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Auditors	:	Auditor-General of South Africa
Company Secretary	:	Sharon Ramoetlo

Vision

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

Mission

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

Values

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

- Professionalism
- Accountability
- Responsibility
- Customer Service
- Trust

OFFICIAL SIGN OFF:

It is hereby certified that this Quarterly Report:

- was developed by the management of JPC SOC Ltd under the guidance of the Executive Management;
- considers all the relevant policies, legislation and other mandates for which JPC SOC Ltd is responsible; and
- accurately reflects the Performance that JPC SOC Ltd has achieved in the 1st Quarter 2020/2021 Financial Year.

<p>Mr Rajan Chetty</p>  <p>Signature Acting Chief Financial Officer</p>	<p>_____</p> <p>Date of approval</p>
<p>Mr Eldred Mtaner</p>  <p>Signature Acting Chief Executive Officer</p>	<p>_____</p> <p>Date of approval</p>
<p>Mr Caswell Rampheri</p>  <p>Signature Chairperson of Board</p>	<p>_____</p> <p>Date of approval</p>
<p>Cllr. Lawrence Khoza</p>  <p>Signature Member of the Mayoral Committee</p>	<p>_____</p> <p>Date of approval</p>

Acronyms

Acronyms And Abbreviations

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

Acronyms And Abbreviations

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

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Section 1: Chairperson's Foreword



It is against the backdrop of potentially the most challenging time since the dawn of South Africa's democracy, that I present Quarter 1 of 2020-21 FY report.

Heart wrenching unemployment numbers of 2.8 million and the economy having shrunk by an unprecedented 16%, are loud reminders that there is urgency to act and act decisively in the country, City and within JPC ("the Company") on programmes that will reverse this depressing trajectory.

On the positive side the citizenry has reaped rewards for complying with the lockdown regulations imposed to slow the spread of Covid 19 infections. The period under review saw the successive easing of the lockdown levels culminating in the President's announcement that South Africa will move to Level 1 effective 1 October 2020. We can all heave a sigh of relief on return to some normalcy, as we have known it prior to the lockdowns.

South Africa's continued job losses will impact on the City and City's entities in a negative way. The City revenues are projected to continue declining in line with the contraction in the country's economic environment. This will impact on subsidies that municipal entities including JPC receive. We are called to be creative and extract value out of the

human and asset capital that we possess, to exponentially increase our revenue generating capacity on the one hand. On the other hand, parsimoniousness should be the order of the day. Whilst the former will prove more difficult in this market, the latter should be embedded in everything we do. To be prudent means that we need to optimise the utilisation of the subsidies we receive and maximise the revenue we generate towards service delivery. It also means that we spend wisely eliminating waste at all cost.

It is against this backdrop that continued support is sought from all the relevant stakeholders which include the staff, shareholder, organised labour and the general public to ensure that the company achieves excellent results in the execution of its dual mandate (social and commercial).

Introduction

During the quarter under review, the Company has had to deal with negative media coverage and labour issues. The Board also took the decision to place the Chief Executive Officer and Chief Financial Officer on precautionary suspension to allow investigations to be conducted following whistle blower reports. It is important to point out that no one is guilty of misconduct at this stage and it is the Company's intention to conclude these investigations as expeditiously as possible. There is no doubt these events have impacted on staff

morale and resulted in a level of uncertainty for the entity.

The Board is hard at work to boost staff morale, and to ensure staff can carry on with their duties without fear or victimization. Key priorities for the Board are to stabilise the organisation, to meet business objectives and key performance indicators in an extremely challenging environment. I implore each staff member to focus on their work, dedicating their time and energy on delivering critical services to the people of the City of Johannesburg.

Championing Sound Governance

Sound corporate governance based on an ethical foundation remains the cornerstone of our efforts for a sustainable and successful organisation. We continue to strengthen our governance structures and frameworks.

The City hosted its first Virtual Governance Forum with focus on Municipal Entities (ME's). The Board benefitted from the assembly of great speakers including a presentation by the Executive Mayor on the role of the Boards. The key take-outs were that the Municipal Entities were created to efficiently and effectively provide municipal services. ME's are not departments of the Municipality but companies that are to be agile and more responsive to service delivery needs that a municipality would ordinarily provide. The MEs are therefore not to assume the bureaucracy of the shareholder. It is therefore crucial that JPC becomes nimble and implements its programmes in a manner that allows it to deliver quicker and to more people. We are grateful to the

City's Group Governance for the forum and we will apply the many key insights in the coming quarters.

Reconfiguring the Business Model

Our intercompany debt situation for example remains a challenge and optimal ways of collecting money owed needs to be found. It cannot be that enormous time and human capital is spent on collecting funds for work that has been signed off by our associate entities.

Whilst great work has been done on the Inner-City redevelopment, the rubber would hit the road once the awardees have secured funding, occupiers moved, and construction starts. Not much could have been done during the lockdowns and in the quarter under review. With Banks and financial institutions reporting unprecedented impairments and credit defaults, screws have been tightened on lending. We hope to see gradual improvement in the next quarters. However, JPC may be required to be more than a facilitator and move towards Public Private Partnerships wherein we are co-implementers of some of the initiatives.

The above as well as the successful implementation of the Outdoors Advertising strategy are matters that the Company will need to urgently address will be concrete subsequent to strategic session to be held.

Financial Performance

A generally challenging operating environment has continued to impact negatively on the Company's financial performance. To improve the

performance we, as the Board, have increased our oversight through the relevant sub-committees. In particular the following have continued to require urgent attention in the quarter under review:

- The reduction of the intercompany debt incurred as part of JPC's mandate for the repairs and maintenance and the resultant negative cash flow;
- Addressing the Irregular and Wasteful Expenditure; and
- Achievement of acceptable financial ratios to ensure the Company meets liquidity and solvency benchmarks.

We are working on making strides to improve our financial performance in the coming quarters.

VOTE OF THANKS

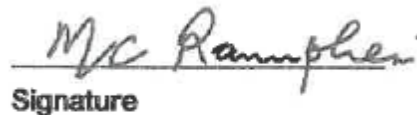
It is perhaps pertinent when we are experiencing difficulties to remind ourselves who JPC is and why it exists. The most significant is our Values as an organisation. The values are the glue that holds us together. We are required to live these values which are:

- Professionalism
- Accountability
- Responsibility
- Customer Service
- Trust

The JPC continues to strive for outcomes that are reflective of the commitment and effort of its leadership and management teams as well as staff.

On behalf of the Board, I wish to express our sincere appreciation to the Member of the Mayoral Committee (MMC) for Economic Development, Cllr. Lloyd Phillips for his diligent oversight, guidance, and encouragement.

Finally, I record my appreciation to my fellow directors for their wisdom, diligence, commitment and continued support.



Signature

Caswell Rampheri
Chairman of the Board

Section 2: Overall Company Performance

Due to the pre-cautionary suspension which the CEO and CFO has been placed on the following allegations of misconduct and the entity does not have as yet have an Acting CEO and CFO as result this section of the report will then focus on the organisational performance in respect of corporate scorecard instead of the CEO's foreword and CFO's report.





OVERVIEW OF THE ENTITY	
<ul style="list-style-type: none"> ✓ In the 1st quarter the entity has reported a 1 % spend of Annual CAPEX budget. ✓ The entity achieved 7 (38%) of its 18 due KPIs in the 1st quarter. ✓ JPC has achieved 12 (100%) of its 12 service delivery standards during the quarter under review. ✓ During the quarter under review, the entity recorded a liquidity ratio of 0.90:1 and a solvency ratio of 1.01:1 against the City's benchmarks of 1:1 and 2:1 respectively. 	
Highlights	Lowlights
<ul style="list-style-type: none"> ✓ Investment Spend in respect of Property Development Projects amounted to R100, 726 671.25. ✓ JPC has managed to obtain an investment attraction of R1 860 000 000.00 for Randburg Civic Precinct Development Project, which resulted in a development facilitation fee amounting to R27 900 000.00. ✓ Intercompany debtors currently is R163.1m. ✓ Thirty-one (31) properties to the value of R82 070 650.00 were taken on during the reporting period. 	<ul style="list-style-type: none"> ✓ JPC financials reflect a deficit of R8 316 174.00. ✓ During the quarter under review, the entity had negative media coverage adversely affecting the entity's reputation and standing as a good corporate citizen. ✓ The entity is facing a state of uncertainty and concern as there is no Acting CEO and CFO appointed since the precautionary suspension of both CEO and CFO. This has affected the smooth running of operational matters in the organisation. ✓ As of the 1st quarter the entity has reported a 1 % spend of Annual CAPEX budget. ✓ The 11 KPIs not met for the quarter are as follows: <ul style="list-style-type: none"> • Job opportunity and creation • SMME's supported through property transactions • Leasing of shops and stalls located at various public transport facilities and traders markets owned by the City • Development / refurbishment public convenience • Release of properties for social and economic leases including servitudes and sales • Implement training & development initiatives to address competency gaps

- | | |
|--|--|
| | <ul style="list-style-type: none">• Rapid and efficiency in filling of funded vacancy positions identified as strategic• Income generated through property transactions• Streamlining of disciplinary processes• Spend of allocated capex• Resolution of auditor general & internal audit findings |
|--|--|

The JPC scorecard for the First Quarter ending 30th September 2020 reflects that the entity achieved 38% (7 of 18 targets due), and 62 % (11 of 18) of its targets not achieved. There are two KPIs, which are not due in this quarter under review: **KPI no 2.6:** Number of Inner City properties approved in council for release to the private sector and **KPI no: 5** Audit opinion.

At this stage, only two KPIs are deemed to be at risk namely: **KPI no 3.4** Development/Refurbishment of Public Conveniences and **KPI no 5.3** Spend of Allocated Capex

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

	Target Exceeded
	Target Achieved
	Target not achieved
	Not yet due

PRIORITY: ECONOMIC DEVELOPMENT

1.1. UNLOCKING INVESTMENTS THROUGH PROPERTY TRANSACTIONS & DEVELOPMENTS

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	R625 million attraction	R625 million attraction	R625 million attraction	R625 million attraction	R2.5 billion attraction
Actual	R1 860 000 000 attraction				R1 860 000 000 attraction



Target Exceeded: Due to the conclusion and signing of the Agreement for Randburg Civic Development Project which is a roll over from the previous financial year

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

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	R62.5 million investment spend on projects	R62.5 million investment spend on projects	R62.5 million investment spend on projects	R62.5 investment spend on projects	R250 million investment spend on projects
Actual	R100,726 671.25 investment spend on projects				R100, 726 671.25 investment spend on projects



Target Exceeded: Due to the construction taking place in these Riverside View Mega Housing Project

2. JOB OPPORTUNITY AND CREATION

2.1. Job opportunities created

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	250 Job Opportunities Created	250 Job Opportunities Created	250 Job Opportunities Created	250 Job Opportunities Created	1 000 Job Opportunities Created
Actual	640 Job opportunities created				640 Job opportunities created



Target Exceeded: due to the number related to among others cleaning and sanitization undertaken in this quarter under review.

2.2. SMME'S SUPPORTED THROUGH PROPERTY TRANSACTIONS

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	250 SMME's supported	250 SMME's supported	250 SMME's supported	250 SMME's supported	1000 SMME's supported
Actual	120 SMME's supported				120 SMME's supported



Target not achieved: due to the number projects not yet commenced in this quarter under review.

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

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



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

3. PRIORITY: ECONOMIC DEVELOPMENT

3.1 ASSET MANAGEMENT PLANS FORMULATED

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



Target Achieved

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

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



Target Exceeded: due to the number of properties approved for acquisition which were concluded in this quarter under review. Most of these acquisitions were initiated in the previous financial year and roll over due to the impact of Covid -19 hence the conclusion in this quarter. The target will be reviewed at the deviation stage of the business plan.

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

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



Target Not Achieved: processes were delayed and verification of traders has resumed. The target will be met in the following quarters.

3.4. DEVELOPMENT / REFURBISHMENT PUBLIC CONVENIENCES

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



Target Not Achieved: This target was not achieved as currently the Unit is busy finalising the supply chain processes.

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

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



Target Not Achieved: Property transactions have been submitted for approval within the council structures and it is envisaged that the entity will obtain approval in the coming quarters.

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

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



Target: Not due this Quarter

4. PRIORITY: SUSTAINABLE SERVICE DELIVERY

4.1. IMPLEMENT TRAINING & DEVELOPMENT INITIATIVES TO ADDRESS COMPETENCY GAPS

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



Target Not Achieved: Most Training interventions is scheduled to take place in the second and third quarter of this current financial year

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

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



Target Not Achieved: During the period under review, only one vacancy was filled due to moratorium placed by Board on recruitment

4.3. STREAMLINING OF DISCIPLINARY PROCESSES

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



Target not achieved: due to the postponement of 1 disciplinary hearing as result of a request for formal investigation report.

4.4. OCCUPATIONAL SAFETY OF JPC EMPLOYEES

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



Target Achieved

5. PRIORITY: ECONOMIC DEVELOPMENT

5.1. INCOME GENERATED THROUGH PROPERTY TRANSACTIONS

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	R50m income raised from leases and servitudes sales	R25m income raised from leases and servitudes sales	R25m income raised from leases and servitudes sales	R50 m income raised from leases and servitudes sales	R150m income raised from leases and servitudes sales
Actual	R22 326 942.00 income raised from leases and servitudes sales				R22 326 942.00 income raised from leases and servitudes sales

**The income reflected here includes rent income from facilities and equipment plus outdoor advertising leases.*



Target not achieved: due to the factors below contribute to the under-performance by the portfolio:

- Delays in the approval of reports by EAC has resulted in the lease renewal period being longer than the average 3 months it takes for a lease to be renewed. Delays in council approvals for potential new leases has also stifled income received from the rental of facilities and equipment.
- The reason for none achievement of the revenue target from outdoor advertising leases is mainly due to a number of advertising contracts that have lapsed where the City is no longer collecting any revenue. This income is dependent on lifting of suspension relating to the implementation of the by-laws pending finalization of legal action by various role-players (the industry, OHMSA, SAPOA, etc.) challenging various aspects of the by-law.

5.2. IMPLEMENTATION OF THE OUTDOOR ADVERTISING MASTERPLAN

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



Target not Achieved: due to the fact that the process to approve or exempt each site by the City in terms of the 2009 Outdoor Advertising Bylaws was not finalised by the end of September 2020.

5.3. SPEND OF ALLOCATED CAPEX

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



Target Not Achieved: Most projects are still under the supply chain processes i.e. bid evaluations and adjudications. It is envisaged that this KPI will have an improvement in second & third quarter.

5.4. AUDIT OPINION

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
Target	Unqualified Audit outcome	Unqualified Audit outcome	Unqualified Audit outcome	Unqualified Audit outcome	Unqualified Audit outcome
Actual	Not Applicable	Unqualified Audit outcome	Not Applicable	Not Applicable	Unqualified Audit outcome



Target not yet due

5.5. RESOLUTION OF AUDITOR GENERAL & INTERNAL AUDIT FINDINGS

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



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

Section 3: Corporate Profile and Overview of the Entity

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

The entity has 1710 employees based at the head office and depots who execute the strategy of the organisation. JPC derives its mandate from a signed service delivery agreement with its sole shareholder, the COJ. The core functions of JPC are as follows:

1. Asset Management

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

follows are the objectives:

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

2. Property Development

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



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

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

3. Facilities Management

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

4. Property Management

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

5. Outdoor Advertising

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

Competitive Landscape

JPC manages a diverse property portfolio made up of various classes of assets, i.e. residential, office, commercial, social (sports facilities and stadiums), and service delivery (clinics, fire stations, community centres) assets. There is no other municipality nationally that comprehensively manages its portfolio through a municipal entity. This therefore, makes JPC unique in the industry. Furthermore, no company in the private sector provides the range of services that JPC offers as indicated above, ranging from asset management to outdoor advertising. In practice, there are companies providing property and facilities management and others dealing with property development. The social and service delivery assets are something unique to municipalities. Unlike other property companies in the private sector, such as JHI, Brol and Attaq, JPC is not only focused on the bottom line (profit-driven), but also has to fulfil the social, economic and empowerment mandates of the municipality, using its portfolio.

JPC's corporate strategy in alignment with the vision and mission of the Growth and

Development Strategy (GDS) 2040, the Integrated Development Plan (IDP), and the Mayoral Priorities. JPC recognises and emphasises its role as an economic and social property company to achieve positive developmental outcomes. JPC's strategic objectives are long-term plans that contribute

annually to the vision of the organisation through the annual target linked to the mayoral priorities.

The City's IDP identified the following nine mayoral priorities for implementation to achieve the above five outcomes:

Section 4: Strategic Objectives

Competitive Landscape

JPC manages a diverse property portfolio made up of various classes of assets, i.e. residential, office, commercial, social (sports facilities and stadiums), and service delivery (clinics, fire stations, community centres) assets. There is no other municipality nationally that comprehensively manages its portfolio through a municipal entity. This therefore, makes JPC unique in the industry. Furthermore, no company in the private sector provides the range of services that JPC offers as indicated above, ranging from asset management to outdoor advertising. In practice, there are companies providing property and facilities management and others dealing with property development. The social and service delivery assets are something unique to municipalities. Unlike other property companies in the private sector, JPC is not only focused on the bottom line (profit-driven). As outlined in the Asset Transfer Regulations, JPC uses Council

land for basic municipal services and residual land utilised for social and commercial purposes.

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



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



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

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



Chapter 2: Governance

Section 1: Corporate Governance Statement

Governing Principles

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

Board Composition & Diversity

The Board composition complies with the Memorandum of Incorporation MOI. The Board of Directors comprises Mr. C Rampheri (Chairperson), Ms. Y Erasmus, Mr. T Harper, Mr. T Masemola, Mr. M Rabodila, Ms. A Ramakoaba, Ms. K Sithebe, Mr. V Ward, Ms. H Botes (Chief Executive Officer and Executive Director), and Mr. I Bhamjee (Chief Financial Officer and Executive Director).

JPC regards diversity on the Board of Directors as a significant part of sustainable operations, and a success factor that allows the company to reach its strategic goals. Diversity is part of a functional Board of Directors, which is able to work together and respond to the requirements set by the company's businesses and strategic goals, and to challenge the company's management in a proactive and constructive manner.

Appointment of Board Members is in terms of the Governance Policy. When selecting board members the shareholder has ensured that the Board of Directors wholly supports the development of JPC's current and future business operations.

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

All the directors bring to the Board a wide range of expertise, as well as significant financial, commercial and technical experience and, in the case of the non-executive directors, independent perspectives and judgement. The tenure of the Board members is a year and appointments happen during the AGM. The independence of non-executive directors is periodically assessed by the COJ Group Governance Department prior to appointment or reappointment during the AGM.

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

Role of the Board

The Board retained full control over the Company and remains accountable to the COJ, the sole shareholder, and its stakeholders, the citizens of Johannesburg. A service delivery agreement (SDA) concluded in accordance with the provisions of the MSA governs the

entity's relationship with the COJ. The Board provides quarterly, biannual and annual reports on its performance and service delivery to the COJ, as stipulated by the SDA, the MFMA and the MSA.

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

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

The Board is responsible for monitoring the activities of executive Management in JPC and for ensuring that decisions on material matters are considered. The Board approves all the terms of reference for its different

subcommittees, including special Committees tasked to deal with specific issues.

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

The Board of directors has incorporated COJ's corporate governance protocol into its charter, which regulates its relationship with the COJ as its sole member and parent municipality in the interest of good corporate governance and good ethics. The protocol is premised on the principles of the King Code. The charter sets out the composition and powers of the Board.

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

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

Section 2: Board Committees

Quarter 1 Board and Committee Composition & Meetings for the Period Under Review

Reference	JPC Board	Audit and Risk Committee	SEC, Transformation & REMCO	Transactions and Service Delivery	
Chairman	Caswell Rampheri	Trevor Harper	Vernon Ward	Sepheu Masemola	
Member	Abigail Ramakoaba	Yolandi Erasmus	Abigail Ramakoaba	Khanya Sithebe	
Member	Khanya Sithebe	Bigboy Kekana	Khanya Sithebe	Moeketsi Rabodila	
Member	Moeketsi Rabodila	Patrick Makape	Sepheu Masemola	Vernon Ward	
Member	Sepheu Masemola	Rachel Kalidas *		Yolandi Erasmus	
Member	Trevor Harper				
Member	Vernon Ward				
Member	Yolandi Erasmus				
Member	Helen Botes				
Member	Imraan Bhamjee				
Standing Invitees					
Cosec	Sharon Ramoetlo	Sharon Ramoetlo	Sharon Ramoetlo	Sharon Ramoetlo	
Invitee	Sthembiso Mntungwa	Imraan Bhamjee	Ishmael Matlala	Sthembiso Mntungwa	
Invitee	Brenda Jacobs	Sipho Mzobe	Brenda Jacobs	Brenda Jacobs	
Invitee	Ishmael Matlala	Helen Botes	Helen Botes	Helen Botes	
Invitee	Sipho Mzobe	Fanis Sardianos	Imraan Bhamjee	Imraan Bhamjee	
Invitee	Tshepo Mokataka	Tshepo Mokataka	Fanis Sardianos	Fanis Sardianos	
Invitee	Sipho Mbethe	Xolani Zicwele	Mukundi Maphangwa	Mukundi Maphangwa	
Invitee	Fanis Sardianos	Mukundi Maphangwa	Charles Cilliers	Charles Cilliers	
Invitee	Mukundi Maphangwa	Charles Cilliers			
Invitee	Charles Cilliers				

Quarter 1 of 2020 Board and Committee Meetings

Meeting	06-Aug-20**	12-Aug-20	27-Jul-20	30-Jul-20
Meeting	12-Aug-20**			
Meeting	18-Aug-20			
Meeting	02-Sep-20**			

*Appointed as an interim ARC Member to ensure compliance with the MSA Regulations in terms of the composition of the ARC. Pending appointment documents from the shareholder.

