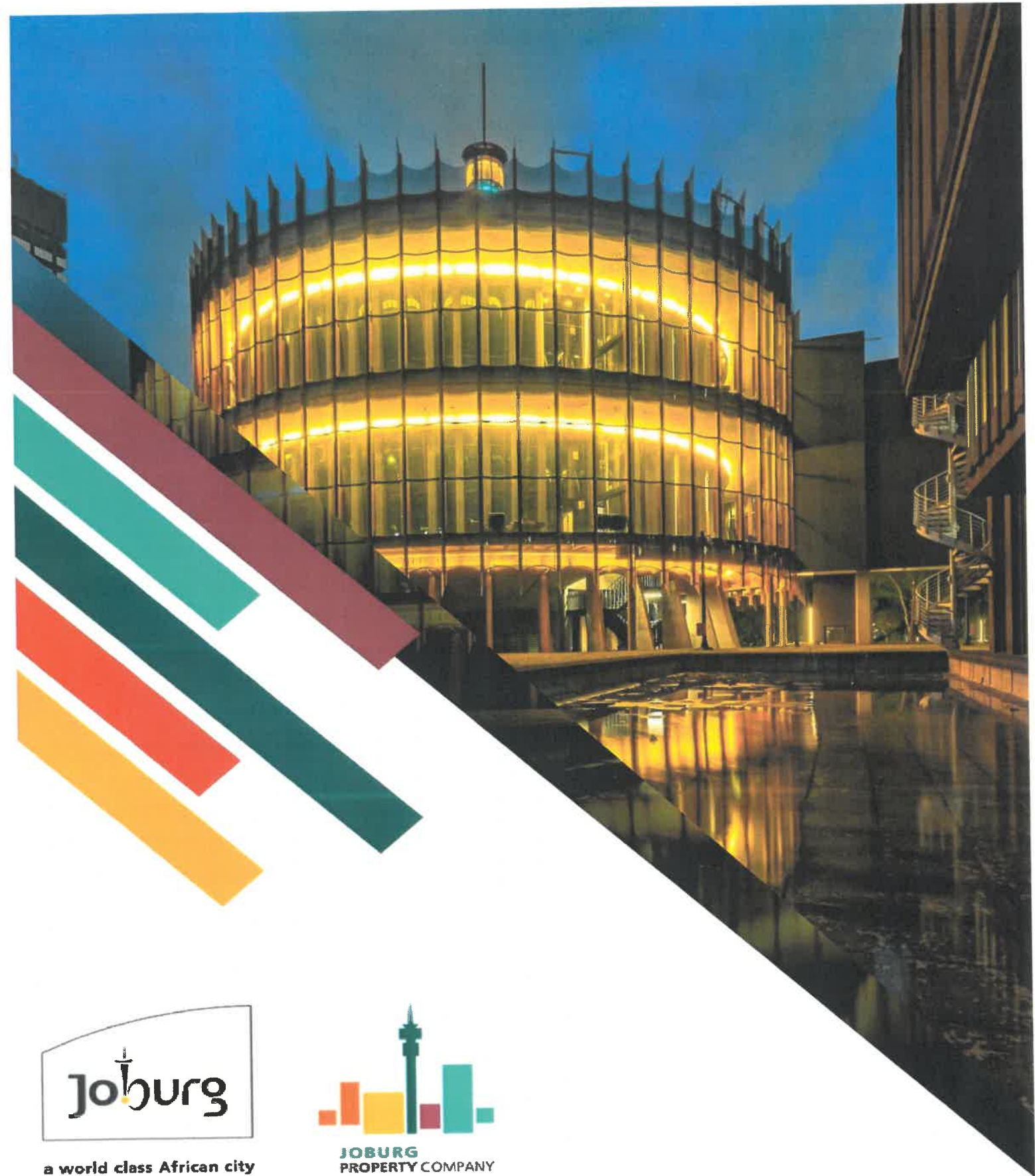
JPC will continue to put in place measures to cushion the blow of the impact of COVID 19 and assist in reshaping the structure of the economy.

#### 4.12. Strategic Goal: Reduction of urban decay

Urban decay is defined as the process whereby a previously functioning city, or part of a city, falls into disrepair and decrepitude. Urban decay may result from deindustrialization, depopulation or changing population, economic restructuring, abandoned buildings, high local unemployment, fragmented families, political disenfranchisement, crime, and a desolate, inhospitable city landscape. The City of Johannesburg like any other city has experienced the effects of urban decay which counteract development initiatives. JPC intends to partner with the City to prevent land invasions and implement measures to address urban decay.

The planned interventions to address urban decay include and are not limited to the following:

- Land Strategy implementation which aims to ensure that COJ properties are optimally utilised in line with their highest and best-used feasibility simultaneously identifies properties which can no longer fulfil their function due to physical, functional and economic obsolescence
- Inspections/identification of COJ owned properties to reduce urban decay\_ this process of inspection/ identification would translate into the initiation of processes to release properties for redevelopments and reduce the impact of urban decay.



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## *Chapter 5: Sustainable Development Goals (SDGs)*



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The Sustainable Development Goals (SDGs) seek to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. They seek to build on the Millennium Development Goals (MDGs) and complete what they did not achieve.

Sustainable development is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development calls for concerted efforts toward building an inclusive, sustainable and resilient future for the people and the planet. For sustainable development to be achieved, it is crucial to harmonise three core elements: economic growth, social inclusion and environmental protection.

They are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental. Each goal has specific targets to be achieved over the next 14 years. For the goals to be reached, everyone needs to do their part: government, the private sector and civil society. It is against this backdrop that JPC commits to conduct its business in a manner that supports the attainment of the following two SDGs which are applicable to the nature of the business, namely;

- Goal 5: Gender equality & Gender-Based Violence; and
- Goal 8: Decent work and economic growth.

#### **SDG 5: Achieve gender equality and empower all women and girls**

The Company aims to end all forms of discrimination against women through the implementation of the EE Plan. The objective of the plan is to provide advancement opportunities for members from designated groups, especially females and PWDs who are suitably qualified by ensuring proportional representation in the occupational profiles of JPC in line with set targets - this will ensure women's full and effective participation and the provision of equal opportunities at all levels within the Company

#### **SDG 8: Promote inclusive and sustainable economic growth, employment and decent work for all**

Through the Expanded Public Works Programme (EPWP) and Community Development Programmes (CDP) the Company will create job opportunities as well as decent jobs while promoting inclusivity in the mainstream economy. We will also continue supporting entrepreneurship, creativity and innovation, and encourage the formalisation and growth of SMMEs, including through access to financial services. In creating decent jobs, the focus will be given to all women and men, including young people and PWDs, on an equal-pay-for-work-of-equal-value basis.





