



a world class African city



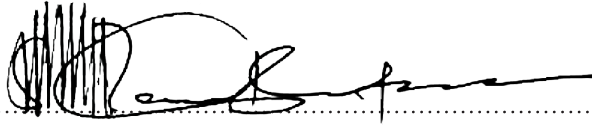
“
WE DELIVER
**AFFORDABLE AND
SUSTAINABLE**
SOCIAL HOUSING IN
JOBURG
”

JOHANNESBURG SOCIAL HOUSING COMPANY (SOC) Ltd
DRAFT BUSINESS PLAN
2021/2022
FINANCIAL YEAR

Sign off:

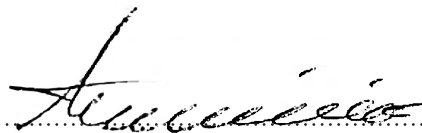
Signature of Chief Executive Officer – **Mr. Victor Rambau:**

17-05-2021



Signature of the Chairperson of the Board – **Mr. Theodore Dhlamini:**

17-05-2021



Signature of MMC Housing – **Cllr Mlungisi Mabaso:**

19-05-2021



Receipt & Review:

Signature of GSPCR Representative:

Date:



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EXECUTIVE SUMMARY

The creation of sustainable human settlements in South Africa that eradicates the remaining sizeable backlog of inadequately housed households, and profoundly entrenched apartheid spatial patterns, remains a top priority of all government spheres.

The City of Johannesburg established the Johannesburg Social Housing Company SOC Limited (“JOSHCO”) in November 2003 in response to the need for bolder affordable housing solutions within the City of Johannesburg. The imperative was to be close to social and commercial amenities, including places of work.

Social housing is an essential component of a housing mix in a successful housing solution in South Africa. About 20% of all South African households (more than 2.3 million households) rent their primary dwelling (Bertoldi & Reid, 2010). Rental housing provides access to affordable and well-located accommodation. Social housing institutions and projects have been developed in South Africa since 1997 with the introduction of the Institutional Subsidy and Provincial Grant (now Consolidated Capital Grant) mechanism. To date, 102 Social Housing Institutions (SHIs) have been formed, delivering approximately 36,332 units throughout the country. Delivery is against the situational analysis that reflects an approximate need for shelter in the region of more than 7 million households in the City of Johannesburg (COJ) alone. South Africa needs lots of strong SHIs to meet social housing demand. The sustainability of social housing provision requires significant development of new stock and the effective maintenance of the existing rental stock. This business plan shows that JOSHCO requires additional resources to deliver on its mandate of quality housing for its beneficiaries. With the allocated budget practically means that JOSHCO may delay its repairs, planned maintenance, building refurbishment, and ongoing Social Housing obligations (per the Act).

JOSHCO, through its social housing mandate, has shown that it can meaningfully contribute to urban regeneration and productivity through the development of new stock and effective management and maintenance of its portfolio of buildings. It has met the objectives of good location, urban and social integration, and financial viability within the City of Joburg. As a Social Housing Institution (SHI), it can promote economic development by supporting local economies through supporting SMMEs and creating jobs for local labourers. It contributes towards the City’s and South Africa’s broader goals of promoting social cohesion, citizenship, democracy and good governance. JOSHCO uniquely makes a financial contribution to the City of Joburg (City) by attracting large third-party capital subsidies to offset the City’s capital budgeting for rental housing.

JOSHCO's mandate is to provide and manage social and affordable rental housing that services various household income levels (R1,500 to R15,000 per month), especially those at lower income levels, as part of the City's implementation strategy to eradicate its housing backlog. Rent-setting approaches in the South African social housing sector are household income-based. Rent levels are determined wholly based on household income levels and adjusted to reflect what households can afford to pay. Therefore, as a result of the current legislation and mandate, rent levels cannot be determined by the acquisition or take-on costs of a building and JOSHCO's ongoing obligations so as to allow long-term cost recovery. The following table sets out JOSHCO's subsidised rental bands for its tenants. JOSHCO services households with rentals from as low as R312.00 per household per unit per month to R5,570 per household per unit per month.