** Denotes special Meetings

Section 3: Entity Remuneration Policy

Entity Remuneration Policy

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

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

DIRECTORS AND PRESCRIBED OFFICERS REMUNERATION

YTD Directors Payments: 30 th September 2020			
Name of Director	Meetings Attended YTD	Other Meetings YTD	Emoluments
Mr M Rabodila	4	-	R15 652.17
Mr C Rampheri	3	2	R47 742.17
Ms K Sithebe	5	1	R41 739.12
Mr S Masemola	5	1	R45 217.38
Ms Y Erasmus	5	1	R31 304.34
Mr V Ward	5	-	R46 956.51
Mr A Ramakoaba	3	-	R15 652.17
Mr T Harper	4		R38 260.86
Totals			R282 652.17

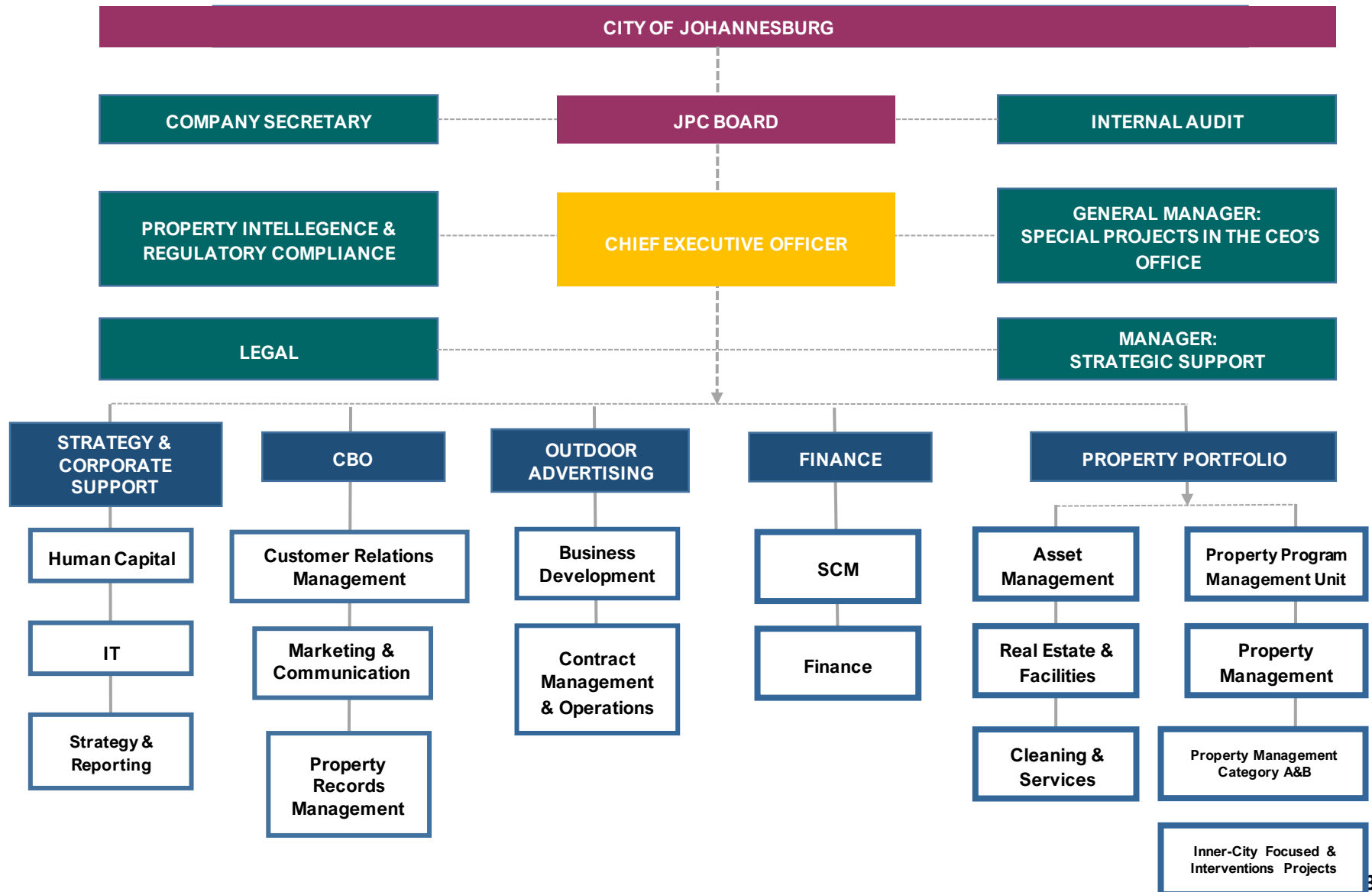
INDEPENDENT AUDIT & RISK COMMITTEE MEMBERS

YTD Directors Payments as at 30 th September 2020		
Name of Independent Audit Committee Member	Meetings Attended YTD	Emoluments
Mr B Kekana	1	
Ms R Kalidas	1	
Totals		R0

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

YTD EXECUTIVE SALARIES AS AT 30 th SEPTEMBER 2020							
Name	BASIC SALARY	TRAVEL ALLOWANCE	LEAVE PAY	PERFORMANCE BONUS/13TH CHEQUE	GRATUITIES	COMPANY CONTRI.	TOTAL
Botes HM	676 000.00	62 499.99				(1 970.51)	736 529.48
Ramoetlo MD	375 966.76					90 593.90	466 560.66
Mzobe SG	364 129.74	30 000.00				81 961.40	476 091.14
Mokataka T	397 213.51					79 864.25	477 077.76
Mbethhe ES	444 590.50	22 555.50				68 388.31	535 534.31
Mtungwa SZ	609 260.49					124 132.98	733 393.47
Sardianos F	609 260.37					124 132.96	733 393.33
Bhamjee I	592 255.73	24 000.00				117 152.98	733 408.71
Totals	R 4 068 677.10	R 139 055.49	R-	R -	R -	R684 256.27	R4 891 988.86

Section 4: High Level Structure



Section 5: Risk Management

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

Consider whether the risks set out in the Register are still appropriate and linked to the strategic objectives of the entity:

- Assess whether the controls in place are still adequate and effective;
- Consider whether any further action(s) is/are necessary to help mitigate the risk;
- Consider whether any emerging risk(s) should be added to the register; and
- Monitor the implementation of the action plans.

Activities Conducted in Quarter 4

During the period under review, the entity has focused on the conclusion of the recruitment process for the Risk Manager Position. The suitable individual will commence his duties from 01st October 2020 and prioritise the following activities:

- Review and approval of 2020/21 Strategic Risk register, using 2019/20 risk management status as the baseline for the assessment.
- Review and approval of Operational risks which would be then identified by the functional departments in order to ensure that mitigating actions are rolled out by the various departments, with the goal of improving the profile of the Strategic Risks.

There will be also a preliminary engagement with the Inner City team in order for a project risk register to be developed and monitored during the various phases of the Inner City project.

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

Section 6: Company Secretarial Function

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

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

Section 7: Internal Audit Function

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

reports functionally to the ARC and administratively to Chief Executive Officer.

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

Section 8: Sustainability Report

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

Section 9: Anti – corruption and Fraud

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

JPC has a Fraud and Corruption Committee (FRACC) in line with the policy comprising of six members. The committee is responsible for

facilitating investigations into allegations of fraud and corruption reported to JPC through JPC's fraud hotline email (fraudhotline@jhbproperty.co.za) or the COJ Group Fraud Hotline. The following facilities are utilised for the reporting of allegations: telephone - 0800 002 587, message - 32840 (charged at R1.50).

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

Section 10: IT Governance

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

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

Section 11: Compliance with laws and regulations

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

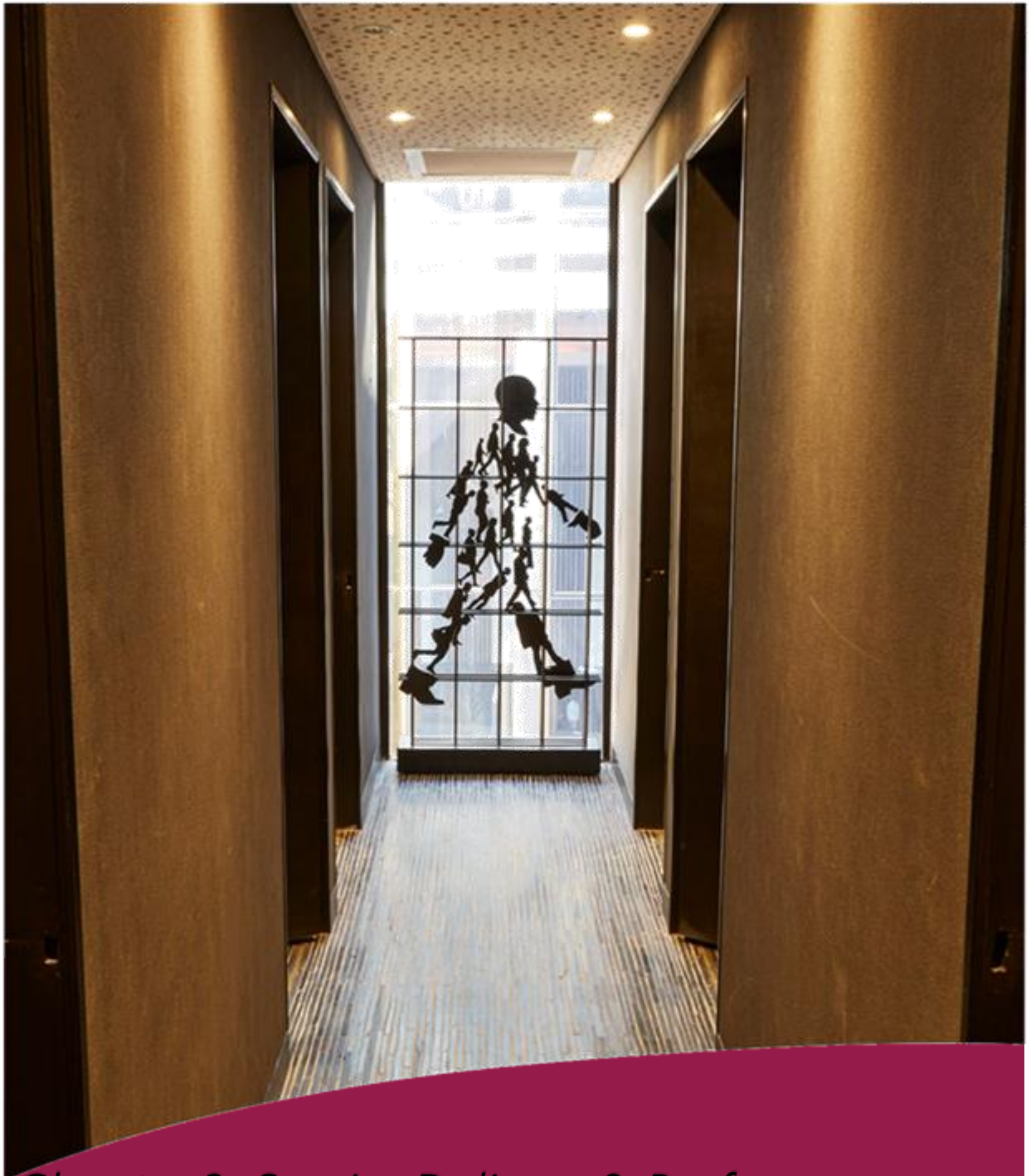
Compliance Risk Framework, which guides the process of managing compliance risks. This compliance risk process is as prescribed by the Compliance Institute of South Africa (CISA) and includes identification, measurement, management and monitoring.

At the end of quarter three, JPC had completed the City's Corporate governance compliance checklist which informs the City's Compliance Register. JPC has 100% compliance in respect of corporate governance checklist. The following compliance process as prescribed by the Compliance Institute of South Africa (CISA) has been initiated:

- Phase 1: Compliance Risk identification-completed
- Phase 2: Compliance Risk measurement – completed
- Phase 3: Compliance Risk management- in progress
- Phase 4: Compliance Risk monitoring – in progress

A number of acts are still being assessed for compliance and once this assessment of the universe is completed, compliance risk management plans will be developed and placed in the compliance manual for monitoring of implementation by management in order to achieve compliance.

In the period under review, Board Members were provided with the declaration of interest forms for completion as part of the welcome/onboarding documents and most have submitted the declarations forms with one board member outstanding.



Chapter 3: Service Delivery & Performance

Section 1: Overall Company Performance

Section 1.1: Asset Management

The portfolio of the City has a total value of R9, 319billion and it comprises of 28 846 properties for the quarterly period ending 30 September 2020. The table below illustrates the high-level summary, which outlines the number of properties and value for each region.

REGION	VALUE %	NO. OF PROPERTIES	SUM OF VALUE
Region A	8%	1753	R 758 555 548.28
Region B	17%	3935	R 1 601 022 080.10
Region C	12%	2349	R 1 117 590 161.38
Region D	9%	6220	R 878 249 754.40
Region E	19%	4712	R 1 727 778 634.18
Region F	16%	4863	R 1 519 543 910.97
Region G	13%	4524	R 1 169 000 288.12
Outside CoJ Boundaries	6%	490	R 547 881 446.01
Grand Total	100%	28846	R 9 319 621 823.44

Table 1: High Level Portfolio Summary

Region D has the highest number of Council properties at 6 220, followed by Region F, which reflects 4 863 properties, Region E showing 4 712 properties, then by Region G at 4 524 properties, while Region B reflects 3 935 properties. Region C is the second lowest with 2 349 properties followed by Region A, which has the least number of properties at 1 753. A graphical outline of the summary portfolio of properties is outlined below.

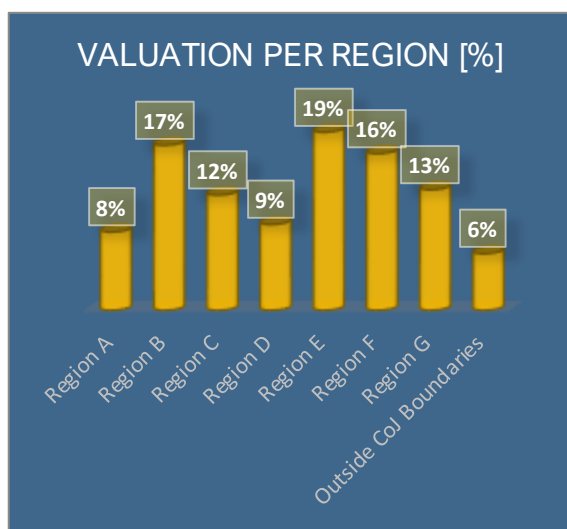


Figure 1: Summary per Region - % Value

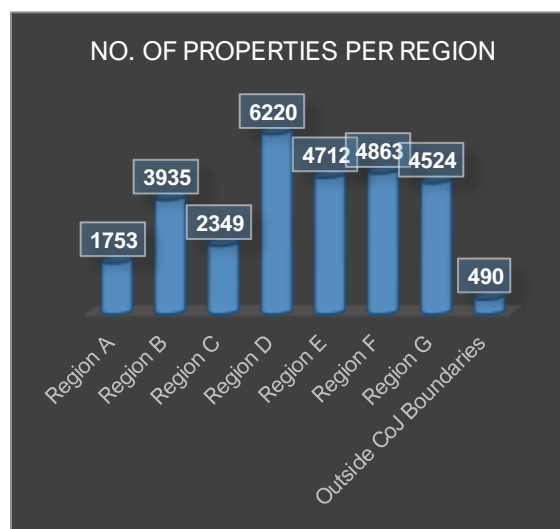


Figure 2: Summary per Region - Quantity

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

ASSET REGISTER MOVEMENTS

The following table illustrates the movements and updates of the Asset Register in relation to the property transfers that occurred in during the first quarter of the 2020/2021 financial year.

MONTHLY MOVEMENTS BY QUANTITY

Movement Category	20-Jul	20-Aug	20-Sep	TOTAL
Acquisitions	3	4	24	31
Disposals	-22	-8	-31	-61
Net Movement	-19	-4	-7	-30

Table 2: Movement Summary in Quantity

MONTHLY MOVEMENTS BY VALUE

Movement Category	20-Jul	20-Aug	20-Sep	TOTAL
Acquisitions	R41 070 650.00	R35 900 000.00	R5 100 000.00	R82 070 650.00
Disposals	-R90 945.00	-R20 750.00	-R393 440.00	-R505 135.00
Total	R40 979 705.00	R35 879 250.00	R4 706 560.00	R81 565 515.00

Table 3: Movement Summary in Value

ACQUISITIONS

Thirty-one (31) properties to the value of R82 070 650.00 were taken on during the reporting period. These properties are situated in Region F and Region G and they are outlined as follows:

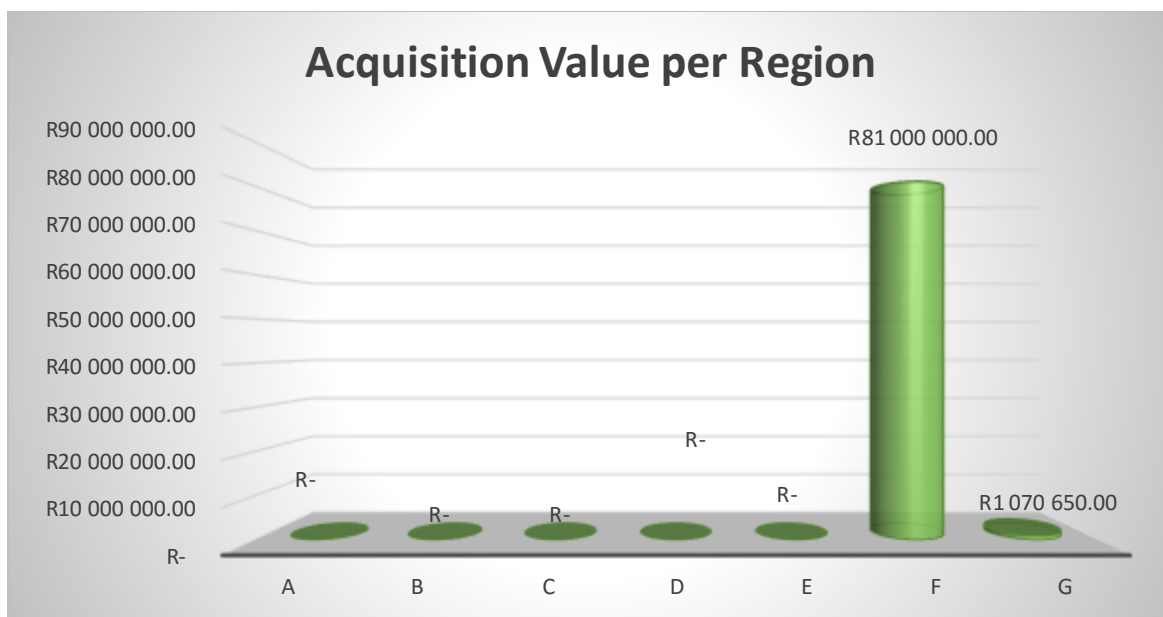


Figure 3: Acquisition Value per Region - Rand Value

- Twenty-five (25) vacant land parcels were acquired - twenty-four (24) vacant properties valued at R5 100 000.00 in Crosby and one (1) vacant property to the value of R1 070 650.00 in Unaville were acquired on behalf of the Housing Department for future housing development purposes.
- A building in Wolhuter, which is situated over four (4) properties to the value of R35 900 000.00 was acquired on behalf of the Housing Department. This building was acquired for decanting and rental purposes – they will be rented out to tenants that are currently residing at Temporary Emergency Accommodation (TEA's) and tenants that were evicted from other buildings.
- An industrial warehouse, which is situated over two (2) properties to the value of R40 000 000.00 was acquired on behalf of the Johannesburg Metro Police Department (JMPD). This warehouse was acquired to house vehicles that are impounded by JPMD law enforcement officers.

DISPOSALS

Sixty-One (61) properties to the value of R505 135.00 were disposed of in the reporting period. These properties are situated in Regions A, D, E and G. The regional representation of the movements is outlined on the graph below.

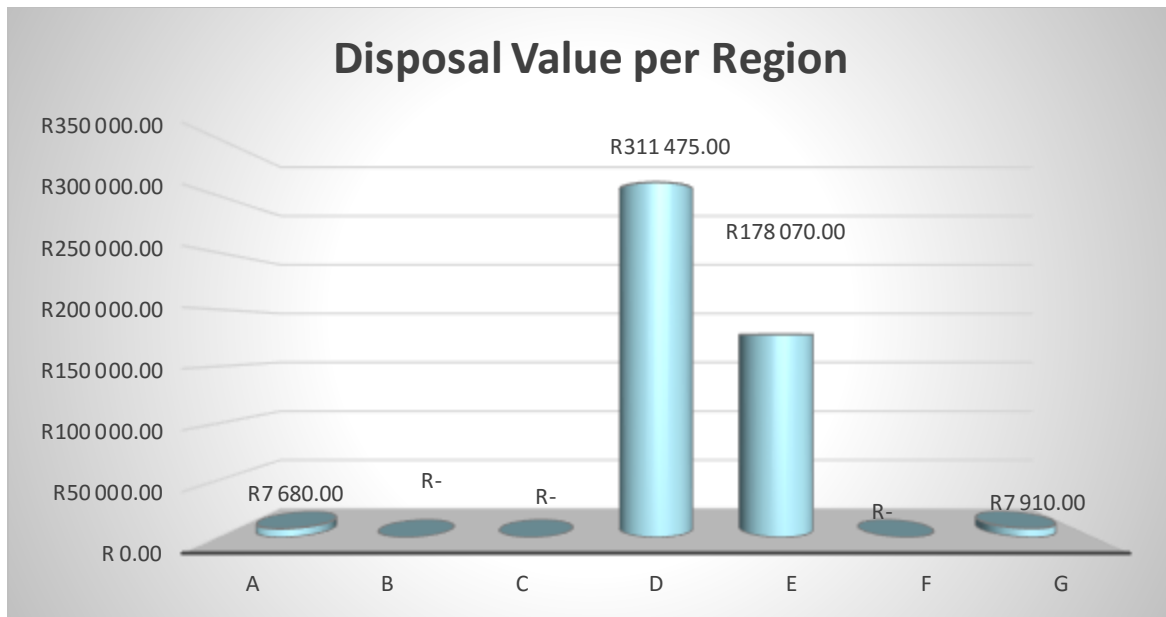


Figure 4: Disposal Value per Region - Rand Value

One (1) church to the value of R15 135.00 was transferred to a beneficiary during the 1st quarter as part of the Land Regularisation Programme while sixty (60) properties to the value of R489 820.00 relate to a transfer of residential homes to beneficiaries as part of the City's service delivery objectives.

Land Regularisation

One (1) church was transferred to entitled beneficiary in Region D in terms of the conversion of rights governed by the Conversion Act 81 of 1988.

Housing Conversions

Sixty (60) residential properties reported herewith were transferred to beneficiaries during the reporting period in fulfilment of the City's housing mandate as prescribed by the Housing Act. All of these properties are full title properties. These properties are situated in Regions A, D, E and G.

NET MOVEMENTS

This section provides indication of the impact of the movements on the value of the Asset Register. The reporting period shows a positive net movement of –R81 565 515.00, which translates to an increase of 0.88% of the entire portfolio as outlined on the table below.

ASSET REGISTER MOVEMENTS IN VALUE			
Month	<u>Opening Balance</u>	<u>Movement</u>	<u>Closing Balance</u>
20-Apr	R 9 238 056 308.44	R40 979 705.00	R9 279 036 013.44
20-May	R 9 279 036 013.44	R35 879 250.00	R9 314 915 263.44
19-Jun	R9 314 915 263.44	R4 706 560.00	R9 319 621 823.44
NET MOVEMENT		R81 565 515.00	
		0.88%	

Table 4: Asset Register Movements in value

Section 1.2: Property Management Unit

The objective of the Department is to maximise the use of the City's Property Portfolio for social, economic, infrastructure development, management of Informal Traders operating on CoJ Markets and Transport facilities and generate revenue for the City. This is achieved through leases, sales, and granting of servitudes on Council owned properties.

HIGHLIGHTS FOR THE QUARTER UNDER REVIEW

The successful transfer into the City's name of Portions 1, 2,3 and the Remainder of Erf 180 Wolhuter on behalf of the Housing Department



was a pinnacle during the first Quarter of the 2020/2021 financial year. The acquisition of the subject properties will assist the Department of Housing to address the housing backlog in the Inner-City of Johannesburg that caters for the

pro- poor by providing affordable rentals and TEA that is not catered for by the private sector. The successful acquisition of the subject properties comply with the City's vision of creating a vibrant and caring City and to promote and attract investment back to the Inner City.



ACQUISITIONS, LARGE SERVICE PROVIDERS & SERVITUDES TRANSACTIONS

Infrastructure development is essential in supporting the City's Service Delivery initiatives. The large service providers submit applications to the City to allow their services to run through City owned properties to construct infrastructure such as water, sanitation, roads and electricity. The transactions below are at agreements signature stage to be finalised in the current financial year.