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## *Chapter 6: Service Standards*



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## Batho Pele Principles

The Batho Pele (“People First”) principles are aligned to the Constitution – and encourage members of the public to know the service they are entitled to. Government officials must follow the “Batho Pele” principles, which require public servants to be polite, open and transparent and to deliver good service to the public. In executing these principles, the focus areas for the company are on the Company's Service Standards.

JPC 's service standards were reviewed and as result amendments were effected on four service standards and two completely removed.

A summary of the core service is aligned to the service level standards and the related target is provided in the table below:

### SERVICE STANDARDS TABLE

#	CORE SERVICE	SERVICE LEVEL STANDARD
1	Response in acknowledgement of requests, enquiries and complaints	Within 1 day of logged call
2	Provision of answers and/or results related to the receipt of the requests and enquiries regarding properties	Within 3 days of logged call
3	The performance of emergency work for JPC managed facilities	Within 1 day of logged call
4	Performance of minor works on facilities managed by JPC	Within 2 days of logged call
5	Performance of major works on facilities managed by JPC	Within 5 days of logged call
6	Complete the sale or lease and registration of servitudes of Council owned land	Within 12 months after Council Approval in terms of Section 14(2) of the Municipal Finance Management Act
7	Complete the sale or lease of Council Owned land	Within 9 months of Council approval (to sign off property agreement with 3 <sup>rd</sup> party)
8	Internal allocation of land and buildings to City Departments and Entities (PTOB: permission to occupy and build and lease office space from third parties)	Within 9 months of application and budget confirmation
9	Performance of surveys on the condition of all plant and equipment in order to allow the assessment of the required repairs and maintenance of facilities managed by JPC.	Quarterly (from date of instruction received)
10	Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application



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## *Chapter 7: Financial Plan*

## 7.1 Financial Structure Overview

The revenue and funding model of JPC has been subject to various discussions with the COJ since the conclusion of the integration of the old Metropolitan Trading Company (MTC) and the Facilities Maintenance Management Unit (FMMU) in 2012/13 financial year. Previous internal recovery models have proved to be difficult and burdensome to facilitate and have often left JPC in a difficult financial position, as illustrated in the annual financial statements. The introduction of a subsidy in 2015/16 not only alleviated cash constraints from monies being tied in related party debtors but also enabled the entity to generate a profit and utilize assessed tax losses from previous financial years.

From a budgeting and funding perspective, the generation of revenue is essential to achieve break-even financial performance, as per the approved budgets. As is common practice amongst SOCs, JPC's expenditure is predominantly fixed with up to 90% of all company expenditure being committed through contractual obligations. Sustainable and achievable revenue targets are therefore imperative to, at a minimum; cover fixed operating expenses such as salaries, rentals, cleaning, security, etc.

The current structure of JPC's revenue is comprised as follows:

Source	Description
1. Rental Commission	1. 25% commission earned from the Portfolio for rental monies collected from COJ-owned facilities and buildings.
2. Commission on Land Purchases	2. 10% commission earned from the acquisition of private or state-owned land
3. Commission on Servitudes	3. 25% commission from registered servitudes
4. Commission on Land Sales	4. 10% commission earned from the sale of City-owned land
5. Commission on CAPEX	5. 10% commission earned by JPC for the facilitation of Portfolio's CAPEX spend
6. Operating Subsidy	6. Subsidy provided by the COJ to fund the Facilities Management operations of JPC
7. Cleaning services	7. Recovery of expenditure incurred on behalf of the COJ for cleaning services provided.
8. R&M Fees	8. 10% management fee earned on internal recoveries of repairs and maintenance work.
9. Facilitation Fees	9. 1 to 3% commission earned for the facilitation of developments with third parties
10. Asset Under Management Fees	10. Monthly fee paid by the Portfolio for the administration and management of City-owned property
11. Cellmast Income	11. Income derived from contracted advertising with an external party

## 7.2 City of Joburg Property Company Portfolio

The Portfolio is, in essence, the property debtors' book of the COJ that is administered and managed by JPC. It is important to note that JPC is incorporated without the mandate to own property. The property assets are owned and capitalised by the COJ with JPC providing property and facilities management expertise for their upkeep and to generate revenue. JPC receives a commission from the Portfolio for administering the property fixed asset register.

The portfolio of properties is a mix of commercial, residential and social leases that generate the revenue from COJ owned properties. Any developments on these properties to improve or increase their commercial viability are capitalized into the COJ fixed asset register. It is JPC in conjunction with the COJ determines and prioritizes the capital spending required to improve and increase the value of the property portfolio of the COJ.

Outdoor advertising demonstrates tremendous revenue potential for both the COJ and JPC. Recent legal challenges with obtaining approval for the outdoor advertising by-laws have been a setback in the Portfolio's revenue-generating capability. Operating expenditure in the Portfolio is predominantly variable as they often relate to ad hoc services such as repairs and maintenance, valuations, refuse removal and commissions payable to JPC for services rendered. Recent inclusions to Portfolio expenditure are line items for cleaning services provided by JPC and security services provided by Johannesburg Metropolitan Police Department.

The structure of the budget is approved by the COJ with JPC providing the inputs for the Portfolio to function. The financial performance and financial position of the Portfolio are accounted for and consolidated into the financial statements of the COJ on a monthly, quarterly and annual basis.

The current structure of Portfolio's revenue is comprised as follows:

Source	Description
1. Rental of COJ facilities	1. Revenue from commercial, residential and social leases between the COJ and its tenants
2. Interest on rental arrears	2. interest levied on tenants' accounts that are in arrears
3. Outdoor Advertising	3. Revenue related to the leasing of outdoor advertising space and signage
4. Gain on disposal of assets	4. Profit or loss on the disposal of COJ property assets