SUBSIDISED RENTAL BAND FOR SOCIAL HOUSING

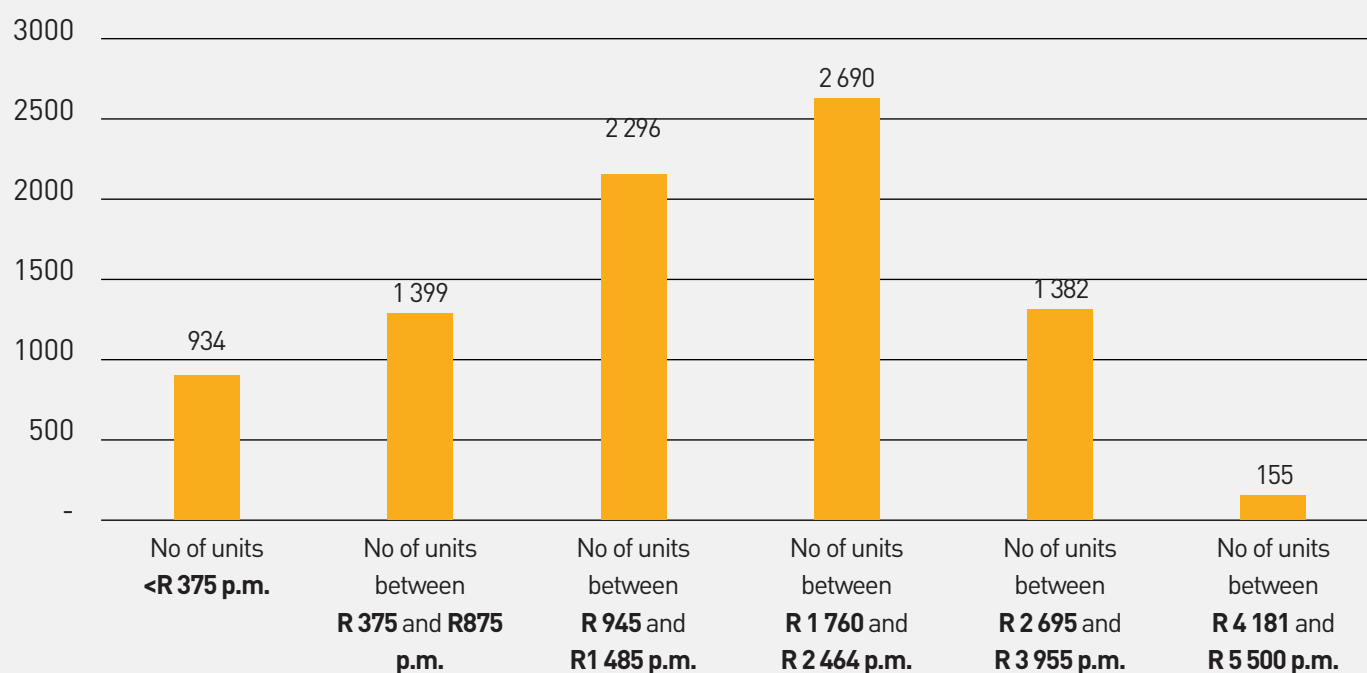
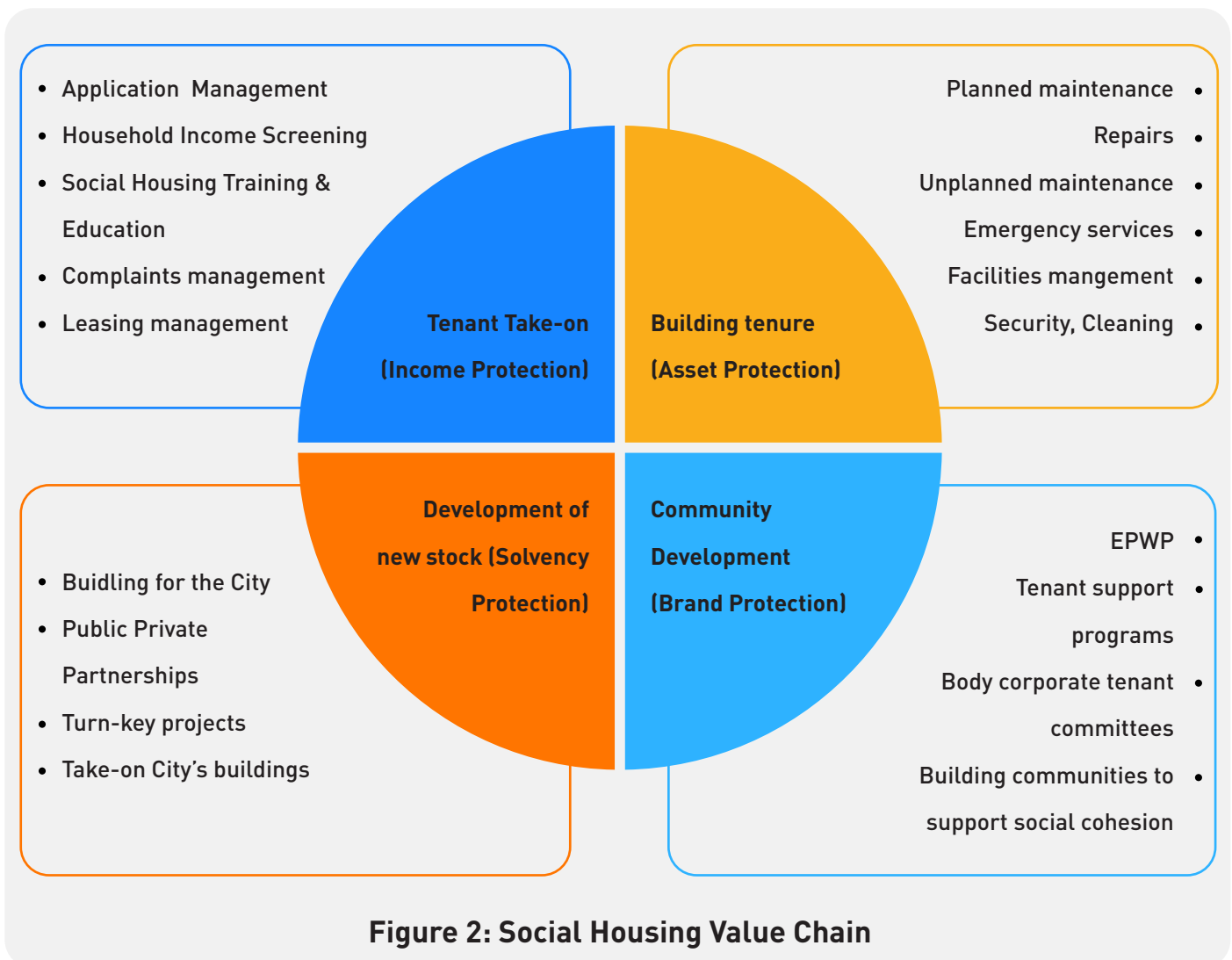