	PROPERTY DESCRIPTION	EFFECTIVE ON SERVITUDE REGISTRATION TO COJ
ESKOM	Erf 2618 Jabulani	The registration of the servitude will increase the supply of electricity to the shopping complex in Jabulani thus allowing economic growth in the area through job creation.
ESKOM	Ptn 173 Vogelstruisfontein 231 IQ	The registration of this electrical servitude will enhance the supply of electricity to the Dobsonville and Braamfischer area.
ESKOM	Diepkloof Erf 24097	The registration of the servitude is to increase the capacity of the existing sub-station in order to enhance the provision of electricity to the surrounding township
ESKOM	Commercia Erf 2413	The registration of the electrical servitude is in support of the new developments within the Commercia area
ESKOM	City Deep Erven 101 and 102	The relocation of the servitude will enable the business to maintain the existing business and jobs thereof.
RAND WATER	Remaining Extent of Ptn 17 of Klipriviersoog	The registration of the servitude is for the enhancement of the existing water infrastructure in favour of Rand water and to enable the department to do maintenance on their existing water pipes.
	Ptn 53 Farm Klipriviersoog 299 IQ	
	Ptn 79 Eikenhof 323 IQ	
	Bosmont Erf 52	
	Bosmont Erf 53	
	Bosmont Erf 54	
	Bosmont Erf 101	
	Northcliff Erf 1466 Ext 6	
ESKOM	Ptn 1 Farm Diepsloot 388 JR	The registration of the servitude is in support of the developments within the Midrand area
	Ptn 158 Farm Diepsloot 388 JR	
ESKOM	Vlakfontein Erf 4094 Ext 3	

	PROPERTY DESCRIPTION	EFFECTIVE ON SERVITUDE REGISTRATION TO COJ
	Vlakfontein Erf 4098Ext 3	The registration of the servitude is in support the electrical supply within the Region G area and this will enable Eskom's Transmission unit to develop a substation from which the Distribution unit will draw electricity for supply to the developments
ESKOM	Rivasdale Various properties	The development of the substation will enable Eskom to supply electricity to the Devland and Region D residential and business developments in support of the existing infrastructure.
ESKOM	Marlboro Erf 485	The registration of the servitude is for the protection of the existing Eskom's substation that supplies electricity to City Power's area of supply.
ESKOM	Ptn 31 Farm Zandfontein 42 IR	The servitude is relocated due to soil erosion that happened within the George Lea park. The relocation of the underground electrical servitude is to prevent exposure of the underground cables and protecting them from theft and water from the stream
ESKOM	Erf 11065 Dobsonville	The registration of the substation will support the JOSHCO Housing development within the Dobsonville township
ESKOM	Holding 25 Unaville	The registration of the servitude will support future Housing Developments in Unaville.
	Holding 79 Unaville	

ACQUISITIONS UNIT

During the period under review, the following properties were transferred into the CoJ's name.

PROPERTIES	MARKET VALUE	JPC'S 10% COMMISSION
Holding 92 Unaville A.H	R1 070 650	R107 065
Portion 302 (a ptn of ptn 79) and Portion 692 (a ptn of ptn 302) of the Farm Doornfontein 92 IR (2 erven)	R40 000 000	R2 000 000
Portions 1, 2, 3 and the Remainder of Erf 180 Wolhuter (4 erven)	R39 5000 000	R3 950 000
Erven 1191 to 1214 Crosby(23 erven)	R5 100 000	R510 000
TOTAL	R80 570 650.00	R6 057 065

MUNICIPAL ACQUISITIONS

This Unit is providing a very critical service by allocating properties to the City and its Entities for the provision of basic municipal services and housing acquiring small land parcels, property rights and protecting infrastructure that enable the City of Johannesburg Municipality and its MOE's to provide basic municipal services to its citizens in the form of water, sewer services, electricity and roads. During the period under review, the following registration of servitudes was realised.

PROPERTY/IES	DEED NO.	TYPE OF DEED
Erf 369 Booyens, Erf 424 RE Ophirton	K364/2014	Notarial Tie Agreement
Erf 1973 Bryanston	SK12106/2019S	Sewer servitude
Erf 1973-2 Bryanston	SK12107/2019S	Identification of sewer servitude
Erf 91-1 Chartwell X 6	K9524/2019S	ROW servitude
Erf 573 Craighall Park	K685/2020S	Sewer + municipal servitude
Ptns 554, 555 + 556 Diepsloot 388 JR	K10216/2019S	ROW + municipal servitude
Erf 1951 Fleurhof X 23	SK2051/2017S	ROW servitude
Erf 1957 Fleurhof X 23	SK1441/2018S	ROW servitude
Erf 205 RE Fontainebleau	K7792/16S	Municipal servitude
Erf 205 RE Fontainebleau	K8087/16S	Road widening (splay) servitude
Erf 205-1 Fontainebleau	K7790/16S	Identification of Sewer + municipal servitude
Erf 205-1 Fontainebleau	K7791/16S	Municipal servitude
Erf 135 Hyde Park X 5	K4674/18S	Electrical servitude
Erf 190 Longlake X 1	K728/2020S	Mini-substation servitude
Holding 456 North Riding AH	K1759/2020S	Sewer servitude
Ptn 427 Rietfontein 2 IR	K2548/03S	Sewer servitude
Erf 1256-1 Sunninghill X 91	K4395/03S	Sewer + municipal servitude
Erf 1256-1 Sunninghill X 91	K4396/03S	ROW servitude
Erf 30 Victory Park X 5	K276/2020S	Sewer + municipal servitude
Erf 30-1 Victory Park X 5	K277/2020S	Identification of Sewer + municipal servitude

Erf 161 West Cliff	K556/2020S	Sewerservitude
Erven 161 RE + 161-1 West Cliff	K560/2020S	Joint drainage agreement
Holding 11 RE Willaway AH	K7584/19S	ROW + municipal servitude
Holding 11-1 Willaway AH	K7585/19S	ROW + municipal servitude
Erf 917 Witkoppen X 52	K6350/04S	Municipal servitude
Erven 916 + 917 Witkoppen X 52	K6351/04S	Notarial Tie Agreement

Section 1.3: Informal Trading

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

INCOME COLLECTION

The lockdown regulation left the informal traders in dejection where they would not operate to the fullest capacity and could not generate income. A decision was taken to stop the billing to give the traders the much needed relief.

During the reporting period for the quarter ending September 2020, the rental collected for the informal trading stalls was **R473 782.91**. The table below outlines the income collected in the 1st Quarter of the 2020/21 financial year:

FACILITY NAME	INCOME COLLECTED			Total for Q1
	JULY	AUGUST	SEPTEMBER	
Metro Mall Informal & Formal Shops	R92 137.12	R39 847.12	R92 207.12	R224 191.36
Advertising & Promotions	R0.00	R50 406.00	R50 406.00	R100 812.00
Fleet Africa	R5 400.00	R4 700.00	R1 520.00	R11 620.00
Kliptown Informal & Formal Shops	R6 365.64	R31 724.11	R25 191.16	R63 280.91
Streets Traders	R3 403.00	R10 501.00	R5 570.00	R19 474.00
Hillbrow	R0.00	R9 620.00	R1 870.00	R11 490.00
Various Formal Traders	R0.00	R0.00	R0.00	R0.00
Yeoville	R1 530.00	R2 260.00	R2 140.00	R5 930.00
Fordsburg	R10 727.02	R5 127.02	R1 922.00	R17 776.04
Bara & Formal Shops	R1 600.00	R1 500.00	R1 500.00	R4 600.00
Jeppe	R187.50	R896.00	R1 316.00	R2 399.50
Lenasia	R0.00	R1 000.00	R900.00	R1 900.00
Faraday Formal & Informal	R0.00	R4 919.10	R350.00	R5 269.10
Doornfontein	R0.00	R0.00	R0.00	R0.00
Rosebank	R0.00	R0.00	R0.00	R0.00
Big Ben	R0.00	R200.00	R200.00	R400.00
Kwa Mai Mai	R82.00	R366.00	R82.00	R530.00
Midrand	R500.00	R3 110.00	R500.00	R4 110.00
Diepsloot	R0.00	R0.00	R0.00	R0.00
Alexandra	R0.00	R0.00	R0.00	R0.00
TOTALS	R121 932.28	R166 176.35	R185 674.28	R473 782.91

FORMALIZATION OF APPROXIMATELY 1930 OR MORE LEASES

In this quarter 247 traders based in Kwa Mai-mai market will be verified, further to this JPC was able to instruct JMPD to evict 20 traders who had hijacked stalls in Yeoville market successfully. These are the newly developed stalls which have not been allocated and still remain vacant.

A target of 483 leases renewal was set according to the Business plan and it was not achieved, the shortfall will be achieved in the second quarter.

CHALLENGES

- Proclamation of Covid-19 as a national disaster surfaced as a reality that was not foreseen. Facilities were closed to prevent the spread of the virus and this prevented us from continuing with the physical verification to enter into lease agreements.
- Inability to collect the rentals from the traders due to the COVID-19 Pandemic lockdown.
- DED has not been able to provide a breakdown and a number of Informal Traders issued with permits per facility.
- Cleaning services lack of capacity and inadequate equipment to keep all the facilities clean.
- Lack visibility by security guards securing our facilities.
- Overcrowding in our facilities caused by commuters and traders in our major facilities as lockdown is eased resulting into social distancing not being observed.

Section 1.4: Property Program Management Unit

The Property Program Management Unit prepares land parcels for development purposes in line with the land strategy by sweating the asset to create social and economic returns for the City. The unit employs a four-stage development facilitation process to improve land assets in terms of which land is first and prepared for development by JPC, and development is undertaken by third-party developers procured in terms of the MFMA.

Development is based on a long-term development lease in terms of which the entire development reverts to the CoJ at no cost at the end of the lease period.



PROPERTY DEVELOPMENT PROJECTS

JABULANI HOUSING

The development is located along Jabulani CBD, Erf 2332 Jabulani ext. Estimated development cost is R117million. The upmarket units are located in high-rise apartment complexes with good security and landscaped gardens.

The following progress has been made to date:

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



RIVERSIDE VIEW MEGA HOUSING DEVELOPMENT (DIEPSLOOT PHASE 1)

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

All Subsidised Residential Units will be transferred to third party beneficiaries, nominated by CoJ. The total residential yield of 10 414 residential units will be delivered, which is expected to be completed 2022. Estimated development cost is R2 billion.

The total housing mix consists of 3113 Single residential GAP/FLISP UNITS, 4332 high density walk up RDP units and 2969 high density walk up Rental units.

The following progress has been made to date:

- 380 Single residential FLISP currently under construction.
- 1000 Multi-storey RDP units currently under construction.
- 2568 Single residential FLISP completed.
- 457 Multi-storey Rental units completed.
- 2612 Multi-storey RDP units completed.



Soweto GATEWAY

The development is located on Chris Hani Road, west of N1 highway in Diepkloof. It is directly adjacent to and east of Chris Hani Baragwaneth Hospital Precinct. The total project area approximately 30.5 hectare and the estimated development cost is R4billion.

Total development Yield consists of the following:

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



The following progress has been to date:

- Property Plans complete.
- Public Participation complete.
- Section 14(2) approval obtained.
- Submission of Township Establishment application and Environmental Impact Assessment.
- RFP advertised on 4 December 2020, bids were evaluated on 14 May 2020 and EAC meeting to be held in October 2020.

SOUTHERN FARMS

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

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

Total Housing Yield consists of the following;

- 15 092 Fully subsidized housing units (RDP multi-storey).
- 2953 Social rental housing units (multi-storey).
- 16508 FLISP units
- 115 HA – Commercial
- 178 HA – Light industry
- 110 HA – Social and community facilities



The progress to date is as follows:

- Section 14(2) approval obtained.
- Final Precinct Plan complete.
- Land availability Agreement approval granted.
- Public Participation is currently in progress.
- Extension of the City's Urban Edge and amendment Urban Development Framework is currently in progress.

PATERSON PARK: PHASE 1

The development is located between Paterson Road to the south, Louis Road to the north, Orange Grove to the east and Norwood to the west. The central portion of the precinct is developed with a well-established park, with a portion of the park accommodating the newly established, but undeveloped, low density residential township of Victoria Extension 3. The total project area approximately 3.5 hectare and the estimated development cost is **R550million**.

Total development yield consists of the following:

- Development of 744 mixed income residential development in support of the Corridors of Freedom.

The progress to date is as follows:

- Property Plans complete.
- Section 14(2) approval obtained.
- Urban Design Framework complete.
- Rezoning application approved.
- Bulk Services installed.
- Town Planning application is currently in progress.
- Awaiting Heritage approvals.



MOOKI STREET PRECINCT

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

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

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

The objective of the development includes the following:

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

The progress to date is as follows;

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



OFFICE SPACE OPTIMISATION PROGRAMME

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

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

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

REGION	LOCATION
Region A	Midrand Station Precinct
Region B	Randburg Civic Precinct
Region C	Existing Roodepoort Civic
Region D	Existing Jabulani Civic Precinct
Region E	Watt Street Interchange
Region F	Metro Centre Precinct Turffontein Precinct
Region G	Orange Farm

On the 25th July 2013, the Mayoral Committee resolved that the Office Space Optimisation Programme including the locations earmarked for the regional offices be approved. The above regional precincts will be developed in accordance with standardised mixed use precinct model.

OS REGION A: MIDRAND PRECINCT

The development site is located within Midrand adjacent to Grand Central Airport, the Midrand Gautrain and Gallagher Convention Centre. The site is accessible through the Pretoria Main Street and relatively good access to the N1. The total project area approximately 4.3 hectares and the estimated development cost is **R1billion**.

This is a of mixed use development comprising of mixed income residential, 5500m2 of council offices, refurbishment of informal traders stalls and taxi rank in line with the Office Space Optimisation Programme.



The progress to date is as follows:

- Property Plans complete.
- Public Participation complete.
- Section 14(2) approval obtained.
- Development Framework complete
- Rezoning application submitted and circulated
- Development Agreement to be signed is in progress.
- Relocation of temporary taxi holding area is in progress.
- The RFP for the long-term lease and development of the site for development to be released in around November 2020

OS REGION B: RANDBURG PRECINCT

OSO Randburg precinct is located corner Jan Smuts, Selkirk and Braamfischer in Randburg. This is a mixed use development comprising of mixed income residential, 5500m² of council offices, refurbishment of informal traders stalls and taxi rank. The total project area approximately 8.28 hectare and the estimated development cost is **R1.86billion**.

Total Housing Yield consists of the following;

- The developer to construct 5 500m² green star rated Region B offices
- Library
- Clinic
- Refurbishment of the Randburg Taxi Rank
- Refurbishment of the Randburg Informal Traders Stalls
- 2 333 mixed income residential development (rental stock)



The progress to date is as follows:

- Property Plans complete.
- Public Participation complete.
- Section 14(2) approval obtained.
- Development rights obtained
- Bulk contributions paid
- Structural assessment completed
- Long term (50 years) development lease approved.

OSO HEAD OFFICE: METRO CENTRE PRECINCT

OSO Head Office : Metro Centre Precinct is bordered by De Korte Street in the South; Loveday street on the West; Joubert Street on the East and Hoofd Street on the North.

This is a mixed-use transit oriented development comprising of council chamber, CoJ offices, Retail, government and private sector offices, residential and a piazza in line with the Office Space Optimisation Programme. The total project area approximately 12 hectares and the estimated development cost is **R5billion**.

The progress to date is as follows:

- **Phase 1 A:** Construction of the Council Chamber and Piazza Completed in 2018
- **Phase 1 B:** The refurbishment of Metro Centre and Office Space Optimisation Program.
 - The relocation plan and financial model was completed.
 - Property Plan and Baseline document is 90% complete and we anticipate to have the baseline document completed by November 2020.
 - The Private Public Partnership report was approved
 - RFQ for the development of a Transaction Advisor in compliance with the Treasury regulations is in progress.
 - The Town Planning application related into the required land rights for the development of the Metro Centre Precinct was submitted in September 2020.



OS REGION C: ROODEPOORT CIVIC PRECINCT

The property consists of a mixed use development in the CBD of Roodepoort CBD and extends in a northerly direction along the railway line and Main Reef Road. The total project area approximately 6.4 hectares and the estimated development cost is **R1billion**.

Total Housing Yield consists of the following:

- The developer to construct 5 500m² Region C offices
- Refurbishment of the Taxi Rank
- Refurbishment of the Informal Traders Stalls

The progress to date is as follows:

- Property Plans complete.
- Public Participation complete.
- Section 14(2) approval obtained.
- Town Planning applications in progress.



OS REGION D: OSO JABULANI PRECINCT

OSO Jabulani precinct is located corner Koma and Bolani Street in Jabulani. The total project area approximately 5.306 hectares and the estimated development cost is **R1.billion**.

Total Housing Yield consists of the following:

- 10 000 m² mixed income residential
- 18 000m² of offices
- 5500m² of council offices
- 5500m² of retail
- Clinic
- Library
- Refurbishment of informal traders stalls.

The progress to date is as follows:

- Property Plans complete.
- Public Participation complete.
- Section 14(2) approval in progress.
- Town Planning applications in progress.
- RFP (Long term development lease) to be advertised in November 2020.



OS Region E: OSO Watt Street Interchange Precinct

OSO Watt Street Interchange is bounded by North Street in the North, South Street in the south, Fourth Street in the West and in the east it is bounded by Old Pretoria Main road. The total project area approximately 2.7 hectares and the estimated development cost is **R 1.billion**.

Total Housing Yield consists of the following:

- Mixed income residential
- 5500m² of council offices
- Refurbishment of informal traders stalls.
- Refurbishment of taxi rank.

The progress to date is as follows:

- Property Plans complete.
- Public Participation complete.
- Section 14(2) complete.
- Rezoning approval obtained
- Bulk Contribution paid
- Relocation of temporary taxi holding area in progress.
- RFP (Long term development lease) evaluation in progress.



OS Region F: OSO Turffontein Civic Precinct

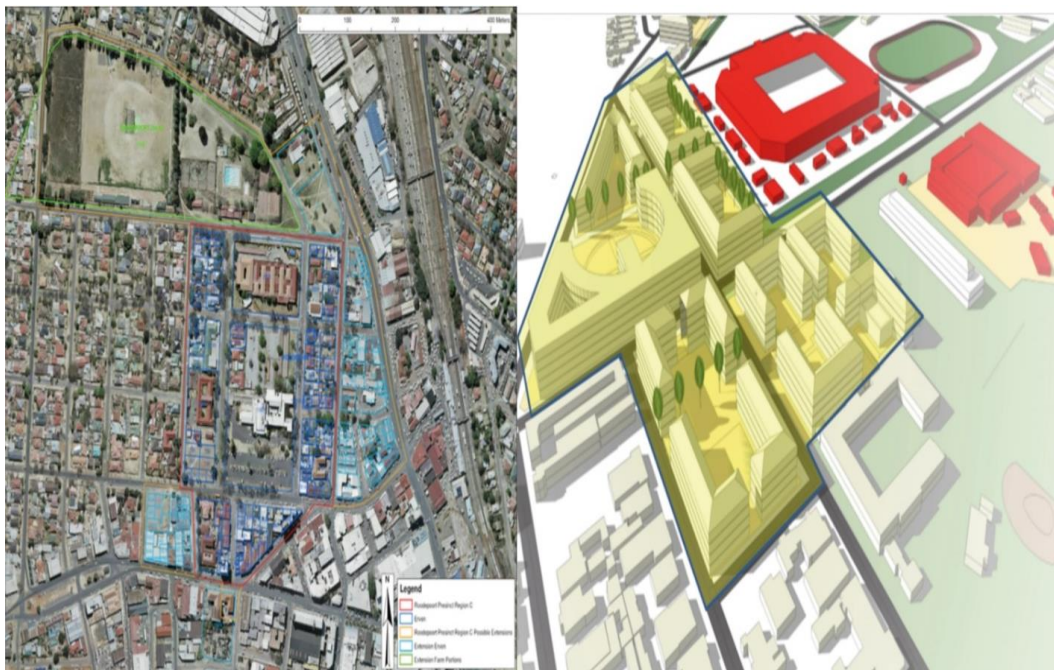
The property consists mostly of vacant land adjacent to the Rand Stadium and Pioneer Park. The site is also in close proximity of the Turffontein Race Course and Wemmer Pan and owned by the City of Johannesburg in Region F. Vehicular access to the site can be obtained from the N17 Freeway, Mooi and Diagonal Street out of the Johannesburg CBD and Wemmer Pan Road. The total project area approximately 4.7 hectares and the estimated development cost is **R 800million**.

Total Housing Yield consists of the following:

- Mixed income residential
- 5500m² of council offices
- Refurbishment of informal traders stalls.
- Refurbishment of taxi rank.

The progress to date is as follows:

- Property Plans complete.
- Public Participation complete.
- Section 14(2) awaiting approval.



OS REGION G: OSO ORANGE FARM CIVIC PRECINCT

The property is located south of Stretford Station and Eyethu Mall in Orange Farm. The total project area approximately 4.6 hectares and the estimated development cost is **R800million**.

Total Housing Yield consists of the following;

- Mixed income residential
- 5500m² of council offices
- Refurbishment of informal traders stalls.
- Refurbishment of taxi rank.

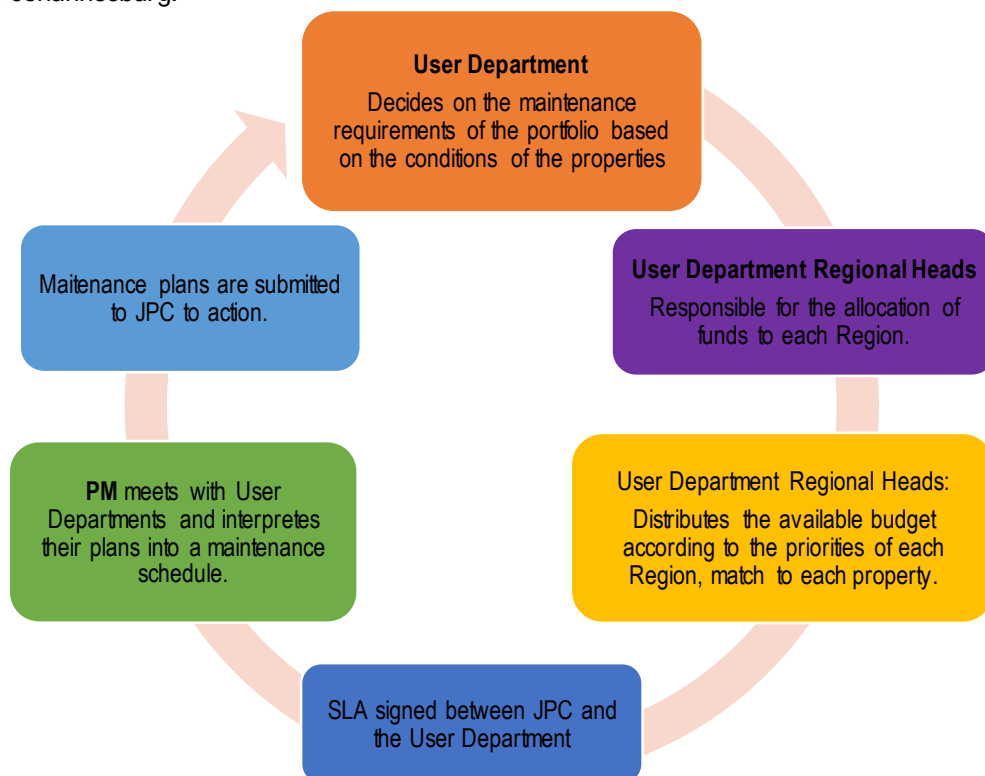
The progress to date is as follows;

- Property Plans complete.
- Public Participation in progress.
- Section 14(2) in progress.



EXTERNAL FOCUSED PROJECTS

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



PROGRESS TO DATE

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

No repair and maintenance or CAPEX projects undertaken in the 1st Quarter of the 2020-2021 Financial year due to the departments not settling amounts owed to JPC for work done in the previous financial years. JPC has been in the process of meeting the departments to finalise their budgets, prioritized planned maintenance lists and the drafting & signing of the SLAs for repairs and maintenance of the 2020-2021 Financial year. Departments still have to issues JPC with Framework Orders for JPC to be able to implement the Prioritized Planned maintenance.

DEPARTMENT OF ECONOMIC DEVELOPMENT: PLANNED PRIORITY PROJECTS

On 06 August 2020: JPC was requested by Department of Economic Development (DED) to do Repairs & Maintenance of their facilities and any other works on an as when required. JPC received an allocated budget of **R10 958 000.00** for provision of repairs and maintenance services for DED facilities and to be utilised as per signed planned maintenance plan by DED. At this stage SLA still to be concluded and signed off by JPC and the department.