7.3 Operating Expenditure  
JPC Portfolio Budget

	YTD Actuals 21-Dec R0	Current year 2021/22				Medium-Term Budget 2022/23 - 2024/25						
		Approved Budget 2021/22 R0	Adjustment R0	Adjusted Budget 2021/22 R0	Approved Budget 2022/23 R0	Adjustment R0	Draft Budget 2022/23 R0	Incr. %	Draft Budget 2023/24 R0	Incr. %	Draft Budget 2024/25 R0	
<b>REVENUE by source</b>												
Rental of facilities and equipment	-31 884	-109 649		-109 649	-114 474	-657	-115 131	5.0%	-120 312	4.5%	-125 726	
Interest earned - outstanding debtors	-1 865	-3 666		-3 666	-3 827	-22	-3 849	5.0%	-4 022	4.5%	-4 203	
Other revenue	-18 284	-64 666		-64 666	-67 512	4 370	-63 142	-2.4%	-63 733	0.9%	-64 351	
Gains		-33 000		-33 000	-33 000	28 000	-5 000	-84.8%	-5 000		-5 000	
<b>DIRECT REVENUE</b>	<b>-52 033</b>	<b>-210 981</b>	<b>0</b>	<b>-210 981</b>	<b>-218 813</b>	<b>31 691</b>	<b>-187 122</b>	<b>-11.3%</b>	<b>-193 067</b>	<b>3.2%</b>	<b>-199 280</b>	
<b>TOTAL REVENUE excluding capital grants/contr.</b>	<b>-52 033</b>	<b>-210 981</b>	<b>0</b>	<b>-210 981</b>	<b>-218 813</b>	<b>31 691</b>	<b>-187 122</b>	<b>-11.3%</b>	<b>-193 067</b>	<b>3.2%</b>	<b>-199 280</b>	
<b>EXPENDITURE by type</b>												
Debt impairment		2 198		2 198	2 295	10	2 305	4.9%	2 427	5.3%	2 604	
Depreciation and asset impairment		554		554	578	3	581	4.9%	612	5.3%	653	
Inventory consumed		12 579	-10 000	2 579	13 132	-10 424	2 708	5.0%	2 843	5.0%	2 985	
Contracted services	1 061	84 767	265	85 032	88 497	787	89 284	5.0%	93 748	5.0%	98 435	
Other expenditure	1 740	10 962	-1 096	9 866	11 444	-1 085	10 359	5.0%	10 877	5.0%	11 421	
<b>DIRECT EXPENDITURE</b>	<b>2 801</b>	<b>111 060</b>	<b>-10 831</b>	<b>100 229</b>	<b>115 946</b>	<b>-10 709</b>	<b>105 237</b>	<b>44.8%</b>	<b>110 507</b>	<b>4.5%</b>	<b>116 098</b>	
<b>Internal Transfers</b>												
Other expenditure : Inter-Company	18 369	104 921		104 921	108 720		108 720	3.60%	113 613	4.50%	120 147	
Costing - Internal Expenditure		46 845		46 845	49 187		49 187	5.00%	51 400	4.50%	54 356	
Total Internal Transfers	18 369	151 766	0	151 766	157 907	0	157 907	8.60%	165 013	4.50%	174 503	
<b>TOTAL EXPENDITURE</b>	<b>21 170</b>	<b>262 826</b>	<b>-10 831</b>	<b>251 995</b>	<b>273 853</b>	<b>-10 709</b>	<b>263 144</b>	<b>53.4%</b>	<b>275 520</b>	<b>4.5%</b>	<b>290 601</b>	
<b>OPERATING (SURPLUS) / DEFICIT for the year</b>	<b>-30 863</b>	<b>51 845</b>	<b>-10 831</b>	<b>41 014</b>	<b>55 040</b>	<b>20 982</b>	<b>76 022</b>		<b>82 453</b>		<b>91 321</b>	

JPC Budget

	YTD Actuals 21-Dec R0	Current year 2021/22			Medium-Term Budget 2022/23 - 2024/25							
		Approved Budget 2021/22 R0	Adjustment R0	Adjusted Budget 2021/22 R0	Approved Budget 2022/23 R0	Adjustment R0	Draft Budget 2022/23 R0	Incr. %	Draft Budget 2023/24 R0	Incr. %	Draft Budget 2024/25 R0	
<b>REVENUE by source</b>												
Other revenue	-838	-85 103		-85 103	-88 848	-511	-89 359	5.0%	-93 380	4.5%	-97 582	
<b>DIRECT REVENUE</b>	<b>-838</b>	<b>-85 103</b>	-	<b>-85 103</b>	<b>-88 848</b>	<b>-511</b>	<b>-89 359</b>	<b>5.0%</b>	<b>-93 380</b>	<b>4.5%</b>	<b>-97 582</b>	
<b>Internal Transfers</b>												
Other revenue : Inter-Company	-90 049	-274 954	-7452	-282 406	-289 052	-26 218	-315 270	11.6%	-324 292	2.9%	-338 887	
Transfers and subsidies received : Inter-Company	-381 870	-654 635	128 357	-526 278	-681 924	127 619	-554 305	5.3%	-609 098	9.9%	-663 622	
Total Internal Transfers	-471 919	-929 589	120 905	-808 684	-970 976	101 401	-869 575	12.6%	-933 390	4.3%	-1 002 509	
<b>TOTAL REVENUE excluding capital grants/contr.</b>	<b>-472 757</b>	<b>-1 014 692</b>	<b>120 905</b>	<b>-893 787</b>	<b>-1 059 824</b>	<b>100 890</b>	<b>-958 934</b>	<b>11.9%</b>	<b>-1 026 770</b>	<b>4.3%</b>	<b>-1 100 091</b>	
<b>EXPENDITURE by type</b>												
Employee related costs	238 092	470 204	-22 366	447 838	490 893	-21 111	469 782	4.9%	490 922	4.5%	513 013	
Depreciation and asset impairment	6 880	14 741		14 741	15 390	66	15 456	4.9%	16 276	5.3%	17 212	
Finance charges		4 721		4 721	4 929	21	4 950	4.9%	5 212	5.3%	5 512	
Inventory consumed	18 055	37 843	-32 674	5 169	39 508	-11 959	27 549	433.0%	51 923	88.5%	78 435	
Contracted services	100 337	184 558	-62 713	121 845	192 679	-64 742	127 937	5.0%	134 334	5.0%	141 051	
Other expenditure		189 727	-5 328	184 399	198 075	-4 456	193 619	5.0%	203 300	5.0%	213 465	
<b>DIRECT EXPENDITURE</b>	<b>363 364</b>	<b>901 794</b>	<b>-123 081</b>	<b>778 713</b>	<b>941 474</b>	<b>-102 180</b>	<b>839 294</b>	<b>13.1%</b>	<b>901 967</b>	<b>4.3%</b>	<b>968 688</b>	
<b>Internal Transfers</b>												
Finance charges : Inter-Company	6 394	38 700	0	38 700	40 442	0	40 442	4.50%	42 262	4.50%	44 164	
Other expenditure : Inter-Company	6 394	74 198	2176	76 374	77 908	1290	79 198	3.70%	82 541	4.22%	87 239	
Total Internal Transfers	6 394	112 898	2176	115 074	118 350	1290	119 640	4.0%	124 803	4.4%	131 403	
<b>TOTAL EXPENDITURE</b>	<b>369 758</b>	<b>1 014 692</b>	<b>-120 905</b>	<b>893 787</b>	<b>1 059 824</b>	<b>-100 890</b>	<b>958 934</b>	<b>11.9%</b>	<b>1 026 770</b>	<b>4.3%</b>	<b>1 100 091</b>	
<b>OPERATING (SURPLUS) / DEFICIT for the year</b>	<b>-102 999</b>											