DEPARTMENT OF TRANSPORT: PLANNED PRIORITY PROJECTS

On 24 August 2020, JPC was requested by Department of Transport to do Repairs & Maintenance of their facilities and any other works on an as when required.

JPC received an allocated budget of **R12 617 700, 00** for provision of repairs and maintenance services for Department of Transport facilities and to be utilised as per signed planned maintenance plan by the department. At this stage SLA still to be concluded and signed off by JPC and the department

METRO BUS: PLANNED PRIORITY PROJECTS

Metro Bus has not requested JPC to do the maintenance of their facilities in 2020/2021 Financial year, JPC have scheduled a meeting to discuss the way forward. The main focus is on Space Optimisation in this current financial year. Metrobus have confirmed that they will be moving to Forum 1 in Braampark by the end of the 2nd quarter. The RFP will be issued for the refurbishment of the offices.

PUBLIC SAFETY DEPARTMENT: PLANNED PRIORITY PROJECTS

On 08 September 2020, JPC was requested by Public Safety Department to do Repairs & Maintenance of their facilities and any other works on an as when required.

JPC received an allocated budget of **R81 600 000, 00** for provision of repairs and maintenance services for Public Safety Department facilities and to be utilised as per signed planned maintenance plan by department. At this stage SLA still to be concluded and signed off by JPC and the department

The allocated budget breakdown is as follows: **R81 600 000, 00:**

- **EMS Budget : R 31 600 000.00**
- **JMPD Budget: R 37 000 000.00**
- **PUBLIC SAFETY Head Office: Budget: R 13 000 000.00**

SOCIAL DEVELOPMENT DEPARTMENT: PLANNED PRIORITY PROJECTS

BUDGET PER PROJECT TO BE CONFIRMED

On 18 August 2020, JPC was requested by Social Development Department to do Repairs & Maintenance of their facilities and any other works on an as when required.

JPC received an allocated budget of **R10 894 000, 00** for provision of repairs and maintenance services for Social Development Department facilities and to be utilised as per signed planned maintenance plan by department. At this stage SLA still to be concluded and signed off by JPC and the department

COMMUNITY DEVELOPMENT DEPARTMENT: PLANNED PRIORITY PROJECTS

On 24 August 2020, JPC and Community Development Department signed Service Level to do Repairs & Maintenance of their facilities and any other works on an as when required.

JPC received a framework order of **R50 000 000, 00** for provision of repairs and maintenance services for Community Development Department facilities and to be utilised as per signed planned maintenance plan and SLA by department.

VARIOUS FACILITIES: PLANNED PRIORITY PROJECTS

BUDGET TO BE CONFIRMED FOR PROJECTS

BUDGET EXPENDITURE 0%

PROJECT NAME	SCOPE / DESCRIPTIONS OF WORKS	PROGRESS
Kanana Sports Grounds Phase 2	Refurbish ablutions and prepare grounds	SLA Signed
Lord Khanyile Recreation Centre Phase 2	Refurbish Offices, attend to electrical system, plumbing, painting	SLA Signed
Parkhurst Recreation Centre Phase 2	Painting, electrical, plumbing and roof repairs	SLA Signed
Westdene Recreation Centre Phase 2	Repairs to electrical, plumbing and painting	SLA Signed
Pimville Recreation Centre Phase 2	Repairs to electrical, plumbing and painting	SLA Signed
Arthur Ash Tennis Courts Phase 2	Refurbishments of courts, ablutions, repairs to electrical and plumbing and painting	SLA Signed
Bezuidenhout Valley Caravan Park Phase 2	Repairs to ablution, electrical. Plumbing and painting	SLA Signed
Alexandra Sports Stadium Phase 2	Repairs to ablutions, electrical, plumbing and painting	SLA Signed

SWIMMING POOLS: PLANNED PRIORITY PROJECTS

Project Name	Scope / Descriptions of Works	Progress
Rabie Ridge	Repair, Refurbishments and Maintenance	SLA Signed
Blairgowrie	Repair, Refurbishments and Maintenance	SLA Signed
Brixton	Repair, Refurbishments and Maintenance	SLA Signed
Coronationville	Repair, Refurbishments and Maintenance	SLA Signed
Linden	Repair, Refurbishments and Maintenance	SLA Signed
Mayfair	Repair, Refurbishments and Maintenance	SLA Signed
Riverlea	Repair, Refurbishments and Maintenance	SLA Signed
Robin Hills	Repair, Refurbishments and Maintenance	SLA Signed
Rooseveldt Park	Repair, Refurbishments and Maintenance	SLA Signed
Verity Park	Repair, Refurbishments and Maintenance	SLA Signed
Windsor West	Repair, Refurbishments and Maintenance	SLA Signed
Florida North	Repair, Refurbishments and Maintenance	SLA Signed
Roodepoort	Repair, Refurbishments and Maintenance	SLA Signed
Davidsonville	Repair, Refurbishments and Maintenance	SLA Signed
Little Falls Resort	Repair, Refurbishments and Maintenance	SLA Signed
Florida Lake	Repair, Refurbishments and Maintenance	SLA Signed
Dobsinville	Repair, Refurbishments and Maintenance	SLA Signed
Diepkloof	Repair, Refurbishments and Maintenance	SLA Signed
Jabavu	Repair, Refurbishments and Maintenance	SLA Signed
Meadowlands Pool	Repair, Refurbishments and Maintenance	SLA Signed
Moletsane	Repair, Refurbishments and Maintenance	SLA Signed
Noordgesig	Repair, Refurbishments and Maintenance	SLA Signed
Orlando	Repair, Refurbishments and Maintenance	SLA Signed
Pimville	Repair, Refurbishments and Maintenance	SLA Signed
Power Park	Repair, Refurbishments and Maintenance	SLA Signed
Senaoane	Repair, Refurbishments and Maintenance	SLA Signed
Eastbank	Repair, Refurbishments and Maintenance	SLA Signed
Sydenham	Repair, Refurbishments and Maintenance	SLA Signed
Zoo Lake	Repair, Refurbishments and Maintenance	SLA Signed
Southern Suburbs	Repair, Refurbishments and Maintenance	SLA Signed
Turffontein	Repair, Refurbishments and Maintenance	SLA Signed
Moffat Park	Repair, Refurbishments and Maintenance	SLA Signed
Rhodes Park	Repair, Refurbishments and Maintenance	SLA Signed
Yeoville pool	Repair, Refurbishments and Maintenance	SLA Signed
Malvern pool	Repair, Refurbishments and Maintenance	SLA Signed
Hofland park	Repair, Refurbishments and Maintenance	SLA Signed
Ellis park	Repair, Refurbishments and Maintenance	SLA Signed
Eldorado park Ext: 4	Repair, Refurbishments and Maintenance	SLA Signed
Eldorado Park Ext 9	Repair, Refurbishments and Maintenance	SLA Signed
Lenasia Ext 5	Repair, Refurbishments and Maintenance	SLA Signed
Lenasia Ext 2	Repair, Refurbishments and Maintenance	SLA Signed
Lenasia Ext 10	Repair, Refurbishments and Maintenance	SLA Signed
Ennerdale Ext 9	Repair, Refurbishments and Maintenance	SLA Signed

HOUSING DEPARTMENT

PUBLIC HOUSING STOCK MANAGEMENT: PLANNED PRIORITY PROJECTS

BUDGET EXPENDITURE 0%

There is an existing Service Level Agreement between The Department of Housing's Public Housing Stock Management (PHSM) and City of Joburg Property Company, on the developments of the Temporary Emergency Accommodations (TEA) in the Inner City.

Procurement processes for the two Developments Projects at Jeppestown and Moffatview, were finalized in the past financial year 2019/2020. Two professional consultants appointed to carry out the professional services in preparation for the developments of the TEAs and plans thereof have been submitted to the Council's Planning Department for approval.

Process to procure professional services for the studies and preparations of the Farm 278 Langlaagte, 3rd Avenue Wynberg and Kaserne are also in process. Reports and RFPs are prepared, and will be going to Bid Specification Committee by October 2020.

There is a signed SLA in place between the two Departments and a schedule of 10 planned development projects was submitted to JPC with allocated budget of **R90 000 000, 00** for various project.

PROJECT NAME	SCOPE / DESCRIPTIONS OF WORKS	BUDGET	PROGRESS
Kaserne, 781/92-IR, Doornfontein 92-IR (City and Sub-urban) & Kwa Mai-Mai	Township establishment, Environmental	R8 000 000.00	RFP's to be advertised by October 2020
Egoli Breweries – Portion 278 Farm Langlaagte 248 IQ	Feasibility studies	R300 000.00	RFP's to be advertised by October 2020
Erf 2866, Jeppestown	SDP, Design development, procurement, construction supervision, closeout	R6 892 462.00	RFP's to be advertised by October 2020
176 Moffatview Ext 4	Review on designs and installed services, Rezoning, Designs, project management, and closeout	R13 340 250.00	RFP's to be advertised by October 2020
243 & 256 Wynberg	Rezoning, Planning, design, Project management and closeout	R5 500 000.00	RFP's to be advertised by October 2020
1998, Rosettenville Ext 2.	Rezoning, Planning, design, Project management and closeout	R5 378 204.56	RFP's to be advertised by October 2020
Thalita House, 8820 Phomolong, Soweto	Planning, design and Project management	R6 300 000.00	RFP's to be advertised by October 2020
Erven 918; 919; 930 and 931 City and Suburban	Planning, design and Project management	R4 950 000.00	RFP's to be advertised by October 2020

PROJECT NAME	SCOPE / DESCRIPTIONS OF WORKS	BUDGET	PROGRESS
Marily House (Erf 80 Stafford)	Planning, design and Project management	R6 600 000.00	RFP's to be advertised by October 2020
Stella Mansions	Planning, design and Project management	R7 875 000.00	RFP's to be advertised by October 2020
Erf 1972 Malvern	Planning, design and Project management	R10 500 000.00	RFP's to be advertised by October 2020
1210, Marshallstown	Planning, design and Project management	R9 000 000.00	RFP's to be advertised by October 2020

REPAIRS, MAINTENANCE AND PLANNED PRIORITY PROJECTS:

As at September 2020, there is still no official instruction from the Department of Housing for the renewal of their Repairs and Maintenance Service Level Agreement (SLA) with JPC. No SLA in place between the two Departments and planned maintenance schedule not submitted to JPC. No procurement processes done, no Framework Orders for the Department's Repairs and Maintenance and Minor Upgrades.

DEPARTMENT OF HEALTH: PLANNED PRIORITY PROJECTS

BUDGET EXPENDITURE 0%

On September 2020, JPC was requested by Department of health to do Repairs & Maintenance of their facilities and any other works on an as when required.

JPC received an allocated budget of **R24 831 000, 00** for provision of repairs and maintenance services for Department of health facilities and to be utilised as per signed planned maintenance plan by department. At this stage SLA still to be concluded and signed off by JPC and the department

DEPARTMENT OF REVENUE AND FINANCE: PLANNED PRIORITY PROJECTS

BUDGET EXPENDITURE 0%

As at September 2020, Department of Revenue and Finance have a Repairs and Maintenance Service Level Agreement (SLA) with JPC and is valid until 30 June 2021. Planned maintenance schedules submitted to JPC and no Framework Orders for the Department's Repairs and Maintenance and Minor Upgrades.

JPC received an allocated budget of **R14 000 000, 00** for provision of repairs and maintenance services for Department of Revenue and Finance facilities and to be utilised as per signed planned maintenance plan by department. At this stage SLA still to be concluded and signed off by JPC and the department

Section 1.5: Corporate Real Estate & Facilities Management

LEASING & BUILDING MANAGEMENT UNIT

STATUS OF CORPORATE REAL ESTATE LEASE AGREEMENTS

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

Facility Name	User Department	Responsible Department	Comments
Halfway House Library	Community Development	User Department	Lease on Month-to-month. JPC to facilitate in securing a term lease.
Central Park – 16 th Road	Community Development	User Department	Lease on Month-to-month. JPC to facilitate in securing a term lease.
222 Smith Street	Housing Department	User Department	EAC has granted authority to enter into a lease renewal in July 2020.
Malvern Library	Community Development	User Department	Lease on Month-to-month.
Yarona Shopping Centre	Community Development	User Department	Lease expired July 2020. Lease on Month-to-month.
66 Jorissen Place	Pikitup	JPC	Report is currently at EAC for consideration.

FOCUS FOR THE NEXT QUARTER

LEASES AGREEMENTS

One lease agreement ending December 2020 has been negotiated with the landlord for possible renewal of the lease agreement. Additional office space requirement from the Department of Health at Alphen Square North.

PROJECTS

- Joburg water sourcing of office space and fit-out;
- MTC Office fit-out

CLEANING SERVICES UNIT: ACHIEVEMENTS

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

A total panel of eight (80) SME's service providers were appointed for the provision of the following services:

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

At the various City of Joburg Corporate buildings and any other facilities of the city. All eighty (80) Service Providers on the panel were allocated building to execute the abovementioned services.

However; there are other facilities which were not deep cleaned and fogged during the quarter 1 period, due to challenges in obtaining a valid Purchase Order (PO) from Transport and there was no budget confirmation to appoint Services Providers.

The following facilities were not deep cleaned and fogged during Q1, which will be for Q2.

- All Taxi Ranks and Markets
- Public Convenience's (PC's)

Plan to ensure that the above facilities are deep cleaned and fogged

- Transport has been notified in writing that they must provide JPC with a letter to confirm budget availability.
- Transport will be perused to provide JPC with a valid Purchase Order (PO) to enable appointment of Service Providers to execute the work.
- Transport have confirmed on Friday the 25th September 2020, that they are working on the issue of creating the PO, the process is now with Finance and Procurement for finalisation.
- JPC will schedule a meeting with Transport ED before Friday the 2 October 2020 to ensure that this matter is expedited.

CHALLENGES AND MITIGATIONS

CHALLENGES	MITIGATIONS
No Supervisors in the portfolio	Role profile has been drafted and will submitted for approval and advertisement. Approximately 7 Supervisors will be considered for appointment.
Insufficient cleaning equipment	Budget allocation of R25 mil will be requested during the Mid-term budget review process.
No relievers when cleaning staff are going on maternity leave, elderd who are over the age of 60 years, no replacement on death of staff, no	Consider appointing more cleaning staff. Alternatively, the Public Conveniences (PC's) cleaning staff should be

CHALLENGES	MITIGATIONS
relievers also when staff has tested positive or are sick	requested to assist or be transferred to the cleaning services department permanently.
Taxi Ranks needs to be deep cleaned and sanitised, struggling to obtain the Purchase Order (PO) from Transport	Matter has been escalated to Transport in writing
Insufficient PPE's for the cleaning staff	PPE's has been procured and the safety boots were received on the 22 September 2020, distribution has commenced. The overalls, the appointed Service Providers have committed to deliver by mid October 2020
Working hour's challenges	A concerted effort will be undertaken to insource additional staff as they are required to work 24/7. The cleaning staff working hours should be discussed at LLF

STAKEHOLDERS OPERATING 24/7 (WEEKENDS/NIGHT SHIFTS)

- JMPD
- EMS
- GROUP FINANCE: CALL CENTRES
- BUS RAPID TRANSIT (BRT)
- TAXI RANKS & MARKETS

PLANNED MAINTENANCE

PROJECT NAME	QUARTER 1 ACHIEVEMENTS	FOCUS FOR QUARTER 2
1. Roodepoort Repairs and Maintenance	a) Contractors on-site b) SMMEs status: 4 appointed	a) Snag listing and Site handover. The project got delayed by disruptions due to SMMEs demands b) Appoint additional 6 SMMEs c) Estimated Completion date: 30 November 2020
2. Jabulani Repairs and Maintenance	a) Contractor on-site b) Estimated Completion date: 30 November c) SMMEs status: 11 appointed	a) Snag listing and Site handover. The project got delayed by disruptions due to SMMEs demands b) Appoint additional 4 SMMEs

PROJECT NAME	QUARTER 1 ACHIEVEMENTS	FOCUS FOR QUARTER 2
3. Ennerdale Repairs and Maintenance	a) Tenders closed on the 18 th September 2020 b) Overwhelming number of Bidders responded	a) Evaluation, adjudication and award of tender
4. Randburg Repairs and Maintenance	a) Tender closed on the 17 th September 2020 b) Overwhelming number of Bidders responded	a) Evaluation, adjudication and award of tender
5. Metro Mall Repairs and Maintenance	a) Tender closed on 18 th September 2020 b) Overwhelming number of Bidders responded	a) Evaluation and Adjudication of Tenders
6. Technical Teams' Tools of Trade	a) R10 m set aside for all Trades: Plumbers; Electricians; Welders; Carpenters; Builders	a) Procurement of Tools of Trade

OFFICE SPACE OPTIMISATION PROJECT (OSO)

- 9 years 11 months, and PPP reports have been recommended to Council by MAYCOM.
- 9 years 11 months reports have been sent to national and provincial Treasury for comments.
- The lead department for the above submissions to treasury is CoJ Group Finance.
- An RFP for transactional advisors is being prepared and will be advertised.
- All user departments in the Metro Centre have been profiled in terms of space requirements and a high level decanting plan has been compiled.

Section 1.6: Outdoor Advertising Portfolio

Summary of progress on the implementation of the Transitional Period/Masterplan

Following the determination of a Transitional Period by Council on 14 March 2019, JPC obtained approval from EAC to enter into 36-month transitional agreements with ten (10) media companies whose leases lapsed due to effluxion of time in the last financial year.

The new agreements, albeit short term and only for the duration of the transitional period effective 14 March 2019, will ensure that the City benefits from the existing signs through payment of 50% rentals of turnover (penalty) from each CoJ's site while such sign/s are being phased out as contracted with each party as per the EAC resolution. The aim of decluttering through the transitional period is for the City to prepare new site for development and finalize review of the Bylaws and a policy framework.

The give effect to the new transitional agreements in order to ensure the payment of 50% penalties to the City as per Council resolution of 14 March 2019, each site must be approved or exempted by the City in terms of the 2009 Outdoor Advertising Bylaws. The process, according to the City, was to have been finalized by the end of September 2020 and hence the none achievement of the 5% target for implementation of the Masterplan for the quarter under review.

As this is a regulatory function, JPC will not be participating in the review of the declarations by a Committee set up by the relevant executive of the Department of Development Planning of

CoJ. This will ensure that the process is not challenged as JPC is seen as a player in the outdoor advertising space and this matter was part of a Court ruling alongside the legal challenge of the new 2018 By laws by various stakeholders.

Plans for next Quarter

One of the critical deliverable of the transitional period is to increase the revenue from the sector and effect transformation of the sector using CoJ land as a leverage for empowerment and growth of SMMEs in the sector rather than conglomerates. In this regard, JPC has finalized certain call for proposals that are ready for specifications by a Committee that can only be appointed by the Accounting Officer in terms of supply chain policies and other law.

One of these projects is the setting up of a panel of professionals and media practitioners comprising mainly SMME's in the sector that will be used on an as and when basis for set asides to ensure that the City contributes to transformation and the growth of these small entrepreneurs post the Covid 19 pandemic. The focus through this programme is empowerment and technical assistance such as funding, training and development, etc. JPC will partner with an Enterprise Development Practitioner/s to assist with this programme and ensure the successful incubation of SMMEs so that sites allocated to the programme remain in the hands of participants.

SMMEs are the lifeblood of South Africa's economy and also, the most at risk particularly at the time when the whole world is facing the Covid 19 pandemic. They represent more than 98 percent of businesses in South Africa, employ between 50 and 60 percent of the country's workforce across all sectors and are responsible for a quarter of job growth in the private sector. The programme is in response to the City's having elevated Covid-19 response as a Mayoral Priority Programme where all Departments are required to develop plans to contribute towards this.

Also, JPC will be appointing suitable professionals to prepare certain CoJ's sites for

new business development particularly digital advertising signs and other high value signs identified in the masterplan.

Upon approval by Council, all CoJ's sites shall be made available through a competitive bidding process only after approval or exemption by the City in terms of the By-laws has been obtained as well. This will ensure that advertising signs can be erected as soon as awards have been made by the EAC thereby also assisting SMME's with limited knowledge and skills in dealing with the By-laws to implement these new initiatives within a short space of time.

Section 1.7: Inner City Property Development Projects

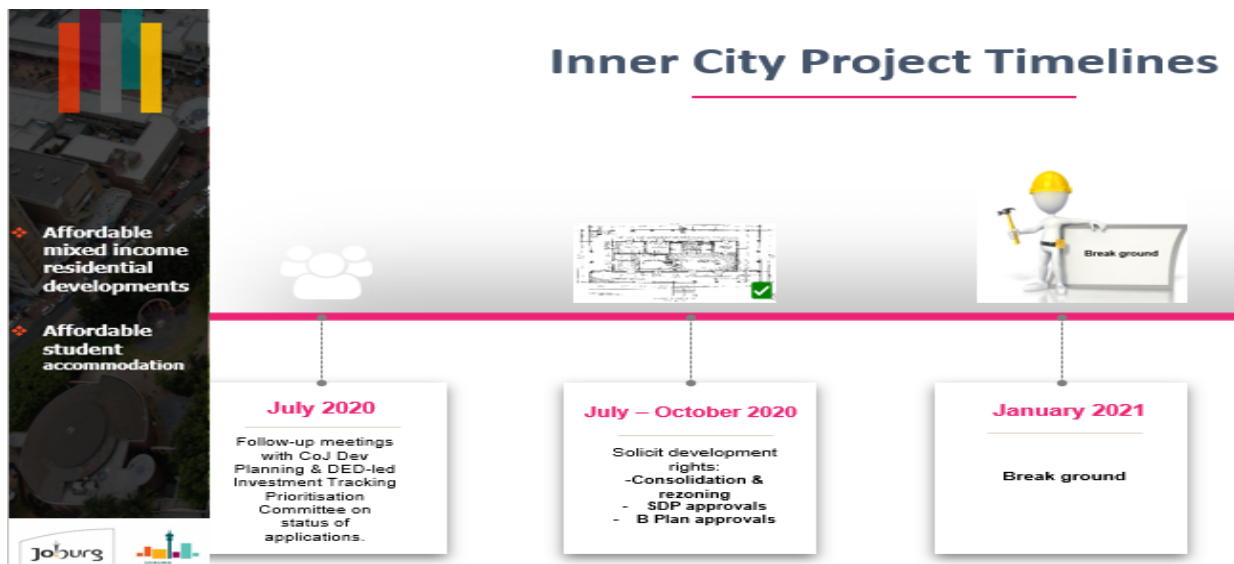
The Inner City rejuvenation programme has been established with the intention of building an inclusive society with an enhanced quality of life for the residents of the Inner City. To-date, no less than 147 properties (grouped into 38 development opportunities) have been awarded, mostly to 100% black, women-owned and managed companies, each with Level 1 BBB-EE accreditation. Moreover, the total Project Investment Value is forecasted at R30bn creating approximately 12 136 jobs and equally empowering and creating strategic work packages to meet the 30 % Transformation/SMME target, a monumental milestone for the City of Joburg.

Phase One, Two and Three

As we slowly emerge from the Covid-19 pandemic and the consequent Lockdown levels and restrictions, developers and their teams have continued to direct their efforts towards ensuring that their respective development applications are assessed and ultimately approved by the City. Moreover, in keeping with timelines committed in the previous quarter, there has been numerous efforts initiated to ensure the overall progress of the Inner City Rejuvenation Programme.

In August and September 2020, respectively, Interactive virtual sessions were held with developers and their respective professional teams. These virtual sessions were hosted jointly by JPC, Development Planning, the DED Investment Prioritisation and Tracking Committee, amongst others, to ensure the approval of the SDPs and Building Plans in line with the development intent of each project.

More of these sessions will be held in which the developers' professional teams will be afforded the opportunity to engage with the City's relevant departments (i.e. City Transformation, JRA, Joburg Water, City Power, et. al) to ultimately unlock the bottlenecks. Moreover, the virtual sessions are contributing towards ensuring that the Inner City Project Timelines highlighted below are met:



Phase 4 and 5 Acquisition of privately owned properties

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

Shortly before the national Lockdown was declared, site visits were conducted by the Inner City team to assess the overall condition of the properties (pictures attached as **Annexure A**). These site visits will continue once the Lockdown restrictions are removed.

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

Schedule for Report submissions	
Committee Meeting	Date
Economic Growth Technical Cluster	October 2020
Economic Growth Sub Mayoral	October 2020
Mayoral	November 2020
Section 79	February 2020
Council	February 2020

Development of Affordable Student Accommodation

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

In Quarter 1 of the current financial year (September 2020) a virtual Section 79 Workshop on Student Accommodation was held wherein JPC gave account on the progress made to date on all Student Accommodation development projects. The challenges faced and the mitigation measures were also discussed. Moreover, the Workshop was used to impress the manner in which Student Accommodation must be developed by the City in a precinct perspective, through which a cohesive and complementary large scale development can ultimately be birthed.

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

Below are artistic impressions of some of the Student Accommodation developments:



Esselen Student Village

Leyds Student Village



Vrededorp Student Village



Section 1.8: Communications and Marketing

JPC experienced more media coverage this quarter than the previous one. This is a sign that the media has now placed an emphasis on service delivery even though COVID-19 continues to be topical. Unfortunately the organization received adverse publicity this quarter.

Q1 2020	Topic	Media Coverage
July	The topics that were reported on are the contracts of the Executive.	Print was valued at R654, 710, broadcast R22, 217 and online was R209, 400.
August	<p>The Sunday papers in the Independent Group stable ran an article on the JPC and the procurement of PPE.</p> <p>The articles were generated by the publication and the JPC submitted a statement.</p>	<p>There were 7 print articles valued at R365, 262.82</p> <p>No broadcast was available during this period. Online articles were valued at R263, 916.42</p>
September	<p>The adverse publicity continued with the relocation to new offices. The Citizen ran the articles and on two occasions the JPC responded with regards new office space at Forum 1.</p> <p>The Citizen wrote a story on Kwa Mai Mai Market and the renovations to the facilities. Power FM discussed this during their breakfast show and inflated the amount spent on refurbishments.</p>	<p>Print was valued at R 877,853, broadcast at R41, 715 and online at R474, 839.</p> <p>During the month there was 54.8% positive publicity, 35.5% negative publicity and 9.7% neutral coverage</p>
TOTAL		R2, 909,911

Social Media and the Website

In light of the adverse publicity surrounding JPC social media posts focused on sharing and highlighting existing posts, programmes and activities of the COJ. This continued to see a growth in followers and retweets of areas of interest. The challenge will remain in moving to a Business Facebook page as the limit of 5000 friends has been reached.

The statistics at the end of September were as follows.

PLATFORM	NUMBERS	
	Q4 2019	Q1 2020
Facebook	4,971 Friends	5,000 Friends
Instagram	318 Followers	339 Followers
LinkedIn	291 Contacts	2,343 Contacts
Twitter	3,944 Followers	4,021 Followers

Media Updates

JPC intended to publish an article on Kwa Mai Mai, however this was deferred during Heritage month and will be communicated at a later stage or when the public convenience facilities are handed over. On 30 September there will be a tenant verification audit at the facility.

Metro Mall facilities on Bree Street were renovated and completed. An article has been submitted to the COJ Newsroom team as potential for the Executive Mayors bi-monthly newsletter. The East Wing project will have 56 cooking stalls, 9 of the stalls with hand wash basins and 20 toilets available for the facilities. The scope of work entails brickwork and plastering, plumbing, repairing dining tables and benches, new kitchen fixtures and equipment, gas installation and steel work.

The Johannesburg International Transport Interchange (JITI) will soon be ready to launch. Marketing of the launch will be handled by the Department of Transport (DoT), Johannesburg Development Agency, CoJ Group Communications and the Joburg Property Company's marketing teams. Initially it was anticipated to be during quarter 2, however as the planning continues it is anticipated to be third quarter. There are regular steering committee meetings that the Informal Markets team and DoT host and the marketers attend. DoT is availing budget for the launch. A media query was received this quarter however JDA responded as the construction phase is within their mandate.



Internal Event

JPC employees were urged to dress in traditional attire on the day before the Heritage Day public Holiday on September 23, 2020. An event was hosted, within the confines of physical distancing and Covid protocols, at Forum 1 in the open courtyard. A Jerusalema Challenge was undertaken by four participating teams comprising Client Business Operations, Finance & Supply Chain Management, Property Portfolio Management and Property Development. A dance off ended with a winning team selected judged on free style, technique, uniform/dress, cohesion and vibe. This event provided a much needed respite for employees. Team work and social cohesion were strengthened and diversity celebrated. Symbolic prizes provided for best dance team, best traditional attire and a runner.



Jerusalem Challenge Winners



Best Dressed Traditional Outfit

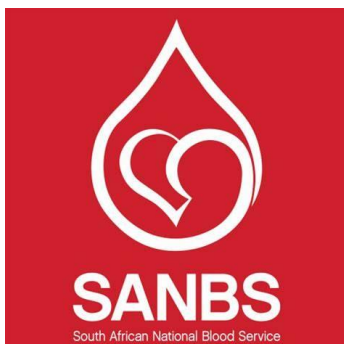


Cultural Attire



Corporate social investment

As lockdown Level 1 started on Monday 21 September this allows for the distribution of the blankets knitted by the JPC team and also the distribution of sanitary pads to school children as was initially proposed in March of 2020.



To address the critical blood shortage in Gauteng the SANBS started a drive to raise the levels of blood available to areas in Gauteng and Kwa-Zulu Natal. JPC heeded the call and worked with SANBS to raise the awareness of the drive in the COJ. The request was shared with Group Communications and Marketing who shared it with regional directors, Region B and Region E as well as City Parks who will host blood drives in the future. Group Communications will also highlight this on social media as JPC has done. Dates are yet to be confirmed for the Randburg Licensing Department – a JPC managed site to host the event. Sandton's Daisy Street Regional Office is negotiating a date for the 2nd quarter. JPC employees are also urged to become blood and organ donors.

Section 1.9: Information Technology Unit (IT)

Joburg Property Company (SOC) Ltd Information Technology can be termed as a backbone to JPC business because of wide-scale use of computers, internet and telecommunications systems. Information Technology support in managing, manipulating, storing, regaining, sharing/communicating and transmitting small as well as large amount of information/data conveniently, effectively and safely ensuring business continuity in-line with corporate goals. Besides making work easier to achieve business goals, IT sector can also assist the business in creating job opportunities for people through SMME's.

IT STRATEGIC/OPERATIONAL HIGHLIGHTS/ACTIVITIES

IT POLICIES APPROVED BY BOARD

According to Principle 12 of King IV, the purpose of IT Governance is “to support the organisation to set and achieve its objectives.”

In King IV, there is a great emphasis on organisational Boards taking on a more hands-on approach. This includes periodically carrying out formal reviews of the competence of the organisation's IT function. The Board is tasked with the approval and overseeing of the technology and information policy of the company. The overseeing of these policies, according to King IV, should be in relation to the:

- Integration of people, technologies, information and processes across the organisation
- Integration of technology and information risks into organisation-wide risk management
- Arrangements for business resilience
- Proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events,
- Ethical and responsible use of technology and information
- Compliance with relevant laws

Internally governance oversight is provided by EXCO with the operational accountability of governance matters residing with the Head of department. In line with the King IV Code (practices under principle 12), and the JPC IT Governance framework which states that policies should be reviewed biennially, the following IT policies have been reviewed and approved by the Board:-

Policy	Approval Date	Status	Policy Risks, Gaps and Financial Implications	Plans to Review	Anticipated Date of Completion	Policy Reviewed and Approved by Board date
JPC Backup And Restore Policy	02/05/2018	Valid	None	Yes	05/2019	Audit and Risk Committee 12 August 2020 and Board 18 August 2020
JPC DRP Plan 2019 2020	02/05/2018	Valid	None	Yes	05/2019	Audit and Risk Committee 12 August 2020 and Board 18 August 2020
JPC Firewall Management Policy	02/05/2018	Valid	None	Yes	05/2019	Audit and Risk Committee 12 August 2020 and Board 18 August 2020
JPC ICT Governance Framework	02/05/2018	Valid	None	Yes	05/2019	Audit and Risk Committee 12 August 2020 and Board 18 August 2020
JPC IT Security Baseline Policy	02/05/2018	Valid	None	Yes	05/2019	Audit and Risk Committee 12 August 2020 and Board 18 August 2020
JPC IT Security Policy	02/05/2018	Valid	None	Yes	05/2019	Audit and Risk Committee 12 August 2020 and Board 18 August 2020
JPC IT Strategic Plan 2020	02/05/2018	Valid	None	Yes	05/2019	Audit and Risk Committee 12 August 2020 and Board 18 August 2020
PC Patch Management Policy	02/05/2018	Valid	None	Yes	05/2019	Audit and Risk Committee 12 August 2020 and Board 18 August 2020
JPC User Account Management Policy	02/05/2018	Valid	None	Yes	05/2019	Audit and Risk Committee 12 August 2020 and Board 18 August 2020
JPC User Change Management Policy	02/05/2018	Valid	None	Yes	05/2019	Audit and Risk Committee 12 August 2020 and Board 18 August 2020

SAP HR Employee Self-Service (ESS) SYSTEM CONFIGURED FOR JPC

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

JPC IT was part of the:-

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

IMPLEMENT USER SYNCHRONIZATION BETWEEN JPC AND COJ ON MS TEAMS

Microsoft Teams (MS TEAMS) is a proprietary business communication platform developed by Microsoft, as part of the Microsoft 365 family of products. Teams is a chat-based collaboration tool that provides global, remote, and dispersed teams with the ability to work together and share information via a common space, also fully integrated with many other Office 365 services, such as Skype, SharePoint and Exchange.

JPC IT:-

- Setup Active Directory synchronization between JPC and COJ for user synchronization
- Verification of logging credentials, JPC email address and Active Directory password on Teams.

Section 1.10: Client Relations Management

During the period under review, Client Business Operations focused on ensuring that the systems and processes operate optimally with minimal disruption post the relocation of offices to Forum 1. As the client servicing, case management, stakeholder, marketing and communications as well as business operations functions reside in this department and are the link between JPC and external stakeholders the efficient utilisation of resources is critical to the core mandate of the organisation and ensuring service delivery. We engage with internal and external stakeholders across JPC and COJ to address key areas of JPC processes, operations and to build relational capital. Through these engagements the reputation of the company is managed to build sustainable value and enable economic activity for communities. We emphasise the commitment to systems, processes and good governance and our commitment to service delivery.

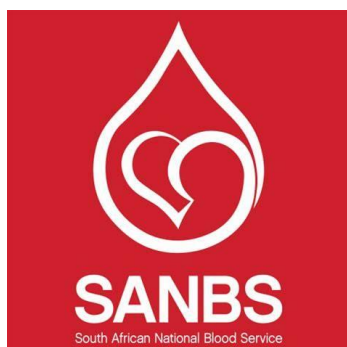
Relational capital is increasingly recognised as a critical component of value that the company deploys in the execution of the business. Furthermore, the quality of the company's engagements with our stakeholders can either enhance or destroy value for both the company and for the stakeholders. We aim to build a stakeholder engagement system that will proactively manage risk and opportunities arising. Key to note is our commitment to monitor progress of implementation and responses from the external and internal stakeholders. We need to streamline and develop links across the company to ensure

that information from the stakeholder engagements is timeous and relevant.

The transition of employees onto the rotation system and into the new normal with the reintroduction of those with managed co-morbidities and preparing for most activities to resume within the confines of regulations and JPC's risk based assessment as the country moved towards alert level 1 with effect from 21 September 2020 were a focal area. As the lockdown alert levels have gradually eased to Level 1 rotations and work from home arrangements and similar measures are still in place until the readiness of the organisation for all employees to return are established. These measures are aimed at ensuring the least physical interaction between employees at the workplace. JPC remains closed to the public and no physical meetings are held where possible. Though no walk in clients are assisted JPC does inform and communicate that all clients are assisted via telephonic and email mediums.

This report provides an overview of our value proposition followed by an update on key engagements undertaken in the fourth quarter and the issues that were raised during these stakeholder engagements. In addition an update on property transactions is provided.

8 property related transactions were approved and 2 withdrawn Council on 29/30 July 2020. Amendment of the 2 reports is underway and will be resubmitted. A further 11 reports are to be tabled at the Council meeting scheduled to take place on 29/30 September 2020.



The approval of transactional reports by Council ensures that JPC maximises social, economic and financial benefits to COJ as well as maximisation of the efficiency of the COJ property portfolio.

Detailed below is a summary of the monthly Regional Visible Service Delivery (RVSD's), Ward Councillors Forums (WCF) activities.

SUMMARY OF MEETINGS ATTENDED IN THE FIRST QUARTER

Region	Regional Visible Service Delivery (RVSD)	Ward Forum (WCF)	Councillor
A	0	0	
B	1	2	
C	1	1	
D	1	0	
E	2	2	
F	0	1	
G	0	0	
Total	5	6	

PRESENTATIONS MADE DURING THE FIRST QUARTER

Region	Meeting	Date	Target Audience	Subject Matter	Matters Arising	Resolution Progress
A						
B					None	Next meeting we need to report on Capex Projects
E	WCF meeting	15 September 2020				
F	WCF meeting	10 September 2020				

External stakeholders require the following:

- ❖ Clarity on the Repairs and Maintenance SLA's between JPC and the departments
- ❖ Greater collaboration between JPC and the stakeholders
- ❖ Monthly updates on the projects that are of public interest.

Property Information Centre

Property Information Centre contributed positively to the overall efficiency and effectiveness of JPC within the confines of Covid-19 protocols and the office relocation. Due to regulatory and compliance requirements which are underway the archiving system has not yet relocated to Forum 1. It is anticipated that this will be achieved in quarter 2 without compromising JPC.

Client Servicing Unit

Client Servicing was providing remote services via email and telephone with no walk in clients permitted from lockdown level 5. The opening of JPC to the public will be determined by the risk based assessment and the readiness of the organisation.

Six (6 YTD) enquiries were escalated to Asset Management for analysis in terms of viability in line with the land strategy and RSDF of the City. The escalations are due to indications that the particular land parcel or building queried is encumbered in some way or another. These include matters wherein a caveat exists on a particular property and/or there is some information on hand that suggests that there were potential transactions and/or complexities, which require resolution by either a COJ entity or department or another sphere of government before JPC can transact.

In some instances even though the outcome of such assessment is negative for the client in that JPC may not transact by way of circulating for comments it enables JPC to resolve encumbrances which are largely legacy related.

JPC Performance Standards

JPC adhered to the service standards set by CoJ contained in the Shareholder Compact, which relate to client service functionality and turnaround times of enquiries. Service standards KPI's 1, 2, 10, 11 & 12 relate to and are managed by CBO. Whilst other departments are responsible for the other KPI's CBO reports on a monthly basis to the CoJ on all service standards based on information and evidence received from the various contributing departments. Facilities management is responsible for KPI's 3, 4, 5, 9 and Property management is responsible for KPI's 6, 7, and 8.

KPI	Core Service	Service Level Standard Target	July Actual	August Actual	September Actual	Q1 Actual Total	July Evidence	August Evidence	September Evidence	Q1 Evidence Total	YTD	Variance	September Variance explanation	September Mitigations
KPI 1.1	Response in acknowledgement of requests, enquiries and complaints	Within 1 day of logged call	187	258	250	695	187	258	250	695	695	0%	Not applicable	Not applicable
KPI 1.2	Provision of answers and/or results related to the receipt of the requests and enquiries regarding properties	Within 3 days of logged call	0	0	0	0	0	0	0	0	0	0%	Not applicable	Not applicable
KPI 1.3	The performance of emergency work for JPC managed facilities	Within 1 day of logged call	43	47	47	137	43	47	47	137	137	0%	Not applicable	Not applicable
KPI 1.4	Performance of minor works on facilities managed by JPC	Within 2 days of logged call	11	27	10	48	11	27	10	48	48	0%	Not applicable	Not applicable
KPI 1.5	Performance of major works on facilities managed by JPC	Within 5 days of logged call	18	10	0	28	18	10	0	28	28	0%	Not applicable	Not applicable
KPI 1.6	Complete the sale or lease and registration of servitudes of Council owned land	Within 6 months after Council Approval in terms of Section 14(2) of the Municipal Finance Management Act	0	0	0	0	0	0	0	0	0	0%	Not applicable	Not applicable

KPI	Core Service	Service Level Standard Target	July Actual	August Actual	September Actual	Q1 Actual Total	July Evidence	August Evidence	September Evidence	Q1 Evidence Total	YTD	Variance	September Variance explanation	September Mitigations
KPI 1.7	Tender placed after Council approval and CoJ Executive Adjudication Committee	Within 4 months of CoJ Executive Adjudication Committee approval	0	0	0	0	0	0	0	0	0	0%	Not applicable	Not applicable
KPI 1.8	Internal allocation of land and buildings to City Departments and Entities (PTOB : Permission to occupy and build and lease office space from third parties)	Within 60 days of application and budget confirmation	0	0	0	0	0	0	0	0	0	0%	Not applicable	Not applicable
KPI 1.9	Performance of surveys on the condition of all plant and equipment in order to allow the assessment of the required repairs and maintenance of facilities managed by JPC	Quarterly	16	15*	15	46	16	15*	15	46	46	0%	Not applicable	Not applicable
KPI 1.10	Response to general enquiries at client services counter	Within 24 hours of logged call	0	0	0	0	0	0	0	0	0	0%	Not applicable	Not applicable
KPI 1.11	Response to enquiries regarding transactions in pipeline	Within 24 hours of logged call	0	0	0	0	0	0	0	0	0	0%	Not applicable	Not applicable

KPI	Core Service	Service Level Standard Target	July Actual	August Actual	September Actual	Q1 Actual Total	July Evidence	August Evidence	September Evidence	Q1 Evidence Total	YTD	Variance	September Variance explanation	September Mitigations
KPI 1.12	Response to applicants/interest to lease or acquire (formal applications) land and/or buildings	Within 30 days of application	5 of 5 = 100%	1 of 1 = 100%	4 of 4 = 100%	10 of 10 = 100%	5 of 5 = 100%	1 of 1 = 100%	4 of 4 = 100%	6 of 6 = 100%	10 of 10 = 100%	0%	Not applicable	Not applicable

KPI 1.9. * Historically the performance on surveys on the condition of all plant and equipment totals were 16 as there were 16 corporate buildings wherein surveys are conducted on a monthly basis. The Proton House lease has expired and has not been renewed. JPC informed the landlord on 30 July 2020 that JPC do not wish to proceed with the Agreement, therefore JPC are only responsible for 15 corporate buildings and not 16 corporate buildings.

Detailed below is a breakdown of Client Servicing enquiries per category:

KEY PERFORMANCE INDICATOR		Quarter 1 2020/21				
		Description	Jul-20	Aug-20	Sept-20	Total – Quarter 1
KPI 1.1 Response in acknowledgment of request, enquiries and complaints within 1 day of logged call	Total		187	258	250	695
	Walk In Clients		0	0	0	0
	CSU In Box		173	234	250	657
	General Enquiries		0	0	0	0
	Councillor Inbox		14	24	0	38
	Outdoor Advertising Inbox		0	0	0	0
	Total		187	258		445

KEY PERFORMANCE INDICATOR	Quarter 1 2020/21				
KPI 1.2 Provision of answer/or results related to the receipts of the requests and enquiries regarding properties within 3 days of logged call	Walk In Clients	0	0	0	0
	CSU In Box	0	0	0	0
	General Enquiries	0	0	0	0
	Councillor Inbox	0	0	0	0
	Outdoor Advertising Inbox	0	0	0	0
KPI 1.10 Response to general enquiries at client services counter within 24 hours	Total	0	0	0	0
	Walk In Clients	0	0	0	0
	General Enquiries	0	0	0	0
KPI 1.11 Response to enquiries regarding transactions in pipeline within 24 hours	Total	0	0	0	0
	Walk In Clients	0	0	0	0
	General Enquiries	0	0	0	0
	CSU In Box	0	0	0	0
	Outdoor Advertising Inbox	0	0	0	0
KPI 1.12 Response to applicants interest to lease or acquire (formal applications) within 30 days of application	Total	100%	100%	100%	100%
	Escalations Completed in 30 Days	5	1	4	10
	Total Escalations	5	1	4	10

Section 1.11: Property Intelligence

The Unit has made some strides during the third quarter of the 2019/2020 financial year after its inception. The progress made was stifled during the 4th quarter of the same financial year due to the National Lockdown that resulted in the core function of the Unit being difficult to carry out. Site visits could not be carried out and the recoveries on outstanding leases were also affected as the lessees raised economic challenges to honour the recovery agreements. These challenges are still evident during this reporting period.

The strategic direction of the Property Intelligence and Regulatory Compliance is to facilitate compliance with all relevant pieces of legislation including City of Johannesburg By Laws within all JPC managed properties and facilities. Furthermore, the Unit intends to Strengthen and maintain internal and external stakeholder relations to ensure that its objectives are realised.

Due to the challenges experienced intelligence gathering interventions are an integral part of law enforcement and compliance facilitations were carried out at a minimal rate. However, some stakeholder relations have been developed during this reporting period in order to ensure the effective delivery of the Unit's mandate.

THE PROPERTY INTELLIGENCE AND REGULATORY COMPLIANCE

The Unit has conducted intelligence gathering exercise at the JPC managed properties within Region A during this reporting period. The focus was mainly on the properties that are considered hot spots in terms of outstanding rentals, compliance and safety.

Site visits were conducted at the following properties indicated below and various public health contraventions were found to be existing at these properties. Some of the contraventions poses health and safety risk to the occupiers.

REMAINDER OF ERF 1074 RABIE RIDGE AND PORTION 10 OF ERF 1074 RABIE RIDGE

There are six businesses operational at the property.

The Liquor store (Teddy's Liquor)

The liquor store was found to be dilapidated and extremely dirty, electrical wires are hanging from the walls and the ceiling is hanging with a bulge that poses a risk of falling down. The fire extinguisher was last serviced in 2013. The occupier of the liquor store is exercising an unlawful occupation without a lease. The liquor licence provides for the sale of liquor only and does not provide for consumption, however the premises are used in contravention of the licence as patrons were found on site consuming alcohol.

There are signs of alteration of the property from the original structure. The confirmation on Whether the provisions of the **National Building Regulations and Building Standards Act 103 of 1977** and any other relevant pieces of legislation have been complied with was not received at the time of reporting. The information will advise on the issues and/contraventions and what should be done to ensure compliance and rectify the status.



The Butchery (Meat Boss Butchery)

The butchery was not operational at the time of the visit. In terms of the public health bylaws, the use of the container requires the City's Consent. It could not be confirmed whether there is a lease in place for the use of the premises or not. This exercise will be completed.

Pampoentjies Creche

The structure is made of Asbestos and it is extremely dilapidated. Save to say that the lease has expired, it also presents some material defects and does not seem legitimate. There have not been any payments made

towards the occupation of the premises. There is also an upholstery business taking place within the crèche premises which also, should the lease be valid and legitimate, would render contravention of the lease agreement. The lives and safety of the children and users of these premises are at risk due to the state of the Asbestos and requires the provisions of the **Occupational Health and Safety Act No 85 of 1993 read with the Asbestos Regulations of 2001** to be invoked.

Vrolike Vinkies Creche

The structure is made of Asbestos and is dilapidated. Save to say that the lease has expired, it also presents some material defects and does not seem legitimate. There have not been any payments made towards the occupation of the premises. No documentation was provided by the crèche to confirm registration with Early Child Development and follow up with the relevant department has been done however no response have been received at the time of the reporting. The lives and safety of the children and users of these premises are at risk due to the state of the Asbestos and requires the provisions of the Occupational Health and Safety Act No 85 of 1993 read with the Asbestos Regulations of 2001 to be invoked.