Capex Expenditure

Project Name	Project Number	Asset Class	Budget 2022/23 R 000	Budget 2023/24 R 000	Budget 2024/25 R 000
Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex JOHANNESBURG F Ward	2284	Community Assets	10 000	20 000	20 000
Computer Equipment - New Computer Upgrades	2669	Computer Equipment	5 000	-	-
Neighbourhood Development for Bertrams Priority Block New Building Alterations BERTRAMS F Regional	3943	Investment Properties	-	200	-
Site Development Projects New Land Preparation JOHANNESBURG F City Wide	3944	Storm water Infrastructure	2 000	31 260	-
Erf 43-46 Victoria Ext 3(Paterson Park Node) VICTORIA EXT.3 E Regional	4142		2 158	-	-
Mooki Street Development Infrastructure; Orlando East New Precinct Redevelopment ORLANDO EAST D Regional	4179	Roads Infrastructure	-	1 000	-
Office Space Optimisation Program New Precinct Redevelopment JOHANNESBURG F City Wide	4184	Other Assets	28 500	40 000	-
Walter Sisulu Square of dedication ( Refurbishment)	6355	Community Assets	5 000	45 000	-
Metromall Taxi Rank Shop Revitalisation and Waste Management Area Redesign	6358	Community Assets	19 000	-	-
Soweto Empowerment Zone	22727		-	250	-
Inner City Rejuvenation Programme/Project	22740	Investment Properties	-	25 000	90 000
Acquisition of various properties in SOWETO	23543		8 000	-	-
Acquisition of Cleaning Equipment	23560	Machinery and Equipment	10 000	13 000	5 000
23776_Walter Sisulu Square Upgrade	24027	Community Assets	20 000	26 667	28 333
			<b>109 658</b>	<b>202 377</b>	<b>143 333</b>





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## *Chapter 8: Management & Company Structure*

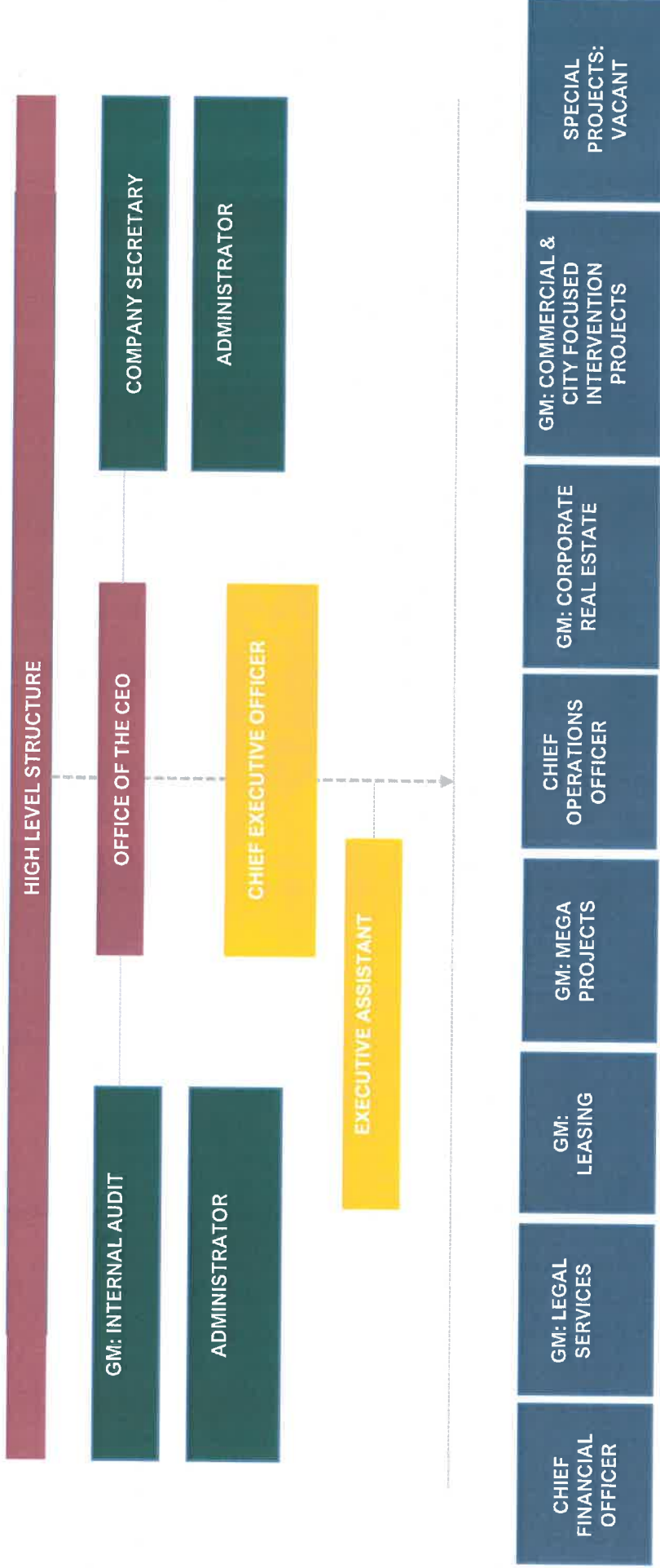


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8.1. Company Structure



8.2. Analysis of the Company Structure



**Helen Botes**  
Chief Executive Officer



**Siphon Mzobe**  
Acting Chief Financial Officer



**Sizeka Tshabalala**  
General Manager:  
Commercial &  
City Focused Intervention



**Musah Makhunga**  
General Manager: Mega  
Projects



**Tshepo Mokataka**  
(General Manager)  
Legal Services



**Gontse Dlamini**  
Company Secretary



**Imraan Bhamjee**  
General Manager:  
Special Projects



**Siphon Mhlongo**  
General Manager:  
Leasing



**Brenda Jacobs**  
Acting Chief Operating Officer



**Sifiso Mabizela CA (SA)**  
Acting General Manager:  
Internal Audit



**Shaun Kgatuke**  
General Manager:  
Facilities Management & Cleaning Services

## Capacity Analysis

The entity has 1616 permanent employees based at the head office and depots who execute the strategy of the organisation. The employment equity demographics indicate that JPC has as a majority of male employees within Junior Management, skilled Technical and Semi-skilled occupational levels. Male employees represent 61% of total staff compliment.

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

Occupational Levels	MALE				FEMALE				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	0	0	0	0	0	1	0	0	0	0	1
Senior Management	6	0	1	0	1	0	0	0	0	0	8
Professionally qualified and mid-management	15	1	4	4	21	2	3	5	0	0	55
Jun. Management, Superintendents and Skilled Technical	5	0	2	3	24	4	1	0	1	0	39
Semi-skilled / Administration	140	11	5	4	73	13	1	0	0	0	247
Unskilled and defined decision making	336	2	0	1	911	15	0	0	0	0	1265
Total Permanent Staff	502	14	12	13	1028	37	5	5	0	0	1615
Temporary Employees	1	0	0	0	0	0	0	0	0	0	1
<b>GRAND TOTAL</b>	<b>503</b>	<b>14</b>	<b>12</b>	<b>12</b>	<b>1028</b>	<b>37</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>1616</b>

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

- Promote JPC as a professional, transformative and customer-centric organisation;
- Position JPC as an employer of choice;
- Foster a corporate social investment and sustainability culture;
- Build and maintain sustainable relations with JPC stakeholders and the property industry at large; and
- The department to indicate how they intend to engage with the stakeholders to ensure public consultation/participation and who are the key stakeholders for the department/entity?

Key Stakeholders for JPC include the following:

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 Industry	H	M	H	M	H	H	Key Players
Board of Directors	H	H	H	H	H	H	Key Players
Government-Deeds Office	H	M	H	M	H	H	Keep satisfied
Property Professionals	H	M	H	M	H	H	Key Players
Planning Professionals	H	M	H	M	H	H	Key Players
Institute of Planning Architects	H	M	H	M	H	H	Key Players
Legal Professional bodies	H	M	H	M	H	H	Key Players

<b>Legend</b>	High	Medium	Low
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## Communication Plan

Stakeholder	Expectations	Method of engagement
COJ	JPC's mandate by the CoJ 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 referral to MAYCOM for approval, JPC is to provide professional and reliable advice to enable sound decision-making.	Through scheduled meetings.
Councillors	Councillors are the Community representatives and their support is necessary to curb any community dissatisfaction in the management of the Council Properties. They expect efficient delivery of services and reliable information.	Councillors engaged through Visible Service Delivery Forums and other meetings.
Municipal Entities	Municipal Entities require property to operate 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 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 are vital.	Through organised labour forums
Board of Directors	The Board of Directors provide governance oversight and direction to Management and as such expects 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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## *Chapter 9: Risk Management*

## Risk Management

The right governance and assurance processes are essential to us to ensure that we meet our customer, stakeholder and regulatory expectations around trust and openness. Robust governance and assurance are critical to the effective identification and management of risks in the development of our 2022/23 business plan. The Audit and Risk Committee, with enhanced governance and influence, was set up which has among other responsibilities oversight of Risk and Compliance within the organisation.

### 9.1 Meeting our statutory obligations

A range of legislation governs our activities. The process to make sure the company delivers according to customer and stakeholder needs and expectations and continues to meet Company obligations. By working collaboratively with regulators and stakeholders we ensure we are accounting for our obligations and wider considerations for the environment, resilience, and customer expectations in our proposals.

JPC adopts a rigorous and ongoing process of event and risk identification that also includes mechanisms to identify new and emerging risks timeously. The risk identification process covers all risks, regardless of whether or not such risks are within the direct control of the JPC. Risk identification is inclusive and draws as much as possible from unbiased independent sources, including the perspectives of important stakeholders

The combined assurance model identifies, and assigns accountability and responsibilities to three defined levels, with the first level being Management; the second level being consist of activities of the various departments like Strategic Corporate Support (including the risk and compliance sub-unit), Legal, Company Secretary and other control departments and the third level being Internal Assurance providers. The gaps or non-compliance are found actions are agreed upon to address the problem. The outcome of this assurance is shared with the Audit and Risk Committee as well as the Board.

### 9.2 Understanding the risks that could affect our plan

Overall, we consider the mechanisms within the current framework to ensure that risks are allocated to those best placed to manage them. The mechanisms also ensure that the rewards gained from our efficient delivery of services are shared between us and our stakeholders, in a way that is reflective of the risk allocation. We embed risk identification in all our management systems. A network of JPC management and risk management work with leadership teams to prompt risk identification, consistent measurement and review. Risks are logged and we run risk identification workshops with management and EXCO once a year, as well as for key projects. Each risk is allocated to a risk owner who is



responsible for the monitoring, management and reporting of that risk through the risk management process. We have also examined our plan and considered its resilience to changes in circumstances, the operating environment and inherent uncertainty to identify any further risks specifically associated with the delivery of our plan.

### 9.3 Our approach to risk management

Effective risk management is essential for us to manage uncertainties and achieve our objectives. It is embedded in our normal business process and culture and overseen by an independent Audit and Risk Committee. This improves our ability to predict and prepare for challenges to the achievement of our priorities and supports the creation and protection of value in our company. We manage risk in line with the following key principles:

- **Transparent risk culture:** all risks are measured, managed, monitored and reported.
- **Proactive approach:** risk management is dynamic with risks and opportunities identified and escalated to be managed at the appropriate level in the business.
- **Risk governance:** all risks are subject to appropriate controls and governance.

### 9.4 Risks and mitigation strategies

The Entity is committed to effective risk management and governance processes to support the business. The Board, senior management and shareholder have both the clear intention to manage risk effectively and the skills and resources to achieve this. Our Risk Management Framework sets out a clear “tone at the top” which is communicated through aligned Board and management objectives coupled with a clearly documented Governance Framework. This framework is embedded into our daily working practices including within our business systems. Supporting this is a culture that recognises the importance of continual improvement and learning. In the Board’s view, the risk management procedures, systems and processes that the Company operates (including management and Board oversight) together with the Company’s ability to effectively respond to down-side events results in an appropriate balance of risk for customers, and shareholders and management. The overall risk associated with delivering the level of service and initiatives outlined in this plan has been assessed and is considered stretching but tolerable. We have an embedded risk management process and culture to ensure risks are understood, escalated and managed at the right level of the business. Risk evaluation and assessment is a systematic process to quantify or qualify the level of risk associated with a specific threat or event, to enrich the risk intelligence available to the Entity.

JPC applies the 5 X 5 risk exposure scoring system i.e. the twenty-five (25) element model, and risk dashboard, as it allows for a more precise scoring approach. The risk exposure or severity level is obtained by multiplying the risk impact score by the risk likelihood score

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

### Strategic Risk Register

No	Strategic goal	Risk name	Inherent rating	Residual rating
1	A well-run city	Inability to maximised revenue	Very high	Medium
2	A safe and secure city	Occupation of buildings that are not OHASA compliant	Very high	High
3	A safe and secure city	Inadequate maintenance /erosion of city owned land and properties	Very high	Medium
4	A city that gets the basics right	Financial viability of cleaner insourcing and prevalent unhygienic conditions prevailing at buildings - non-compliance to OHASA Regulations - In ability to provide efficient management of the Function	Very high	High
5	A well-run city	Non-compliance with legislation, policies and procedures	High	Low
6	A well-run city	Fraud and corruption	Very high	Medium
7	A business-friendly city	Inability to attract investment	High	Medium
8	A well-run city	Inadequate Contract Management	Very high	High
9	A smart city	Inadequate ICT delivery and security control including electronic storage	Very high	Medium
10	A business-friendly city	Inadequate internal and external stakeholder management and brand reputation	Medium	Low
11	A caring city	Covid 19 related negative impact	Very high	High



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## *Chapter 10: Corporate Scorecard*