New Apostolic Church

The structure is made of Asbestos and it is also not in good condition and poses a health a risk. The provisions of the Occupational Health and Safety Act No 85 of 1993 read with the Asbestos Regulations of 2001 must be invoked. The lessee have a valid lease agreement and is up to date with the agreed lease payments.

ERF 706 RABIE RIDGE

This property has a number of businesses and it could be considered as a small shopping complex. It has a supermarket, four (4) ATMs absa, Capitec and Standard bank, Nedbank) surgery and some other shops /places were closed.

The supermarket, (Viva Supermarket) was closed down due to contraventions of the public health by laws and ***Regulations Governing the Hygiene Requirements for Food Premises, the Transport of Food and Related matters No R 638 of 22 June 2018 (GN No 41730)*** and a prohibition notice for handling food has been served on the tenant.



It was found that the walk-in fridge inside the supermarket is converted into a bedroom.



The confirmation on whether the provisions of the National Building Regulations and Building Standards Act 103 of 1977 and any other relevant pieces of legislation have been complied with when the structures at the property were constructed was not received at the time of reporting. The information will advise on the issues and/contraventions and what should be done to ensure compliance and rectify the status.

Erf 3822 IVORY PARK EXTNSION 6 (EKUTHULENI CHRECHE)

The premises requires maintenance as per the provisions of the Public Health by- Laws. There is unsafe partitioning of classrooms that requires to be fixed. The fire extinguisher was last serviced in May 2018. The surrounding are well kept.

The lease agreement has expired more than 5 years ago and the tenant wishes to continue utilising the premises. The outstanding amount in arrears is over R4000, 00 and there is an intention to pay off the arrears. As at 23 September 2020 the tenant has paid R2 300, 00 towards the arrears. A commitment has been made for a further R2 300, 00 on or before the 31 OCTOBER 2020. Once a certain figure on the total outstanding amount is established, the tenant will be advised to ensure full recovery of the arrear amount.

Erf 4804/ Ivory Park Extension 6 (Moses Spiritual United Church)

There is a lease for the property to be used as a church, however in addition to the Church building, the property comprise of 6 rooms that are used as accommodation. This is in contravention of the lease agreement. Upon interviewing one of the occupiers, it was established that rental amount of R800, 00 is payable to the lessee through the son who act as a care taker at the property. The legitimacy of the electricity connection is still to be verified.

The confirmation on whether the provisions of the National Building Regulations and Building Standards Act 103 of 1977 and any other relevant pieces of legislation have been complied with when the structures at the property were constructed was not received at the time of reporting. The information will advise on the issues and/contraventions and what should be done to ensure compliance and rectify the status. Once received the matter will be addressed further.



Erf 12016 Ivory Park Extension 10 (Full Choice Apostolic Church)

The lease agreement is valid and expires in 2021. The yard is unclean and three (3) shacks have been constructed on site and two families stay in the shacks. There is an informal business of selling chicken feet and intestines. The lessee is in arrears for period of not less than 5 months. A commitment has been made to make part payment on or before 30 September 2020 towards arrears.

The confirmation on whether the provisions of the National Building Regulations and Building Standards Act 103 of 1977 and any other relevant pieces of legislation have been complied with when the structures at the property were constructed was not received at the time of reporting. The information will advise on the issues and/contraventions and what should be done to ensure compliance and rectify the status.

ANALYSIS AND INTERVENTIONS

One matter that has been referred to the South African Police Service in the 2nd quarter of 2019/2020 is still under investigations which are at an advanced stage. Follow ups with the SAPS continues.

REGULATORY COMPLIANCE

The unit has completed the Framework that would provide the overall plan as guided by the relevant pieces of legislations on the roll out of the department's mandate in supporting the JPC core departments. The framework is also aimed in ensuring that compliance with relevant policies and procedures is not compromised. This will support JPC's risk management and mitigation plans. The Framework will be circulated during the 2nd quarter for inputs, adoption and approval

STATUS ON MULTIYEAR MATTERS

The following matters were dealt with during the 2019/2020 financial year and are still being addressed for resolution.

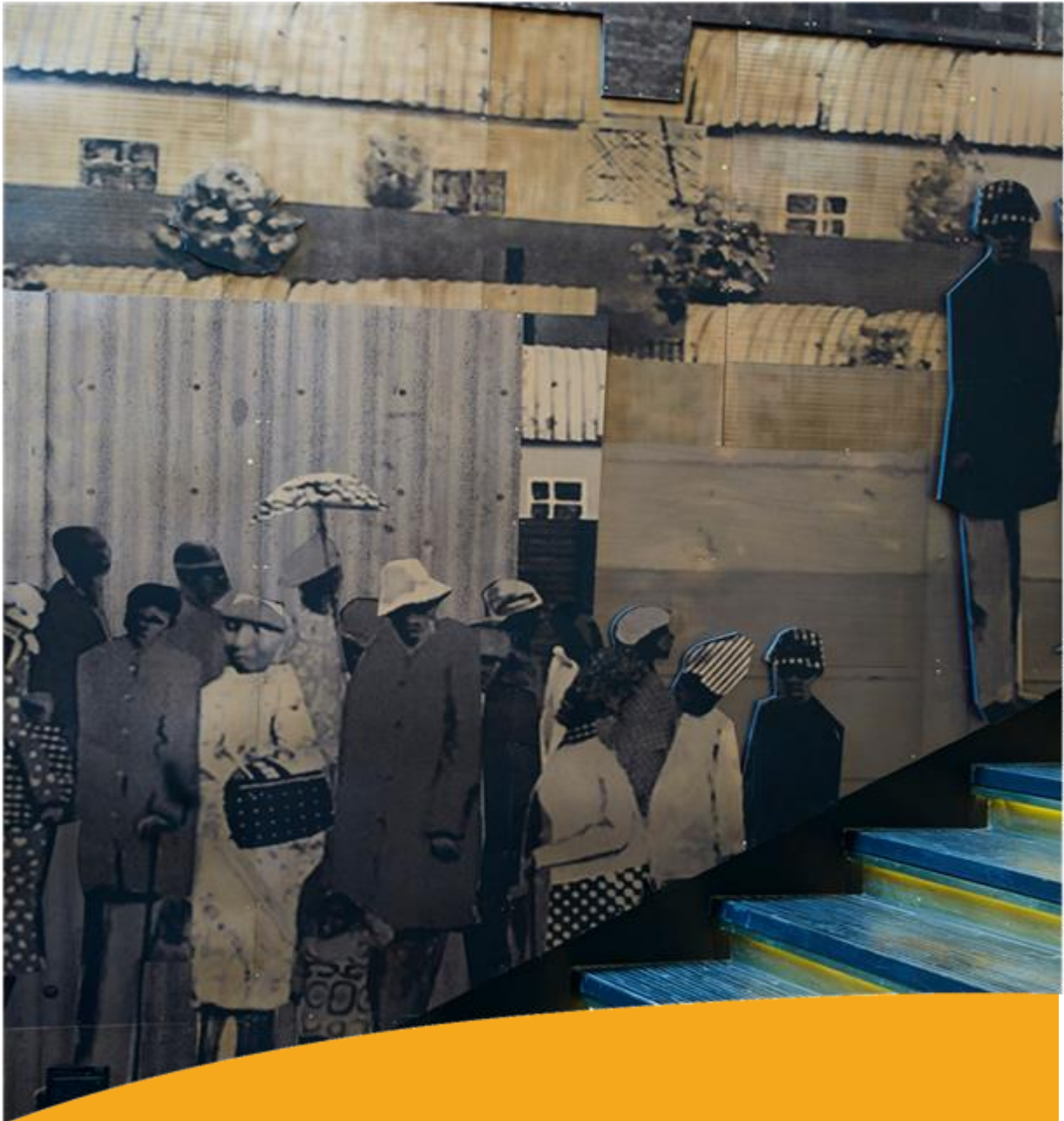
Erf 11709 Meadowlands

The fully-fledged and operational Early Childhood Development centre wherein the occupier has no lease and the centre is reported to have been operational for over 40 years. It's been recommended that the property be considered for re circulation or for repurposing, result of which will assists on the possible solution of the matter. This option has been highlighted to the relevant JPC departments. Status remains as at 24 September 2020.

CBO AND PROPERTY MANAGEMENT HOTSPOTS

Below is the schedule of the Region G Hotspots

PROPERTY DESCRIPTION	STATUS
ERF 6932 ORANGE FARM	<p>Client has made a total of R8000 towards the debt, which stands at R55 308.30 as at 24/02/2020</p> <p>Status has not changed as at 24 September 2020</p>
ERF 5084 ORANGE FARM EXT. 2	<p>The lessee was in arrears of R71 572.23 and has reneged from the contract for over 36 months. An arrangement was reached with the lessee – R7000 paid on 21/02/2020. And from 31 March 2020 – 31 November 2020 an amount of R11 600 monthly for the debt to be cleared.</p> <p>Status has not changed as at 24 September 2020</p>
ERF 2896 ORANGE FARM – TEBOGO HOME	<p>The lessee has not paid the rentals due for over 36 months and is in arrears of more than R52 425.91. The matter has been handed over to external attorneys to collect outstanding arrears to which the lessee reneged from the initial agreement. From 31 March 2020 – 31 May 2020, an amount of R3000 will be paid. End of June R33 000 was not paid and legal department has been advised to proceed and launch default judgement application.</p>
ERF 6166 KANANA PARK	<p>The Church have been advised that the property will be placed on tender and engagements with Property management are that they should align the notice period to the tender process, so that by the time the award is made, the Church gears up for vacating.</p> <p>Matter closed.</p>



Chapter 4: Human Resources & Organisational Management

Section 1: Human Resource and Organisational Management

Highlights and Achievements

In the first quarter, Human Capital Management focused on supporting the business to manage the spread of COVID-19 in ensuring that the risk is effectively managed, health and safety of employees were a high priority during the period under review.

Communication in keeping employees informed and implementing safety precautions were critical and the CEO played a pivotal role in engaging employees through various awareness platforms such as WhatsApp groups and SMS's. This communication was aimed at informing employees on COVID-19 compliance regulations, keeping healthy and at the same time still contributing to business productivity in the new normal.

Internal audit exercise was conducted in preparation for the AG (auditor general).

As set out in the Code of Conduct/Ethics, all employees are required to disclose any personal interest that may bring conflict or even perceived conflict between the organization interest and that of an employee. The declaration of private interest exercise was conducted at the beginning of the financial year and the process is in progress due to compliance to the COVID-19 risk adjusted strategy plan.

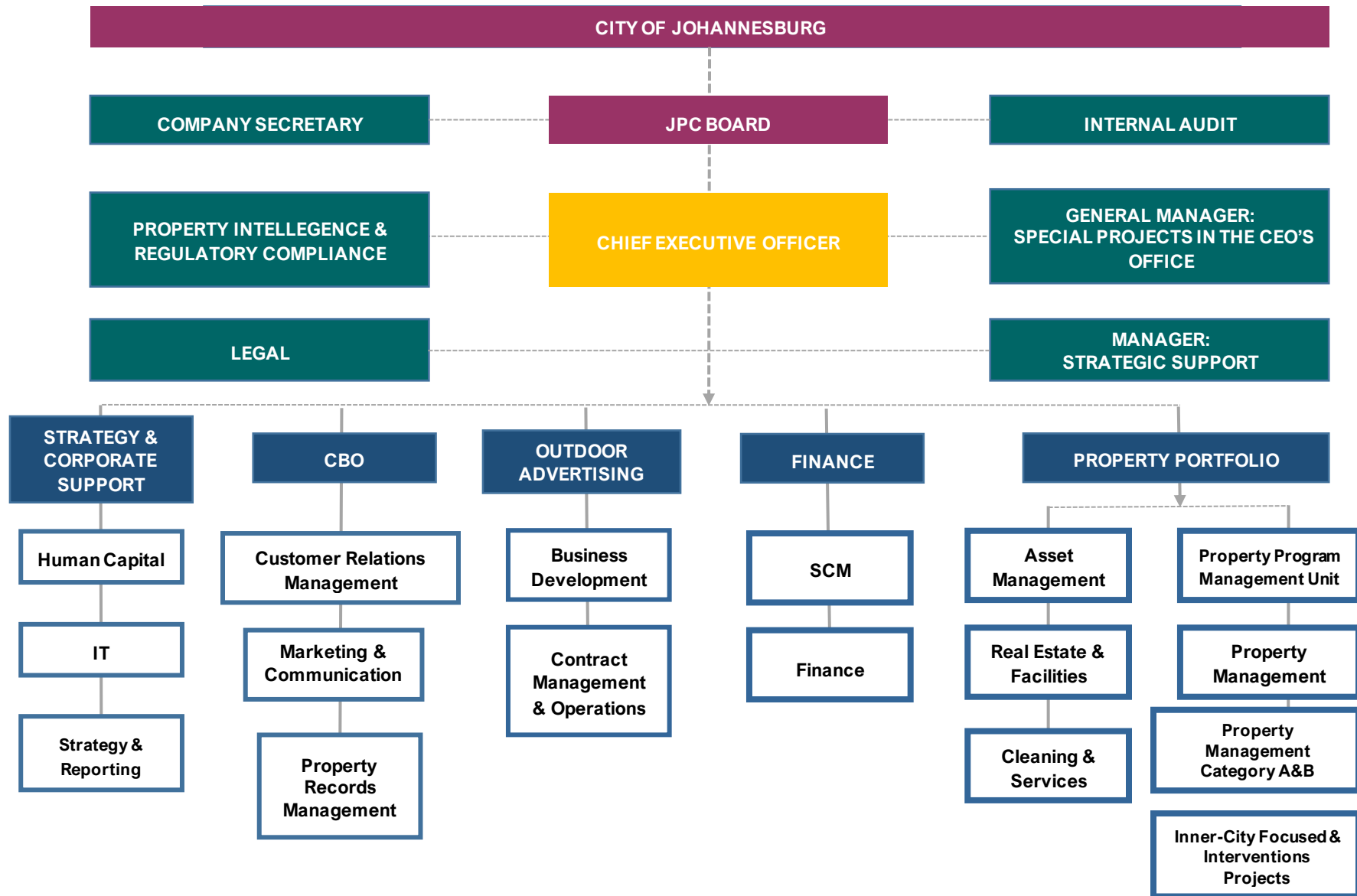
All approved organizational structures are successfully uploaded on SAP inclusive of the Cleaning Services Structure.

Job Descriptions have been reviewed and evaluated with success. The Job descriptions exercise is an ongoing initiative as and when the operational requirements of the business arise.

A sample of employees who have access to computers were nominated to test a part of **"Employee Self Service Portal"** on payslip viewing and printing, this is indicative of the progress made so far on the SAP Business Transformation Programme. JPC being in the first wave of this project amongst other MOE's, this directly aligns the organization to the new norm where technology is now a way of being in ensuring that there are effective tools to service employees and making their work life easy.

The conclusion and implementation of the Salary and Wage Collective Agreement effective 01st July 2020. The agreement is a 3-year tenure from 1 July 2018 to 30 June 2021.

Below is the current high level organizational structure



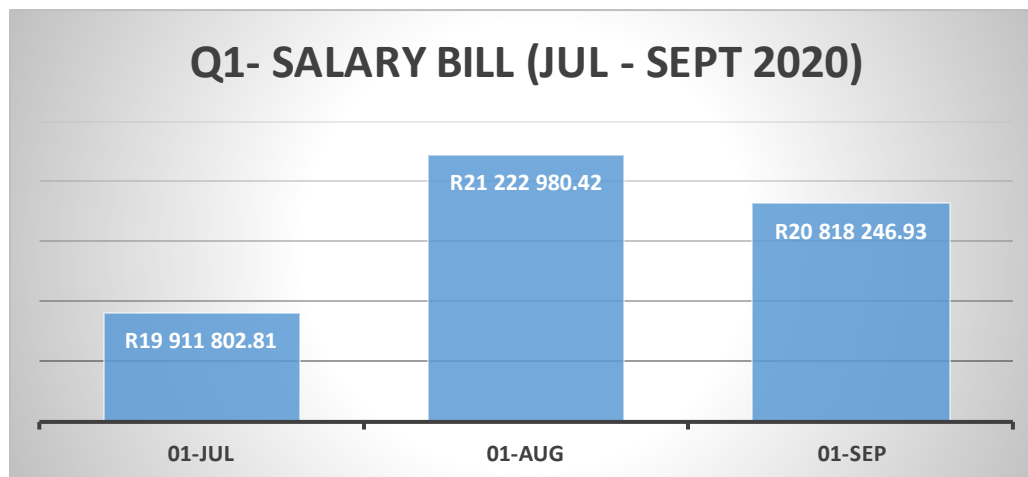
Section 2: Employee Remuneration and Cost Including Executives

In quarter one the salary expenses were within the budgeted amount and the table below indicates the all-inclusive remuneration packages from 1 July 2020 to September 2020:

SALARY BILL: JULY – SEPTEMBER 2020	
MONTH	AMOUNT
Jul-2020	R35 493 086
Aug-2020	R38 643 750
Sep-2020	R44 651 913
Total	R118 788 749

During this period under review, the implementation of the annual cost-of-living increase of 6.5% affected in August 2020 and back paid to 01st July 2020 to all qualifying employees as per the multiple Salary and Wage Collective agreement. The Cleaning Services employees were paid bonuses as they completed their first year of service on 01st September 2020 and qualified for an annual non-pensionable bonus.

The graph below indicate the monthly salary expenses from July to September 2020:



The monthly salary bill trend is mostly consistent, however, during August 2020 there is a spike due to salary increases paid and backdated to July 2020, and September 2020 has slightly increased due to bonuses being paid out to the Cleaning Services department as they completed their first year of service and qualified for an annual non-pensionable bonus. The total salary expenses for Q1 amounts to **R118 788 749.**

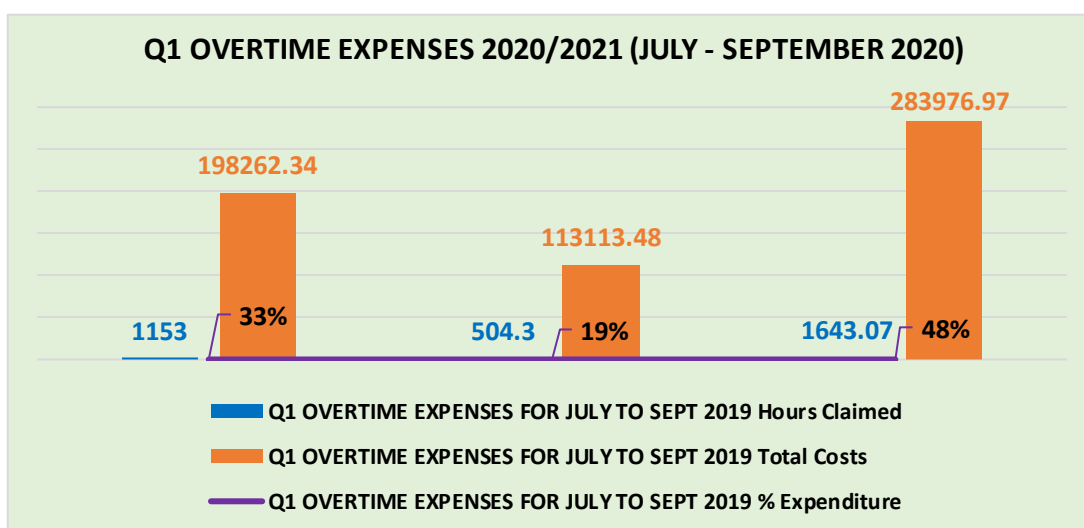
Overtime Costs for Q1 period for 2020: (July to September 2020)

Overtime expenditure consists of services rendered to the public by JPC in respect of public convenience facilities. Due to continued shortages of staff through retirements, deaths and resignations there is a constant need for employees to work overtime during weekends. The cleaning department in which employees are placed at various corporate buildings, there is also a rising need for overtime and shift adjustments as there are buildings that require staff to work over the weekend and at night shift. JPC will continue to manage and maintain the expenses efficiently.

The table below indicates Q1 overtime expenditure: (July to September 2020)

Overtime Bill: (July - September 2020)			
MONTH	HOURS CLAIMED	TOTAL COSTS	% EXPENSITURE
19-Jul	R1153	R198 262.34	33%
19-Aug	R504.3	R113 113.48	19%
19-Sep	R1643.07	R283 976.97	48%
TOTALS	R3300.37	R595 352.79	

The table above shows the overtime total costs of **R595 352.79** incurred for this quarter, total staff required to work overtime and total number of hours claimed.



The graph above shows a slight increase in August and September 2020 is due to the rate of pay increase in respect of the cost-of-living increase effected July 2020. In addition, the increase also relates to the total number of staff required worked and the hours claimed for overtime.

Section 3: Key Vacancies

Following a REMCO meeting held on 06th May 2020, the board have requested a submission regarding the positions that were advertised and not yet filled. The request was mainly to understand which of the advertised positions can be deferred for at least three (3) months by virtue of the position's priority and significance.

In fulfilling the above task, engagements were held between HR, the CEO and respective Executive Managers of all affected departments to indicate critical vacancies, which were advertised and cannot be deferred. The departments impacted in this instance are Client Business Operations; Portfolio Management, Finance and Strategic Corporate Support. All the departments indicated that these positions were critical and need to be filled urgently to fulfil the organization's mandate at a strategic and operational level.

DEPARTMENT	POSITION	TOTAL NUMBER OF POSITIONS
ASSET MANAGEMENT	SENIOR MANAGER: ASSET MANAGEMENT	1
ASSET MANAGEMENT	ASSISTANT MANAGER: ASSET SWEATING, VALUATIONS, RESEARCH & BENCHMARKING	1
CLIENT BUSINESS OPERATIONS	ASSISTANT MANAGER: BUSINESS OPERATIONS X2	2
CLIENT BUSINESS OPERATIONS	ASSISTANT MANAGER: CASE MANAGEMENT	1
CORPORATE REAL ESTATE	ASSISTNT BUILDING MANAGERS X7	7
CORPORATE REAL ESTATE	ASSISTANT MANAGER: CONDITION ASSESSMENT & MONITORING X2	2
CORPORATE REAL ESTATE	BUILDING MANAGER: CORPORATE BUILDINGS X4	4
CORPORATE REAL ESTATE	OHASA, COMPLIANCE & PPE'S MANAGER	1

These positions provide strategic leadership, managerial technical and transactional Support in Corporate Governance, Risk Management, Project Management, and People Management and a holistic facilities management and maintenance services to the COJ departments and entities.

In light of the CORONAVIRUS pandemic and the national lockdown regulations, JPC had to halt the recruitment process of all the critical vacancies. Line departments reviewed their business strategic and operational needs in terms of filling these critical vacancies.

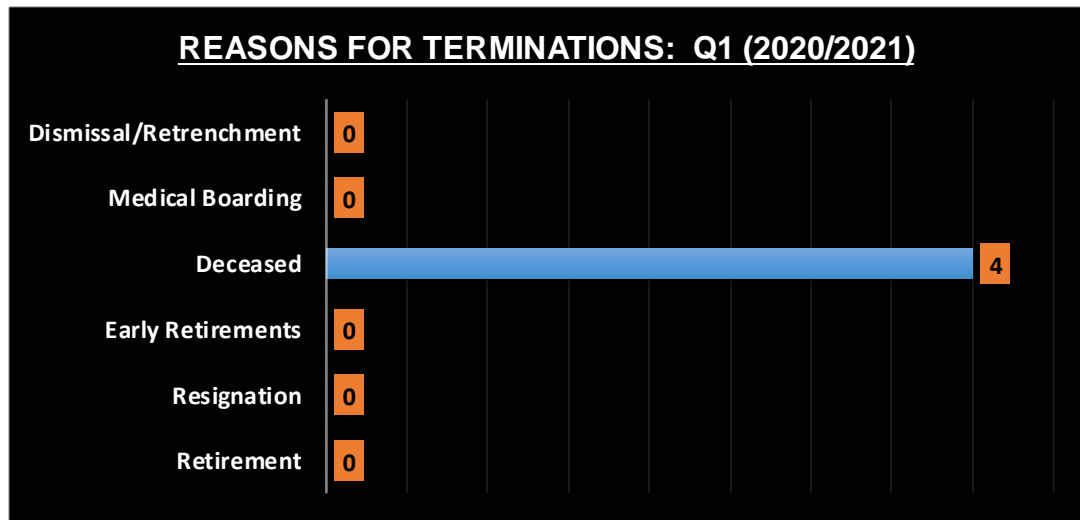
Staff Movements:

Terminations: It is reported during this period under review (July – September 2020) **four (4)** terminations were actioned.