10.1. Company Scorecard

10.1.1 Unlocking investments/ business through property transactions and developments.

MAYORAL PRIORITY: A Business Friendly City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Rand value of investment attracted / business facilitated within COJ boundaries based on the signed contract.	R1.863 Billion	R2 Billion	R2.2 Billion	R2.4 Billion	0	0	R1.4 Billion	R600 Million	0	0	0	0	0	0	JPC	Planning Dept & SCM	ECG

10.1.2. Investment Spend within CoJ boundaries based on construction value on the ground

MAYORAL PRIORITY: A Business-Friendly City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Rand value of investment spend on projects within CoJ boundaries based on construction value on the ground.	R302 million	R300 Million	R500 million	R600 million	0	R50 Million	R125 Million	R125 Million	R0	R0	R0	R0	R0	R0	JPC	Planning Dept & SCM	ECG

**10.1.3. Acquisition of properties for Inner City property redevelopment projects in line with Block by Block approach approved in Council for release to private sector**

MAYORAL PRIORITY: An Inclusive City																
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead	Support	Cluster
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2				
Acquisition of properties for Inner-City property redevelopment projects in line with Block by Block approach	New	27 Properties acquired in line with council resolution for Inner City redevelopment projects	30 Properties acquired in line with council resolution for Inner City redevelopment projects	60 Properties acquired in line with council resolution for Inner City redevelopment projects	0	0	17 Properties acquired for Inner City redevelopment projects	10 Properties acquired for Inner City redevelopment projects	0	R2.16million	0	0	Council Resolution to acquire properties for Inner City property redevelopment.	JPC	COJ Dept & SCM	ECG

**10.1.4. Jobs opportunities created**

MAYORAL PRIORITY: A Business-Friendly City																
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead	Support	Cluster
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2				
Number of jobs opportunities created	735	735	1500	2000	184	184	184	183	500	R330 Million	R200 Million	R65 Million	Signed appointment letter together with ID document	JPC	COJ Dept & SCM	ECG

10.1.5. SMMEs supported through property transactions

MAYORAL PRIORITY: A Business-Friendly City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Opex	Q1	Q2	Q3					Q4
Number of SMMEs supported	563	500	670	840	0	167	167	166		R96 777	R70 444	R70 444	R70 444	JPC appointment letter or valid lease agreement	JPC	COJ Dept & SCM	ECG

10.1.6. Assets Verification Project

MAYORAL PRIORITY: A Well-Run City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Opex	Q1	Q2	Q3					Q4
Assets Verification Project	New	100%	N/A	N/A	0	25%	60%	15%		R25m	R0m	R5 million	R8 million	Asset Verification Report	JPC	COJ Dept & SCM	ECG

### 10.1.7. Land Strategy Implementation: Analysis of land parcels that are categorised for leasing opportunities

MAYORAL PRIORITY: A Business-Friendly City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Land Strategy Implementation: Analysis of land parcels that are categorised for leasing opportunities in terms of: <ol style="list-style-type: none"> <li>Real Estate Market Analysis (Large Land Parcels)</li> <li>Best Use Studies</li> </ol>	New	10	15	20	0	3	3	4	R0	R2m	0	R600K	R600K	R800K	JPC	COJ Dept & SCM	ECG

### 10.1.8. Number of asset management plans formulated

MAYORAL PRIORITY: A Business-Friendly City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Number of asset management plans formulated (opportunities)	250	300	320	350	75	75	75	75	R0	R0	R0	R0	R0	R0	JPC	COJ Dept & SCM	ECG

### 10.1.9. Number of properties acquired on behalf of City departments and entities

**MAYORAL PRIORITY: An Inclusive City**

Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster			
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3	Q4	
					Number of properties acquired on behalf of Departments and Municipal Entities for the advancement of City's service delivery objectives.	31	19	25	30	4	4	4					7	0	0

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

**MAYORAL PRIORITY: A Business-Friendly City**

Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster		
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3	Q4
					Number of properties released on social and economic leases including servitudes and sales	28	140	150	160	0	40	50					50	0



### 10.1.11. Implement training and development initiatives to address competency gaps

MAYORAL PRIORITY: A Well-Run City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Number of employees trained	94	500	750	750	125	125	125	125	0	R3.4 million	R850K	R850K	R850K	R850K	JPC	COJ Dept & SCM	ECG
Attendance register for trainings.																	

### 10.1.12. Income generated through property transactions

MAYORAL PRIORITY: A Well-Run City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Rand value of income raised from commission earned from acquisition, outdoor advertising, leases, servitudes and sales	R94 Million	R105 Million	R113 Million	R122 Million	R20 million	R24.25 million	R26.375 Million	R26.375 million	0	R26.375 million	0	0	0	0	JPC	COJ Dept & SCM	ECG
Financial report indicating revenue generated by portfolio.																	

### 10.1.13. Spend of allocated CAPEX

MAYORAL PRIORITY: A Well-Run City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/24 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Percentage spend of allocated Capex	4%	100%	100%	100%	20%	30%	35%	15%	R 205 350	R0	R0	R0	R0	Financial Report. Invoices relating to the Capex projects	JPC	COJ Dept & SCM	ECG

### 10.1.14. Percentage spent on operating budget against approved operating budget

MAYORAL PRIORITY: A Well-Run City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/24 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Percentage spent on operating budget against approved operating budget	New	100%	100%	100%	25%	50%	75%	100%		R0	R0	R0	R0	Actual spent / Allocated budget	Finance	Dept & SCM	ECG

**10.1.15. Percentage of spent on repairs and maintenance to property, plant and equipment.**

MAYORAL PRIORITY: A Well-Run City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/24 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Percentage of spent on repairs and maintenance to property, plant and equipment. In respect of JPC Facilities.	New	100%	100%	100%	0%	100%	100%	100%		R0	R0	R0	R0	Financial report indicating Total repairs & maintenance expenditure on JPC facilities.	Finance	Dept & SCM	ECCG

**10.1.16. Percentage of valid invoices paid within 30 days of invoice date**

MAYORAL PRIORITY: A Well-Run City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/24 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Percentage of valid invoices paid within 30 days of invoice date	100%	100%	100%	100%	100%	100%	100%	100%		R0	R0	R0	R0	Financial report reflecting date invoice captured and when invoice paid.	Finance	Dept & SCM	ECCG

**10.1.17. Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide**

MAYORAL PRIORITY: A Well-Run City																
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2				
Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	New	50%	60%	70%	15%	15%	15%	15%					Financial Report	Finance	All Departments	ECG

**10.1.18. Regular inspections to crack down on illegal building and land use**

MAYORAL PRIORITY: A Safe and Secure City																			
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster			
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3	Q4	
Inspections of CoJ owned properties / identification of properties to reduce urban decay	New	3500 site inspections	4500 site inspections	5500 site inspections	0	0	1750 site inspections	1750 site inspections			4.5 million	R3 Million	0	0	R1.5 million	Site inspection reports	CBO	Asset Management Property Development & management	ECG