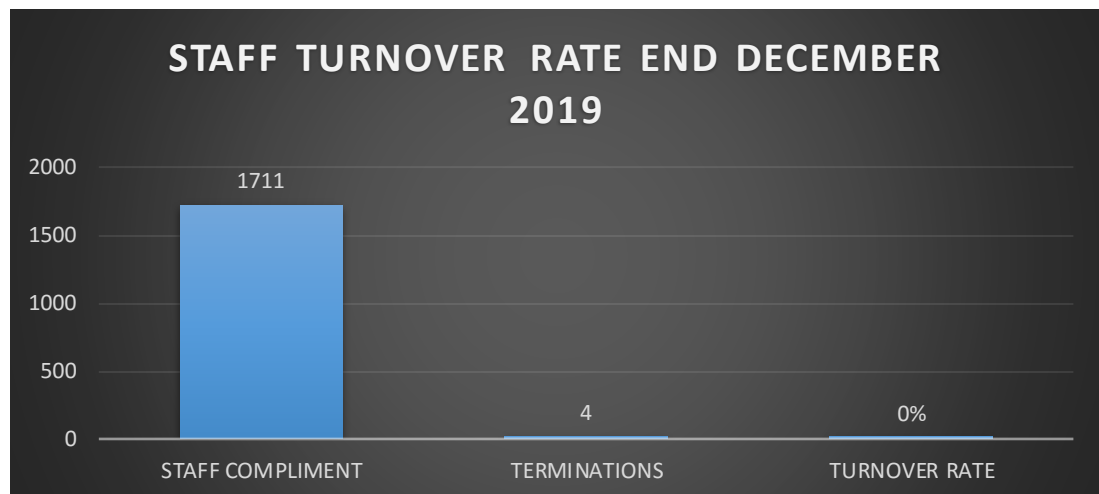
The table below illustrates the terminations realised inclusive of permanent employees as per occupational levels, race and gender. The terminations mainly consisted of retirements due to natural attrition.

Occupational Levels	MALE				FEMALE				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	0	0	0	0	0	0	0	0	0	0	0
Senior Management	0	1	0	0	0	0	0	1	0	0	0
Professionally qualified and mid-management	0	0	0	0	0	0	0	0	0	0	0
Jun. Management, Superintendents and Skilled Technical	1	0	0	0	0	0	0	0	0	0	0
Semi-skilled / Administration	0	0	0	0	0	1	0	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	3
Total Permanent Staff	0	0	0	0	0	0	0	0	0	0	4
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	1	1	0	0	0	1	0	1	0	0	4

The graph below indicates the reasons for terminations that transpired during the period under review and the reasons relate to 4 (four) employees who are deceased.



Staff Turnover for this period under review: (July – September 2020)



The graph above shows a staff turnover of 0% which is at an acceptable level taking into consideration that a healthy turnover rate is between 5% and 10%.

The 0% staff turnover rate is at an acceptable level and it has been a trend that organisations experience employees who stay longer in the employ of JPC. This is indicative that JPC is fair and consistent when it comes to compensation benefits offered to their employees.

Section 4: Employment Equity

The total JPC EE demographics of permanent workforce as at September 2020 is 1711.

Occupational Levels	MALE				FEMALE				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	M	F	
Top Management	2	0	1	1	0	1	0	0	0	0	5
Senior Management	11	0	1	1	8	1	1	0	0	0	23
Professionally qualified and mid-management	19	1	6	4	24	2	2	6	0	0	64
Jun. Management, Superintendents and Skilled Technical	96	6	6	9	74	16	2	1	1	0	211
Semi-skilled / Administration	8	0	0	0	77	7	1	1	0	0	94
Unskilled and defined decision making	346	2	0	1	946	19	0	0	0	0	1314
Total Permanent Staff	482	9	14	16	1129	46	6	8	1	0	1711
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	482	9	14	16	1129	46	6	8	1	0	1711

The table above demonstrates important demographic changes which are indicative of improvement in terms of female representation at management and lower levels. Although there are still developments to be realised in other racial groups.

A qualitative and quantitative analysis will be conducted of all-inclusive workforce demographics on the following:

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

The analysis will contribute towards the development of the new EE Plan and identify barriers that could impede on the implementation and achievement of set targets.

Racial and Gender Split per population groups as well as the gap analysis against EAP targets as at September 2020.

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

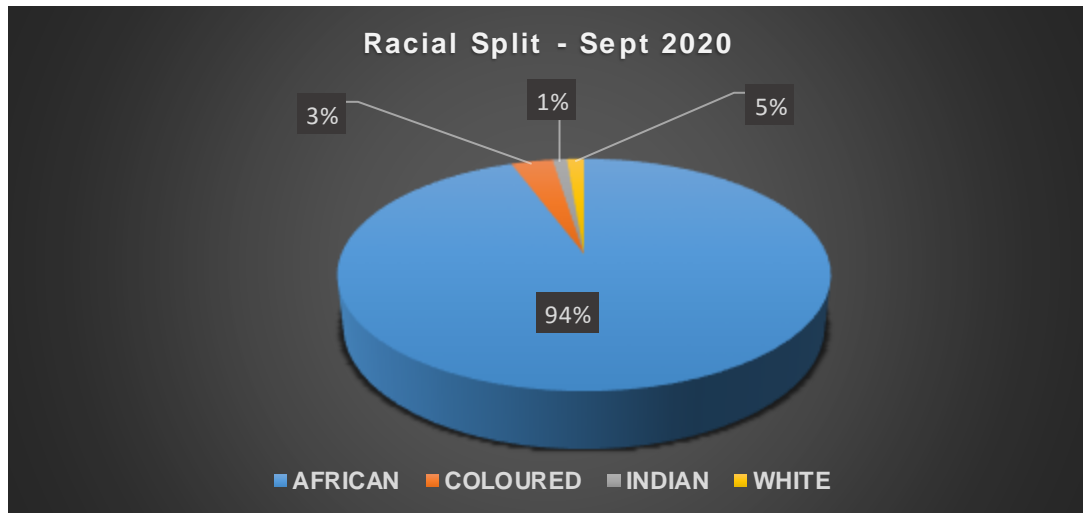
Provincial Economic Active Demographic Population (EADP)

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

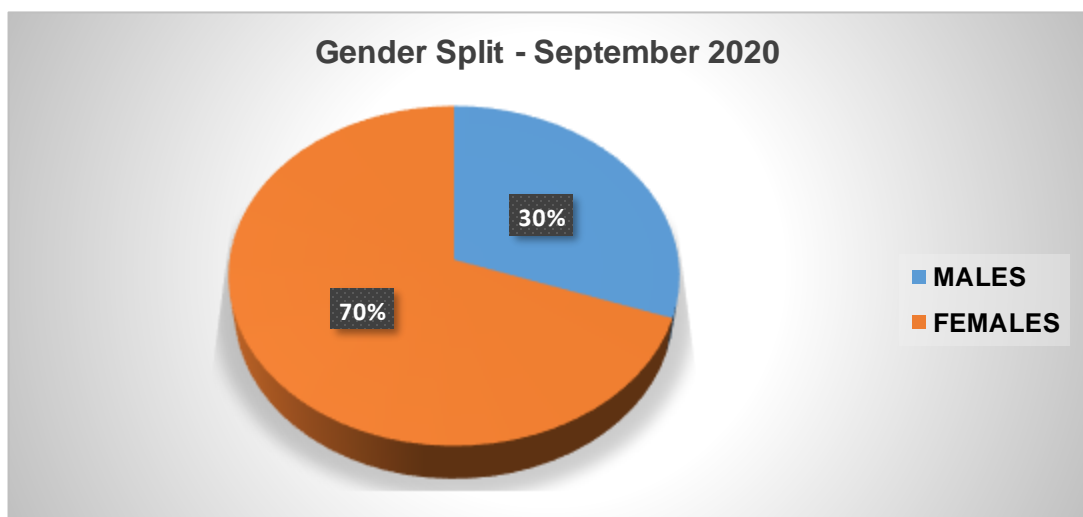
Overall Racial Split	RACIAL SPLIT			
	A	C	I	W
Actual	94%	3%	1%	5%
Target	81%	3%	3%	14%
Gaps	13%	0%	-2%	-9%

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

Racial Split per population groups in line with Economic Active Demographic Population



GENDER SPLIT



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

Section 5: Skills Development

TRAINING IMPLEMENTED PLAN FOR PERIOD UNDER REVIEW

In light of the COVID19 pandemic and ensuring the safety of the employees by adhering to the regulations, a mixed mode learning methods were adopted to accommodate employees in all occupational levels. The mixed mode approach will be continuously implemented to adhere to the new norm.

The following interventions were successfully implemented in Q1 under COVID-19 lockdown levels 3 and 2 alerts. Virtual and smaller group platforms was utilised which allowed employees to attend training while at home and at their offices.

PROGRAMME/ COURSE	NUMBER OF BENEFICIARIES
COVID19 webinars	9
COVID-19 Awareness Workshops (in-house)	23
TOTAL	32

The above programmes were implemented to achieve the following objectives:

- Create awareness and capacitate management team on current COVID19 regulations and its impact on employees on the workplace and what measures can be implemented to support employees to cope with challenges brought by the pandemic.
- Create COVID19 awareness to all Health and Safety representatives (First Aiders, Firefighters reps, Safety Officers). The intention was for all OHS reps to assist management in conducting COVID19 awareness workshops in their respective work areas to ensure that all employees returning to work are aware of the safety and behavioural protocols to curb spread of the virus.

LEARNERSHIPS AND GRADUATES INTERNSHIP PROGRAMME

In compliance with the COVID19 pandemic protocols and a way of implementing precautionary measures to prevent and minimise the contracting and spreading of the virus among its workforce, and maintain good social distance, the JPC management has taken a decision that Interns must remain at home will only be fully back at work during level 2.

Interns are expected to return to work 01 October 20 to proceed with internship developmental activities in consultation with their mentors to adhere to COVID19 protocols and precautionary measures to prevent the spread of the virus.

Section 6: Performance Management

During the period under review EXCO's performance scorecards have been set for 2020/2020 financial year.

Section 7: Disciplinary Matters and Outcomes

There were no formal disciplinary matters held during this period under review.

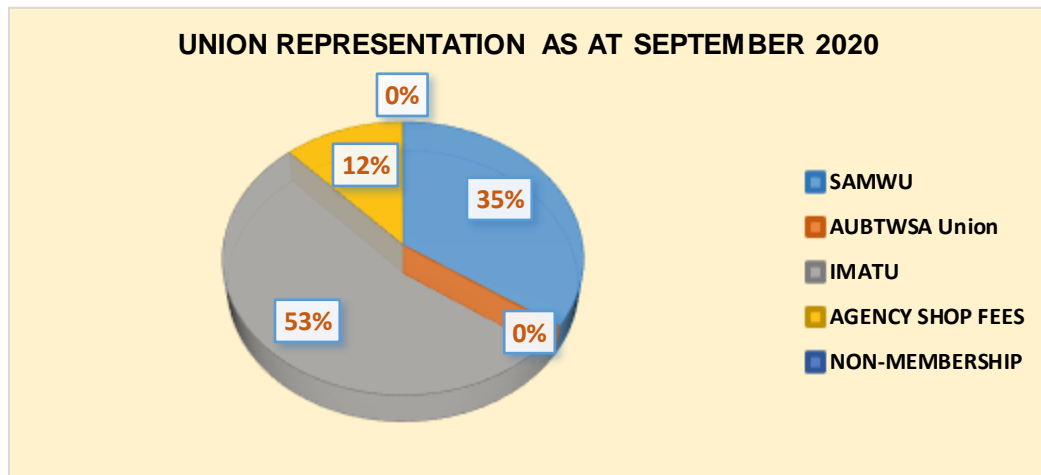
DISPUTES

Case Description	Outcome
Two Conciliations were held for referrals of unfair dismissal and unfair labour practise	Awaiting notice of set down for arbitration from the South African Local Government Bargaining Council (SALGBC)
Two unfair dismissal arbitrations were set down	One is part heard and will continue on 22 nd October 2020 and for the other, a jurisdictional ruling was made in favour of the JPC.
<i>In limine</i> condonation application	Awaiting outcome from the SALGBC.

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

1. The JPC raised a jurisdictional point *in limine* for lack of jurisdiction and was successful.
2. A condonation application for the late referral of a constructive dismissal matter was argued on 25th September 2020. The Bargaining Council will deliver its ruling within 14 days.
3. One arbitration for an alleged unfair dismissal as a result of a section 189 dismissal is part heard and is set down for 22nd October 2020.
4. Two conciliations were heard and the JPC is awaiting notices of set down for arbitration from the Bargaining Council.

UNION REPRESENTATION



The union representation and membership graph above shows that from a staff complement of 1711, 35% belongs to SAMWU, 53% belongs to IMATU and 0% AUBTWSA and 12% fall within the Agency shop fees.

Section 8: Leave and Productivity Management

LEAVE PROVISION: FIRST QUARTER PERIOD (JULY TO SEPTEMBER 2020)

The leave liability amount based on the annual leave balances as at end September 2020 amounts to **R27 059 410.06**. The leave liability amount indicates a slight increase in comparison to the previous months. The slight increase relates to the 2 days leave accumulation per month.

The table below illustrates the monthly leave liability amounts: (Jul-Sept 2020)

Q1 Leave Provision: July - September 2020		
MONTH	LEAVE DAYS	AMOUNT
Jul-19	R9603.00	R22 064 325.68
Aug-19	R10 242.00	R27 987 066.15
Sep-19	R11 032.00	R27 059 410.06
TOTALS	R30 875.97	R74 110 801.89

Leave Encashment for the Fourth Quarter review: (July to September 2020)

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

The table below illustrates the monthly leave encashment: (Jul-Sept 2020)

Leave Encashment: First Quarter 2018/2020 (Jul - Sep 2020)

MONTH	LEAVE DAYS	AMOUNT
01-Jul	NIL	R0.00
01-Aug	NIL	R0.00
01-Sep	241	R421 795.44
Totals	241	R421 795.44

The table above indicates the monthly leave encashment during the Q1. Employees' encashed a number of 241 non-compulsory days at total costs of **R421 765.44**. Employee's encashed in September 2020 due to them accumulating a high number of non-compulsory leave days that they couldn't utilise because of lockdown restrictions which they stand to forfeit.

ABSENTEEISM: FIRST QUARTER PERIOD (JULY – SEPTEMBER 2020)

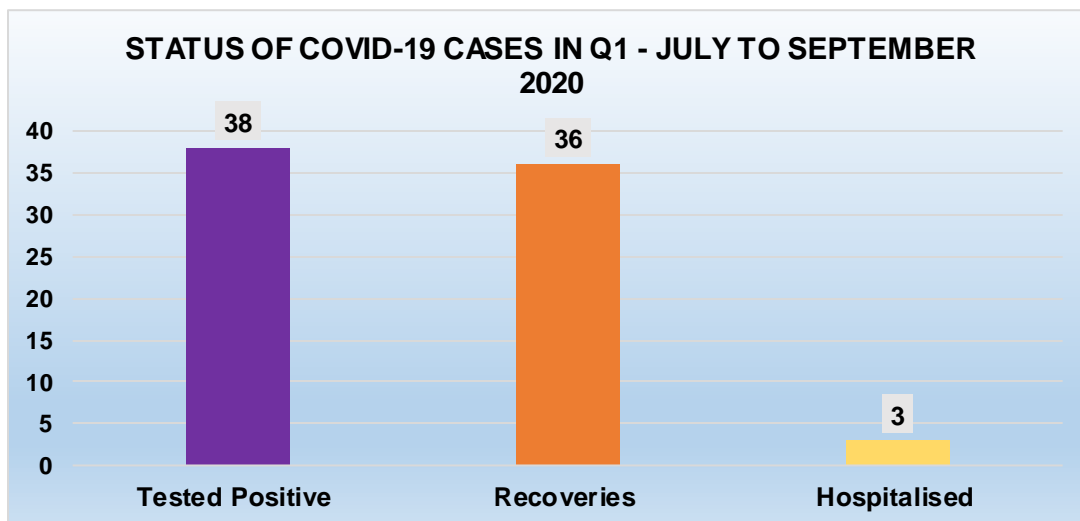
DEPARTMENT	Number of Staff taken Sick leave	Total Sick Days Taken	% Absenteeism
Office of the CEO			0.00%
Finance & SCM			0.00%
Information Technology			0.00%
Client Business Operations	9	70	1.29%
Corporate Services	10	16	0.30%
Outdoor Advertising			0.00%
Portfolio Management	3	7	0.13%
TOTALS	22	93	1.72%

The above table illustrates the absenteeism rate per department. In contrast to the norm of 1.5%, JPC shows a slightly high absenteeism rate of **1.72% at 93 sick** leave days in Q1. This is due to the Covid-19 pandemic which enforced regulations that required employees with comorbidities to work from home. JPC has a COVID-19 task team which consists of three (3) professional occupational nurses who offer continuous support to employees who return back to work. This will help manage the risk of COVID-19 infections in the workplace, manage the absenteeism rate and increase the productivity level within the organisation which will ensure that the business meets its strategic objectives.

Section 9: Employee Wellness

MANAGEMENT OF COVID-19

The graph below is indicative of the status of COVID-19 cases experience in the first quarter.



- 38 employees tested positive
- 36 employees have recovered and 2 are still in quarantine and recovering at home.
- 3 employees were hospitalised, 2 have fully recovered, and 1 has been discharged and still recovering at home.

Employees who tested positive received regular telephonic counselling and health tips from qualified professional health nurses while recovering at home. Fortunately, there have been no bereavements during this period under review. The recovery rate is an indicator that the risk of the virus spread is well managed by the organisation through precautionary measures taken by employees and adherence to compliance regulations.

HEALTH DECLARATIONS

One hundred and eighty-eight (188) employees have disclosed that they have underlying health conditions which are a risk to COVID-19 infections, with the prevalence being hypertension. Line managers were advised to manage the risks associated with these employees by allowing those who can work from home to continue to do so and to ensure that the necessary protective arrangements are made for those who cannot work from home.

On a positive note, one hundred and sixty (160) employees have confirmed that they do not suffer from any disease, which would render them a risk to COVID-19.

With the move to alert level one of lockdown, more employees will be returning to the workplace and the wellness unit anticipates the receipt of more health declarations. The easing of the regulations in respect of gatherings will also allow mass health screening to take place in order to determine the health prevalence of JPC employees.

WOMEN'S MONTH COMMEMORATION

JPC commemorated National Women's day by encouraging all employees to be mindful of the necessity for women empowerment, emancipation and the promotion of gender equality. Due to the restrictions imposed on gatherings, a communicate was sent out to all employees encouraging them to attend the following events, featured on webinar's and social media platforms such as Facebook, YouTube and Twitter.

WEBINAR	DATE	TIME
Webinar with South African Women in Construction (panel host Ms Helen Botes)	Monday 10 August 2020	10h00 to 12h00
Webinar Youth in Property featuring Ms Amelia Beattie and Ms Sindi Mabaso-Koyana	Monday 10 August 2020 Instagram @YIPA-SA	14h00 to 15h00
The effects of alcohol abuse on women hosted by Speaker Cllr Nonceba Molwele	19 August 2020 Facebook, YouTube, Twitter.	18h00pm

HERITAGE DAY

Heritage Day is more than just a public holiday. It is a day where all South Africans celebrate their unique cultures. As diverse as our cultures and backgrounds may be, Heritage Day is all about bringing people together in diversity. In answering the call from the President of South Africa to celebrate Heritage Day with the **"Jerusalema Song Best Dance Challenge"** employees were encouraged to arrive at work on Wednesday, 23rd September 2020 in their traditional outfits, embracing their different cultures and participate in the dance challenge. In collaboration with the JPC Marketing and Communications Department, forty-seven employees participated in the challenge with the winning group walking away with a cash prize of Two Thousand Rand (R2000.00).

Section 10: Employee Benefits

The table below indicates the pension funds membership distribution as at end September 2020:

PENSION FUND MEMBERSHIP	TOTAL	REMARKS
E-Joburg Retirement Fund	1648	Defined Contributions
City of Joburg Pension Fund	52	Defined Benefits
Municipal Employee Pension Fund	7	Defined Contributions
Municipal Gratuity Pension Fund	6	Defined Contributions
Joint Municipal Workers Pension Fund	1	Defined Benefits
Non-Membership	1	Not compulsory
TOTAL	1715	

The table above demonstrates the membership distribution of JPC to the accredited pension funds. This condition is compulsory to all JPC employees with the exception of the Chief Executive Officer and temporary employees. In terms of the salary and wage collective agreement, the pension fund condition ordinarily increases by virtue of the salary increase of 6.25% and related linked benefits.