10.1.19. Percentage achievement of Service Standards Levels in terms of the Shareholder Compact (Service Standards Levels)

**MAYORAL PRIORITY: A Safe and Secure City**

Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Support Dept/Me	Support	Cluster				
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3	Q4		
Percentage achievement of service standards	New	100%	100%	100%	100%	100%	100%	100%	100%								Asset Management Property Management Property Development	CB O	Performance report on compliance to the service standards	ECG

10.1.20. Audit Opinion

**MAYORAL PRIORITY: Well Run City**

Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Support Dept/Me	Support	Cluster		
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3	Q4
Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit	Unqualified audit	N/A	Unqualified audit	N/A	N/A	N/A	R5 million	R1.5 million	R1.5 million	R500K	R1.5 million	AGSA audit report.	JPC	COJ Dept & SCM	ECG

10.1.21. Resolution of Auditor General's findings

MAYORAL PRIORITY: Well Run City																		
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster		
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3	Q4
Percentage resolution of Auditor General findings.	59%	100%	100%	100%	N/A%	100%	100%	100%								JPC	COJ Dept & SCM	ECG

10.1.22. Percentage resolution of Internal Audit findings

MAYORAL PRIORITY: Well Run City																	
Key Performance Indicator	Baseline 2020/21	2022/23 Target	2023/24 Target	2024/25 target	2022/23 Quarterly Performance targets				2022/23 budget per projects R 000				Means of Verification	Lead Dept/Me	Support	Cluster	
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2					Q3
Percentage resolution of Internal Audit findings.	New	100%	100%	100%	100%	100%	100%	100%		R0	R0	R0	R0	Internal Audit progress report.	JPC	COJ Dept & SCM	ECG

### 10.2. Technical Indicator Descriptions

KPI NO	INDICATOR TITLE	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
1.	UNLOCKING INVESTMENTS/BUSINESS THROUGH PROPERTY TRANSACTIONS AND DEVELOPMENTS	MEASURES THE AMOUNT OF INVESTMENT ATTRACTED/ LEVERAGED BY JPC ON COJ LAND	AGREEMENT SIGNED BY BOTH PARTIES INDICATING THE AMOUNT FOR DEVELOPMENT COSTS	AMOUNT FOR DEVELOPMENTAL COSTS AS PER AGREEMENT	IMPACT	CUMULATIVE	QUARTERLY	NO	R2 BILLION	PROPERTY PORTFOLIO
2.	INVESTMENT SPEND ON PROJECTS WITHIN COJ BOUNDARIES BASED ON CONSTRUCTION VALUE ON THE GROUND	MEASURES THE AMOUNT OF INVESTMENT SPENDING BY JPC ON COJ LAND, THROUGH CONSTRUCTION THAT IS CURRENTLY ON THE GROUND	INVESTMENT CONFIRMATION CERTIFICATE FROM DEVELOPER'S	PROJECT CONSTRUCTION SPEND	IMPACT	CUMULATIVE	QUARTERLY	NO	R300 MILLION	PROPERTY PORTFOLIO
3.	ACQUISITION OF PROPERTIES FOR INNER-CITY PROPERTY REDEVELOPMENT PROJECTS IN LINE WITH BLOCK BY BLOCK APPROACH	MEASURES THE NUMBER OF PROPERTIES APPROVED ACQUIRED AS PART OF THE INNER CITY REDEVELOPMENT PROJECTS	COUNCIL RESOLUTION TO ACQUIRE PROPERTIES FOR INNER CITY PROPERTY DEVELOPMENT	NUMBER OF PROPERTIES ACQUIRED	OUTPUT	CUMULATIVE	QUARTERLY	YES	27 PROPERTIES ACQUIRED	PROPERTY PORTFOLIO
4.	JOB OPPORTUNITIES CREATED	MEASURES THE NUMBER OF WORK OPPORTUNITIES CREATED AND SUSTAINED	SIGNED APPOINTMENT LETTER TOGETHER WITH ID DOCUMENT	NUMBER OF JOB OPPORTUNITIES CREATED THROUGH JPC TRANSACTIONS	OUTPUT	CUMULATIVE	QUARTERLY	NO	735	ALL DEPARTMENTS
5.	SMMES SUPPORTED THROUGH PROPERTY TRANSACTIONS	MEASURES THE NUMBER OF SMMES SUPPORTED	JPC APPOINTMENT LETTER OR VALID LEASE AGREEMENT	NUMBER OF SMMES SUPPORTED	OUTPUT	CUMULATIVE	QUARTERLY	NO	500	ALL DEPARTMENTS



KPI NO	INDICATOR TITLE	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
6.	ASSETS VERIFICATION PROJECT	VERIFICATION OF THE PHYSICAL ASSETS	ASSET VERIFICATION REPORT	PERCENTAGE COMPLETION	EFFICIENCY	CUMULATIVE	EVERY 5 YEARS	YES	100%	PROPERTY PORTFOLIO
7.	LAND STRATEGY IMPLEMENTATION: ANALYSIS OF LAND PARCELS THAT ARE CATEGORISED FOR LEASING OPPORTUNITIES IN TERMS OF: 1. REAL ESTATE MARKET ANALYSIS (LARGE LAND PARCELS) 2. BEST USE STUDIES	MEASURES THE IMPLEMENTATION OF THE LAND STRATEGY	ANALYSIS REPORT/ TRANSACTION REPORT	NUMBER OF REPORTS COMPLETED	OUTPUT	CUMULATIVE	QUARTERLY	YES	10 REPORTS	PROPERTY PORTFOLIO
8.	ASSET MANAGEMENT PLANS ARE FORMULATED	CREATES PROPERTY PIPELINES	ASSET MANAGEMENT REPORTS	NUMBER	OUTPUT	CUMULATIVE	QUARTERLY	NO	300	PROPERTY PORTFOLIO
9.	ACQUISITIONS OF PROPERTIES ON BEHALF OF THE COJ AND ENTITIES	MEASURE THE NUMBER OF PROPERTIES ACQUIRED	SIGNED SALE AGREEMENTS TOGETHER WITH WINDEED TRANSFER CONFIRMATION	NUMBER OF PROPERTIES ACQUIRED	OUTPUT	CUMULATIVE	QUARTERLY	YES	19	PROPERTY PORTFOLIO
10.	RELEASE OF PROPERTIES ON SOCIAL AND ECONOMIC LEASES INCLUDING SERVITUDES AND SALES	MEASURE THE NUMBER OF PROPERTIES RELEASED ON SOCIAL AND ECONOMIC LEASES	COUNCIL RESOLUTIONS APPROVING THE LEASE ON SOCIAL AND ECONOMIC LEASE INCLUDING SERVITUDES AND SALES	NUMBER OF PROPERTIES RELEASED TO THE PUBLIC	OUTPUT	CUMULATIVE	QUARTERLY	NO	140	PROPERTY PORTFOLIO