The Accredited Medical Aid Schemes membership distribution as at end September 2020 is as follows:

MEDICAL AID SCHEME	MEMBERSHIP
BONITAS	127
DISCOVERY	17
HOSMED	60
KEYHEALTH	12
LA HEALTH	110
SAMWUMED	88
TOTAL MEMBERSHIP	414

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



Chapter 5: Financial Performance

Section 1: Statement of Financial Position and High Level Notes

STATEMENT OF FINANCIAL POSITION FOR JPC FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Assets	Note	2021	2020	Variance
Current assets		496 186 281	667 041 931	-170 855 650
Cash and cash equivalents	1	2 000	2 000	-
Receivables from exchange transactions	2	478 429 160	657 775 116	-179 345 956
Loans to shareholders	3	17 528 220	8 960 950	8 567 270
Receivables from non-exchange transactions	4	2 939	2 939	-
Prepayments	5	223 962	300 926	-76 964
Non-current assets		58 533 467	60 725 380	-
Property, plant and equipment	6	19 725 434	21 875 012	-2 149 578
Intangible assets	7	13 991 373	14 033 708	-42 335
Prepayment	8	24 447	24 447	-
Deposits	9	182 092	182 092	-
Deferred Tax Asset	10	17 751 894	17 751 894	-
Current tax receivable	11	6 858 227	6 858 227	-
Total Assets		554 719 748	727 767 310	-170 855 650
Liabilities				
Current Liabilities		550 854 018	715 585 407	-164 731 389
Payables from exchange transactions	12	116 042 196	327 689 181	-211 646 986
Finance lease obligation	13	2 350 066	4 183 102	-1 833 036
Loans from shareholders	14	417 451 997	368 703 364	48 748 633
Provisions	15	3 096 951	3 096 951	-
Operating lease liability	16	11 912 809	11 912 809	-
Non-Current Liabilities		1 233 120	1 233 120	-
Finance lease obligation	13	547 120	547 120	-
Employee benefit obligation	17	686 000	686 000	-
Total liabilities		552 087 139	716 818 527	-164 731 389
Net Assets		2 632 609	10 948 783	-8 316 174
Share Capital	18	5 142 721	5 142 721	-
Accumulated Surplus/(Deficit)	19	-2 510 112	5 806 062	-8 316 174
Total Net Assets / (Liabilities)		2 632 609	10 948 783	-8 316 174

High Level Notes:

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

Section 2: Statement of Financial Performance

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Note	Actual	Year-to-date Budget	Variance	Annual Budget
Revenue					
Revenue from non-exchange transactions		149 057 250	149 057 311	61	596 229 243
COJ - Subsidies received	1	149 057 250	149 057 311	61	596 229 243
Revenue from exchange transactions		9 215 728	93 102 000	83 886 272	372 408 000
Internal Recoveries	2	728 435	50 484 250	49 755 815	201 937 000
Commission on Portfolio Rentals	3	2 984 654	15 512 250	12 527 596	62 049 000
Commission on Outdoor Advertising	4	1 457 523	4 312 500	2 854 977	17 250 000
Assets Under Management Fees	5	1 750 000	1 750 000	-	7 000 000
Facilitation Fees - Inner City	6	1 500 000	7 500 000	6 000 000	30 000 000
Facilitation fees	7	-	10 644 500	10 644 500	42 578 000
Ad hoc Fees	8	94 700	-	-94 700	-
Cell Mast	9	700 416	2 898 500	2 198 084	11 594 000
Other income		-	-	-	-
Interest received	10	-	-	-	-
Total Revenue		158 272 978	242 159 311	83 886 333	968 637 243
Expenditure					
Board of directors fees and expenses	11	244 264	700 000	455 736	2 800 000
Office operational expenses	12	43 586 180	88 097 741	44 511 561	352 390 963
Contracted expenses	13	1 318 165	6 715 500	5 397 335	26 862 000
Cleaning materials	14	-	7 869 500	7 869 500	31 478 000
Repairs & Maintenance	15	215 401	22 886 250	22 670 849	91 545 000
Salaries	16	119 033 357	102 547 790	-16 485 567	410 191 160
Travel	17	-	134 500	134 500	538 000
Interest Paid	18	-	9 675 000	9 675 000	38 700 000
Depreciation	19	2 191 785	3 533 030	1 341 245	14 132 120
Loss on disposal of assets	20	-	-	-	-
Total expenditure		166 589 152	242 159 311	75 570 159	968 637 243
(Deficit)/surplus before taxation		-8 316 174	-	8 316 174	-
Taxation		-	-	-	-
Net (Deficit)/Surplus		-8 316 174	-	8 316 174	-

High Level Notes:

1. Subsidy provided to JPC for the 2020/21 financial year.
2. Internal recoveries relates to management fees for the insourcing of cleaning services, R&M, and CAPEX projects undertaken on behalf of the COJ and its departments.
3. The COJ Rental Collection Commission, Servitudes and Rates & Taxes is 80.76% below the budget, this is in line with rental collections in Portfolio. There is currently an undertaking to renew leases, this will increase the amount of revenue Portfolio can collect and the commission receivable by JPC.
4. The Commission on Outdoor Advertising is 66.20% below the budget, this is in alignment with collections in Portfolio.
5. Relates to Asset Under Management fee for the administration of the COJ's assets.
6. Relates to Facilitation Fees for the Inner City rejuvenation. For the YTD only one transaction has transpired.
7. Relates to development facilitation fees. For the YTD no transactions have transpired.
8. Ad hoc fees relate to services provided by JPC to City Power and Johannesburg Water for property acquisitions.
9. Cell Mast is in line with the contract signed between JPC and Altivex.
10. No interest has accrued to JPC in Q1 as the bank account remains in overdraft.
11. Directors' emoluments and expenditure is 65.11% above the budget. This is in line with the number of meetings scheduled for the YTD.
12. Operational expenditure is 50.53% below the YTD budget. Cost management measures have been implemented to manage expenditure. Operational expenditure is expected to increase significantly from Q2 onwards.
13. Contracted expenditure is 80.37% below the budget. Contracted expenditure is expected to increase significantly from Q2 onwards as services for internal and external audit are utilised.
14. No cleaning materials have been procured in Q1 as materials were procured in bulk in Q4 of the 2020 financial year.
15. Repairs & Maintenance is 99.02% below the YTD budget. This will increase towards the beginning of Q3 and Q4 as projects will be confirmed and undertaken by JPC for corporate buildings and COJ departments.
16. Salary expenditure is 16.08% above the budget. Cleaning staff were paid their 13th cheques in Q1 and significantly increased the quarterly expenditure for employee costs.
17. No travel expenditure has been incurred for the YTD.
18. Interest on the overdraft could not be accounted for as the COJ could not provide JPC's Finance with a sweeping interest calculation by the cut-off date for the preparation of financial statements.
19. Depreciation is 37.96% below the budget. This is in line with the fixed asset register.
20. No assets were disposed in Q1.

Section 3: Cash Flow Statement

Cash flows from operating activities

	2021	2020
Rendering of services	188 561 683	-67 601 856
Subsidies	149 057 250	648 507 528
Interest Income	-	74 073
	337 618 933	580 979 745

Payments

Employee costs	-119 033 357	-379 350 059
Suppliers	-256 933 904	-200 584 801
Finance costs	-	-18 175 219
Taxes on surpluses	-	-
	-375 967 260	-598 110 079

Net cash flows from operating activities

-38 348 328 **-17 130 334**

Cash flows from investing activities

Purchase of PPE	-	-944 775
Proceeds/(Loss) on disposal of PPE	-	-
Purchase of intangible assets	-	-35 036
Payment of deposits	-	-
Net cash flows from investing activities	-	-979 811

Cash flows from financing activities

Net movement of shareholders loan	40 181 363	25 511 098
Finance lease payments	-1 833 035	-7 400 953
Net cash flows from financing activities	38 348 328	18 110 145

Net increase/(decrease) in cash and cash equivalents

- -

Cash and cash equivalents at 01 July 2020

2 000 **2 000**

Cash and cash equivalents at 30 September 2020

2 000 **2 000**

	NOTE REF	ACTUAL September-20	ACTUAL September-19	VARIANCE
ASSETS		-	-	
NON-CURRENT ASSETS		-	-	-
Prepayment - Outdoor Advertising commission - JPC	9	-	-	-
CURRENT ASSETS		366 899 300	275 349 871	91 549 429
Trade and other receivables		265 197 120	225 231 272	39 965 847
Debtors - Rentals	1	141 044 185	148 872 930	(7 828 745)
Doubtful Debts - Move Provision	1	(47 655 156)	(47 655 156)	-
Debtors - Other: COJ	2	8 426 458	8 652 646	(226 187)
Debtors - Land Sales	3	281 993	303 172	(21 179)
COJ Portfolio - VAT Claim/Payable Account	4	-	-	-
COJ Departments Debtors	5	11 278 995	-	11 278 995
JPC Portfolio Loan Account	16		3 122 817	(3 122 817)
Capital Expenditure: Current Year	10	1 872 356	9 228 691	(7 356 335)
Capital Expenditure: Prior Year	10	149 948 288	102 706 172	47 242 116
Cash and cash equivalents		101 702 181	50 118 599	51 583 582
STD/ABSA COJ Loan Account - Bank Sweeping	6	-	-	-
STD/ ABSA Bank: JRA Portfolio Account	7	81 873 059	31 491 384	50 381 676
STD/ABSA Bank - Tenant Deposit Account	8	19 829 121	18 627 215	1 201 906
		366 899 300	275 349 871	91 549 429

**EQUITY AND LIABILITIES
EARNINGS AND RESERVES**

	72 825 761	59 121 162	13 704 598
Retained Income - Prior Year	58 081 887	44 254 157	13 827 730
Current Period Surplus/(Deficit) To End Prior Month	14 743 873	14 867 005	(123 132)
Surplus/(Deficit)	12 296 508	10 965 899	1 330 609
Current Month Surplus/(Deficit)	2 447 366	3 901 106	(1 453 740)

CAPITAL AND RESERVES

	72 825 761	59 121 162	13 704 598
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NON CURRENT LIABILITIES

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

CURRENT LIABILITIES

Trade and Other Payables	294 073 540	216 228 709	77 844 831
STB COJ Loan Account - Bank Sweeping	247 971 965	154 816 626	93 155 339
COJ Portfolio - VAT Claim/Payable Account	1 383 214	647 279	
Accruals	1 365 725	30 779 740	(29 414 016)
Receipts In Advance - Rentals	12 128 229	12 815 935	(687 706)
Deposits Received: Tenants	11 538 828	14 382 537	(2 843 709)
JPC Portfolio Loan Account	17 242 226	-	4 426 292
Property Portfolio Loan: MOE's Prepaid - Deposit received on land sales	59 425	294 072	(14 323 112)
Creditor (Solar Street Names)	348 683	457 276	54 611
Creditor (Khulu Outdoor)	1 944 008	1 944 008	1 486 732
Unallocated Debtor Receipts	91 237	91 237	(1 852 770)
	-	-	
	366 899 300	275 349 871	91 549 429

High Level Notes:

1. Debtors balance as per age analysis.
2. This relates to rental accommodation of Councillors, Community Participation Projects. It was agreed with COJ that the JPC Portfolio will pay for the monthly rentals for the office space and in turn the City will refund Portfolio for expenses incurred.
3. Land sales transferred from COJ to Clients but the full purchase price has not been paid, follow ups were made by Credit Control when the clients did not respond/pay the outstanding balance they were handed over to the Legal Team.
4. The VAT generated by the Portfolio is declared to the COJ each month. The VAT is consolidated in the COJ's VAT return, which is in turn submitted to the S A Revenue Services.
5. COJ Departments Debtors as follows: COJ GSPRC: R11 278 995. Community Based Projects.
6. The COJ STD Bank account reflects the sweeping of cumulative funds between the COJ Portfolio Bank Account to the COJ Treasury account, currently COJ Departments are delaying payments for work done and as a result the bank is in overdraft.
8. The amount reflects Tenant deposits held in the COJ Tenant Deposit Account including interest as well as payments received for the Rissik Post Office insurance claims.
10. Capital expenditure has not been incurred, an amount of R149 948 287.70 still has to be paid from the CoJ for the financial year ended 30 June 2020. The budget allocated for the year amounts to R147 980 655 for the year 2020/2021.
13. All accruals raised at 30 June 2020, of the amount raised in June R87 811 155.83 has been paid.
14. This item reflects rental paid in advance for the next 30 years by RMB properties which is allocated on a straight line basis, 15 years still remaining on the contract.
15. The amount reflects Tenant Deposits held and Rissik Post Office Insurance paid in the COJ Portfolio Trust account excluding interest earned.
16. The JPC Loan account reflects the commissions due to JPC, 25% on Rentals, 10% on Land Sales and 10% on Capex Projects, and includes amounts received and paid on behalf of the COJ Portfolio. Offsetting in this regard was not taken into account thus JPC owes the Portfolio.
17. The Property Portfolio Loan account reflects amounts due to MOE's based on the income received and expenses paid on their behalf. MOE's Rentals are paid into JPC Main Account and are normally paid over to MOE's the following month.
20. Payments received from Solar Street names, no contract exists thus amounts are due and payable to clients.
21. Payments received from Khulu Outdoor, no contract exists thus amounts are due and payable to clients.
22. Unallocated receipts received in the JPC Portfolio Bank Account, amounts cannot be allocated due to insufficient information for example lease agreements, unclear transaction description.

	NOTE	ACTUAL YTD	BUDGET YTD	VARIANCE YTD	APPROVED BUDGET
		2020/21	2020/21	2020/21	2020/21
INCOME / BILLINGS					
Rent of Facilities and Equipment	1	17 147 182	26 282 000	-9 134 818	105 128 000
Interest Received - Arrear Debtors	2	999 892	878 750	121 142	3 515 000
Other Income	3	-450 499	3 000 000	-3 450 499	12 000 000
Recoveries: Bad Debts - COJ	4	-	-	-	-
Outdoor Advertising - COJ	5	5 179 760	37 500 000	-32 320 240	150 000 000
Gains on Disposal of Assets	6	-	8 250 000	-8 250 000	33 000 000
TOTAL INCOME		22 876 336	75 910 750	-53 034 414	303 643 000

	NOTE	ACTUAL YTD	BUDGET YTD	VARIANCE YTD	APPROVED BUDGET
		2019/2020	2019/2020		2019/2020
EXPENDITURE					
Contacted Services: Business Advisory PM	7a	-	1 948 056	1 948 056	7 792 222
Contacted Services: Business Advisory Research	7b	-	3 476 249	3 476 249	13 904 994
Contacted Services: Business Advisory Valuer	7c	-	657 696	657 696	2 630 784
RM: Buildings	8	-	16 186 250	63 538 000	64 745 000
Bad and Doubtful Debts	9	-	526 750	526 750	2 107 000
Advertising, Publicity and Marketing	11	-	780 000	780 000	3 120 000
General Expenses: Assessment Rates	10	-	1 247 500	1 247 500	4 990 000
General Expenses: Refuse Removal	10	-	1 540 000	1 540 000	6 160 000
General Expenses: Sundries	10	261 413	655 000	393 587	2 620 000
Internal Recoveries: JPC Commission	12	5 566 357	21 574 750	16 008 393	86 299 000
Internal Recoveries: Internal Charges Core- security	13a.	-	9 321 250	9 321 250	37 285 000
Internal Recoveries: Internal Charges Legal	13b.	-	1 811 000	1 811 000	7 244 000
Internal Recoveries: Internal Charges Cleaning	14	2 304 692	10 403 500	8 098 808	41 614 000
Depreciation: Other Assets	15	-	132 750	132 750	531 000
TOTAL EXPENDITURE		8 132 462	70 260 750	99 437 480	281 043 000
SURPLUS / (DEFICIT)		14 743 873	5 650 000	9 093 873	22 600 000

High Level Notes:

1. COJ Rentals: The overall revenue anticipated from the rentals collection is 35% below the targeted budget. Delays in the approval of reports by EAC has resulted in the lease renewal period being longer than the average 3 months it takes for a lease to be renewed. Delays in council approvals for potential new leases has also stifled income received from the rental of facilities and equipment.
2. This item reflects interest charged on overdue tenant accounts. The interest generated on the debtor's accounts 14% above the targeted budget.
3. Other income is derived from servitude rights and income billed for services rendered on behalf of COJ Department. Income derived from servitude is 100% below the budget.
4. No income recognised for the month of September 2020.
5. After the approval by Council of a transitional period, JPC obtained EAC awards for a number of advertising contracts that have lapsed where the City was no longer collecting any revenue. These contracts will only be effective upon approval or exemption of sites by the City in terms of the 2009 Outdoor Advertising By laws. The sector is one of the hardest hit when the country went on to lockdown due to the Covid 19 pandemic hence revenue is forecasted to remain low until such time that the economy improves.
6. No income recognised for the month of September 2020.
- 7a. Contacted Services: Business Advisory PM no expenditure this month.
- 7b. Contacted Services: Business Advisory PM no expenditure this month.
- 7c. Contacted Services: Business Advisory PM no expenditure this month.
- 8a. Repairs and maintenance of buildings within the COJ Property Portfolio expenditure incurred in the month on September 2020, spending is currently below the budgeted YTD.
9. No expenditure recorded in the financial.
10. General Expenses: Other Expenditure- electricity charges paid for Bara Facility, monthly charges thus spending currently below budgeted YTD.
11. Advertising, Publicity and Marketing- no expenditure.
12. Internal Recoveries: JPC Commission indicates a saving of 74% against the budget indicating the security expenses are within budget. Delay in the conclusion of new leases, lease renewals, servitude registrations and land sales has resulted in the drop in commission payable to JPC.
- 13a Internal Recoveries: Internal Charges Core- security no expenditure this month
- 13b Internal Recoveries: Internal Charges Core- legal no expenditure this month
14. Internal Recoveries: Internal Charges Core- cleaning insourcing, amounts due and payable to JPC for provision of cleaning services as the various informal and formal trading facilities.
15. No expenditure recorded in the financial.

Section 4: Capital Projects & Expenditure

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

Section 5: Ratios Analysis

PART A - JPC

LIQUIDITY RATIO

JPC is currently owed R478.4 million from trade and intercompany debtors with cash collections in excess of R188 million being achieved for Q1 of the new financial year. JPC has a current ratio of 0.90:1 as compared to the norm of 1:1, the ratio remains stagnant around this benchmark as cash was utilised in the first quarter to settle accruals from the June 2020 financial year end and to account for employee costs related to the insourcing of cleaning. The result of which is the sweeping account currently reflecting as negative R121.7 million. It is improbable nor prudent for JPC to consider settling intercompany creditors and loans until the cash position of the entity has stabilised. However, the cash position will improve as collections from related parties will increase throughout the 2020/21 financial year. Further to this, JPC will recover employee costs from the COJ's departments for cleaning services provided from September 2019; this will increase the liquidity and solvency of JPC.

DEBTORS COLLECTION PERIOD

JPC has debtors' collection ratio in excess of two years for 3rd party/external debtors. Collection of third party debtors have declined significantly due to the timing difference for the receipt of cell mast income and the non-recovery of facilitation fees for the 2019 and 2020 financial years. The debtors' collection ratio for intercompany and related party debtors is 188 days. The intercompany debtors' collection ratio is due to the timing differences

in the collection of intercompany debtors and non-payment by COJ departments and other MOE's.

SOLVENCY RATIO

JPC has a solvency ratio of 1.01:1 against the norm of 2:1 and is factually solvent, whereby the financial statements indicate that there are sufficient assets to cover all liabilities. The solvency position improved due to profits from the 2019 and 2020 financial years, however, the position is still vulnerable to fluctuations as expenditure raised will have to be matched and exceeded by revenue generated in the coming quarters.

COST COVERAGE RATIO

Due to the negative cash flow of JPC, the cost coverage ratio is negative 8.89:1. However, the ratio is not a true reflection of JPC's operational expenditure as R&M related to and expensed by the COJ is paid for by JPC. Cash has also been used to pay for accruals related to the 2020/21 financial year.

CREDITORS PAYMENT CYCLE

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

PART B - CoJ-JPC Portfolio

LIQUIDITY RATIO

CoJ-JPC Portfolio has current ratio of 1:1 as compared to the norm of 2:1, with a negative cash flow of R248 million for the period under review as compared to a positive cash flow of R154.8 million for the same period in the 2020/21 financial year. Intercompany debtors currently owe Portfolio R163.1 million. This accounts for 44.5% of the total assets of Portfolio. The financial risk posed to JPC is substantial as the non-recovery of the outstanding debt has a negative impact on the cash position and liquidity. Average monthly collection is between R9m – R12m that is sufficient to cover average monthly expenditure.

CASH COLLECTION RATE

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

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

SOLVENCY RATIO

CoJ-JPC Portfolio has a solvency ratio of 1.25:1 against the norm of 2:1 and is currently solvent. The CoJ-JPC Portfolio Financials indicate that there are sufficient assets to cover all liabilities despite not meeting the ratio norm.

DEBTORS COLLECTION PERIOD

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

COST COVERAGE RATIO

Portfolio has a cost coverage ratio of negative 46:1. This is due to a negative sweeping account balance of R255.2 million and average monthly expenditure being R5.4 million. The Portfolio predominantly utilises its cash for CAPEX spend and recovery from the COJ is dependent on the completion and verification of the projects.

CREDITORS PAYMENT CYCLE

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

Section 6: Supply Chain Management and BBBEEE

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

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

Black Economic Empowerment Act, Preferential Procurement Policy Framework Act and other Codes promulgated thereunder in the Government Gazette.

Deviations

JPC Entity

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

City Portfolio

There are no deviations

Payment within 30 days

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

Section 7: Fruitless and Wasteful Expenditure

DESCRIPTION					CORRECTIVE MEASURES			
UNAUTHORISED EXPENDITURE	IRREGULAR EXPENDITURE	FRUITLESS & WASTEFUL EXPENDITURE	ESTIMATED AMOUNT	CATEGORY		DISCIPLINARY ACTION	CRIMINAL CHARGE	OTHER
None	None	Yes	R4 953 895	Rental		None	N/A	N/A

During the 2019 financial year audit the Audit General of South Africa (AGSA) found that five of the six floors in Forum 1 were unutilised, with only Group Governance in occupation of the 6th floor. The AGSA considered rental and parking less the recovery for rental from Group Governance to conclude on an amount that should be declared and disclosed by JPC as fruitless and wasteful expenditure for the unutilised floor space for the 2019 financial year. Using a similar assumption for the calculation of fruitless and wasteful expenditure, JPC has incurred R4 953 895 for the YTD. From the 1st of September 2020 JPC has taken occupation of Forum 1; however, Forum 2 remains vacant and has been classified as fruitless and wasteful from September until a tenant occupies the building or the lease is terminated.

Section 8: Pending Litigations and Possible Liabilities

JPC Entity: None

City Portfolio

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

Section 9: Insurance Claims against / to JPC

JPC Entity: None

City Portfolio

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

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

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



Chapter 6: External Audit Outcome

Section 1: Results of Internal Audit

The three year rolling internal audit plan is reviewed and approved annually by the Audit and Risk Committee (ARC) after taking into account both strategic and operation risks of the entity. ARC approved the annual plan during the meeting held on 20 January 2020. JPC successfully established a panel of 15 service providers to assist the General Manager: Internal Audit, execute the full internal audit plan. Progress in respect of Approved Audit plan:

#	Auditable area	Timing as per plan	Status
1	Audit of Predetermined Objectives (Q1,2,3 and 4)	Quarterly, a month after end of the quarter.	Finalised
2	Contract Management	February 2020	Finalised
3	Capital budget spend / commitments	May 2020	Finalised
4	Service Level Standards	Quarterly, a month after end of the quarter.	Finalised
5	Financial statement review	August 2020	Audit at finalization stage.
6	Use of panel	March 2020	Finalised
7	Supply Chain Management	April 2020	Finalised
8	Anti-Fraud and Corruption	May 2020	Finalised
9	Related parties	July 2020	Audit moved to be executed in quarter one of 2021 Financial Year: Audit in progress
10	Strategic Human Resources	February 2020	Finalised
11	Human Resources Management	April 2020	
12	Revenue Management	April 2020	Finalised
13	Compliance	March 2020	Audit moved to be executed in quarter one of 2021 Financial Year: Audit in progress
14	Stakeholder Management	February 2020	Finalised
15	Information Technology	May 2020	Finalised
16	OHASA Audit	April 2020	Audit moved to be executed in quarter one of 2021 Financial Year: Audit in progress

Section 2: Progress on the Resolution of Internal Findings

All internal audit findings older than 60 days will be included in the Operation Clean Audit (OPCA) report, which will be presented at Executive Committee meeting, ARC and submitted to the City for further scrutiny. JPC does not have any unresolved internal audit finding to include in the OPCA report.

Section 3: Progress on the resolution of External Audit Findings

The Auditor General of South Africa (AGSA) finalised the 2018/19 audit and issued their audit and management report letter on 30 November 2019. The AGSA findings indicated that the financial statements presented were fair in all material respects, including the financial position of the City of Joburg Property Company (SOC) Ltd as at 30 June 2019 and its financial performance and cash flows for the specified year that ended. No material findings identified the usefulness and reliability of the reported performance information. There were three instances of non-compliance where key legislation was concerned, as set out in the general notice issued in terms of the Public Audit Act.

The three non-compliance issues identified by AGSA were as follows:

- Material Misstatement in the annual financial statement, which arose from the calculation error on straight lining of operating leases. The issue was resolved prior to finalising of the audit, hence the

conclusion on fair presentation as stated above. AGSA audit report issued to JPC indicates a “clean audit” for a third consecutive time.

- Consequence management finding relating to steps not taken to investigate allegations made in a timely manner. This relating to investigations done by Group Forensic Investigation Services (GFIS). National Treasury indicated that there must be an allegation against an employee first, before MFMA section 172(3) is triggered. National Treasury further indicated that there will be a non-compliance with this section until a disciplinary board is formed to investigate financial misconduct.
- Non-compliance with SCM, as one service provider was erroneously not included in the panel. The panel that was rendered irregular by AGSA has been terminated and new panels created.

The dashboard for unresolved external audit findings is as follows:

Category	Total as at Nov 2019	Resolved As at June 2020		Unresolved	
		#	%	#	%
Matters affecting the auditor's report	5	4	80%	1	20%
Other Important matters	34	32	94%	2	6%
Administrative matters	1	1	100%	0	0%
Total	40	37	92%	3	8%

Section 4: State of the Internal Controls

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