KPI NO	INDICATOR TITLE	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
11.	TRAINING DEVELOPMENT INITIATIVES AS PART OF SKILLS DEVELOPMENT TO ADDRESS COMPETENCY GAPS	MEASURES THE TOTAL NUMBER OF EMPLOYEES TRAINED & EMPLOYEES WHOSE SKILLS HAVE BEEN AUDITED	ATTENDANCE REGISTER FOR TRAININGS	NUMBER OF EMPLOYEES TRAINED	OUTPUT	CUMULATIVE	QUARTERLY	NO	500	HUMAN RESOURCES
12.	INCOME RAISED FROM COMMISSION EARNED FROM ACQUISITION, OUTDOOR ADVERTISING, LEASES, SERVITUDES AND SALES	MEASURE THE AMOUNT OF INCOME RAISED	FINANCIAL REPORTS: INDICATING REVENUE GENERATED BY PORTFOLIO.	AMOUNT OF INCOME RAISED BASED ON LEASES	EQUITY / IMPACT	CUMULATIVE	QUARTERLY	NO	R105 MILLION	PROPERTY PORTFOLIO
13.	SPEND OF THE ALLOCATED CAPEX BUDGET	MEASURES THE SPENT ON THE CAPEX BUDGET	FINANCIAL REPORTS: INVOICES RELATING TO THE CAPEX PROJECTS	PERCENTAGE SPENT	IMPACT	CUMULATIVE	QUARTERLY	NO	100% SPEND	PROPERTY PORTFOLIO
14.	PERCENTAGE SPENT OPERATING BUDGET AGAINST APPROVED BUDGET	OPERATIONAL COSTS SPENT BY THE ORGANIZATION AGAINST THE ALLOCATED BUDGET AGAINST THE ALLOCATED BUDGET. THE OBJECTIVE IS TO IMPROVE, STABILIZE, AND SUSTAIN A POSITIVE FINANCIAL POSITION	FINANCIAL REPORTS: ACTUAL SPENT VS ALLOCATED BUDGET	ACTUAL COSTS /ALLOCATED BUDGET *100	IMPACT	CUMULATIVE	MONTHLY	NO	100%	ALL DEPTS



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15.	PERCENTAGE OF SPENT ON REPAIRS AND MAINTENANCE TO PROPERTY, PLANT AND EQUIPMENT.	IT MEASURES THE LEVEL OF REPAIRS & MAINTENANCE TO PREVENT BREAKDOWNS AND INTERRUPTIONS TO SERVICE DELIVERY.	FINANCIAL REPORTS: INDICATING TOTAL REPAIRS & MAINTENANCE EXPENDITURE ON JPC FACILITIES.	TOTAL REPAIRS AND MAINTENANCE EXPENDITURE/ PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY (CARRYING VALUE) X 100	IMPACT	CUMULATIVE	MONTHLY	NO	100%	FACILITIES MANAGEMENT
16.	PERCENTAGE OF VALID INVOICES PAID WITHIN 30 DAYS OF INVOICE DATE	IT MEASURES THE PERCENTAGE OF VALID INVOICES PAID WITHIN 30 DAYS. THE OBJECTIVE IS TO INCREASE THE NUMBER PAID WITHIN 30 DAYS	FINANCIAL REPORTS: REFLECTING DATE INVOICE CAPTURED AND WHEN INVOICE PAID.	TOTAL NUMBER OF INVOICES PROCESSED FOR MONTH/NUMBER OF INVOICES PAID WITHIN 30 DAYS*100	IMPACT	NON-CUMULATIVE	MONTHLY	NO%	100%	ALL DEPTS
17.	PERCENTAGE REDUCTION IN UNAUTHORIZED, FRUITLESS AND WASTEFUL (UIFW) EXPENDITURE INCURRED CITYWIDE	PERCENTAGE REDUCTION ON UIFWE COMPARED TO THE PREVIOUS FINANCIAL YEAR AG FINDING.	FINANCIAL REPORT :THE UIFW EXPENDITURE CLOSING BALANCE OF THE CURRENT FINANCIAL YEAR AGAINST (WILL BE COMPARED WITH) THE CLOSING BALANCE OF THE PREVIOUS FINANCIAL YEAR	PERCENTAGE REDUCTION IN UIFW	EFFICIENT	CUMULATIVE	QUARTERLY / ANNUALLY	YES	50%	All Departments
18.	INSPECTIONS OF CO-OWNED PROPERTIES / IDENTIFICATION OF PROPERTIES TO REDUCE URBAN DECAY	MEASURES THE NUMBER OF PROPERTIES INSPECTED	SITE INSPECTION REPORTS	NUMBER OF PROPERTIES INSPECTED	EFFICIENCY	CUMULATIVE	QUARTERLY	YES	3500	CBO

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19.	PERCENTAGE ACHIEVEMENT OF SERVICE LEVEL STANDARDS (SLS)	MEASURES PERCENTAGE ACHIEVEMENT OF SERVICE LEVEL STANDARDS	PERFORMANCE REPORTS ON COMPLIANCE TO THE SERVICE STANDARDS	THE NUMBER OF KPIS ACHIEVED IN THE SERVICE LEVEL STANDARDS AGAINST THE TOTAL NO OF SERVICE LEVEL STANDARDS MULTIPLY BY 100	IMPACT	MONTHLY	NO	YES	100%	THE PERCENTAGE OF SERVICE LEVEL STANDARDS ACHIEVED OF THE TOTAL APPROVED NUMBER OF SERVICE LEVEL STANDARDS
20.	AUDIT OPINION	MEASURES THE AUDIT OPINION OF THE AG	AGSA AUDIT REPORT	UNQUALIFIED AUDIT OPINION	EFFICIENCY	NON-CUMULATIVE	BI-ANNUALLY	NO	UNQUALIFIED AUDIT	JPC
21.	RESOLUTION OF AUDITOR GENERAL'S FINDINGS	MEASURES THE RESOLUTION OF AG AUDIT FINDINGS	AUDIT PROGRESS REPORT	PERCENTAGE OF RESOLUTIONS OF AG FINDINGS	EFFICIENCY	CUMULATIVE	QUARTERLY	NO	100%	INTERNAL AUDIT
22.	RESOLUTION OF INTERNAL AUDIT FINDINGS	MEASURES THE RESOLUTION OF AUDIT	INTERNAL AUDIT REPORT	PERCENTAGE OF RESOLUTIONS OF INTERNAL AUDIT	EFFICIENCY	CUMULATIVE	QUARTERLY	NO	100%	INTERNAL AUDIT

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		FINDINGS		FINDINGS						