Figure 1: Subsidised rental Bands

JOSHCO currently manages 8 856 rental units, of which 3680 are social housing units and the balance is unregulated rental units. The core business of JOSHCO includes the development of social and rental housing; the conversion and refurbishment, upgrading and management of some of the City-owned rental housing stock; the refurbishment, upgrading of some city-owned rental stock, upgrading of hostels and the provision of turnaround strategies where necessary.

1. STRATEGIC OVERVIEW

The rental sector in South Africa has continuously evolved since 1994. Research shows that the rental housing sector, in general, can support substantial growth, inclusive of job creation. As a result, there has been an increased focus on the rental sector's role in overall urban policy and strategic decisions in the past five years. Moreover, the rental tenure option is a useful tool for urban stabilisation, regeneration and local economic development. The rental housing environment changes are evidenced by the development of the National Rental Housing Strategy and the rental model for South Africa (diagram below). Rental is a contractual agreement between our citizens (the tenant) and JOSHCO (the landlord) to pay rental for and occupy a unit over a period. The monetary exchange in that relationship is the common denominator. In the case of Social Housing, JOSHCO provides quality building offerings that require planned and unplanned maintenance, tenant training and education, community development support and ongoing reporting to regulatory authorities such as SHRA and governing bodies such as the City and the Auditor-General.



The affordable housing market is characterised by strong community ties and social connections. The affordability and stability of social housing tends to be the primary catalyst for local Communities and job opportunities. The social housing product uniquely offers low wage households a chance to live close to the jobs, accessibility to Community networks, making residents resilient within the economy. A track record of delivering decent and affordable rental housing means that the company has gained market and industry experience, allowing it to focus on project design that remains attractive in the sector. JOSHCO remains an imperative social housing agency for the City and consistently strives to manage its market leadership position through its experience curve.

The organisation's implementing ethos is combining quality and quantity that seeks to improve the quality of life for the City's citizens. Joburg 2040 - the City's long-term Growth and Development Strategy ("GDS") has set high standards for the City to become a sustainable, resilient and live-able world-class African City by 2040. JOSHCO anticipates meeting these standards directly through its rental stock development programme and property management expertise. The City's CAPEX budget and JOSHCO's continued ability to qualify for the Social Housing Regulatory Authority (SHRA) subsidy have made it possible to facilitate improved capacity and implementation of large-scale projects within the City's corridors over the past 18 years. As an imperative strategic organisation of the City, with a strategic imperative, JOSHCO will continue to align all its plans with the City's short – long-term strategic goals while building partnerships with organisations aligned to its objectives and embracing the spirit and culture of the social housing.



1.2 Mission

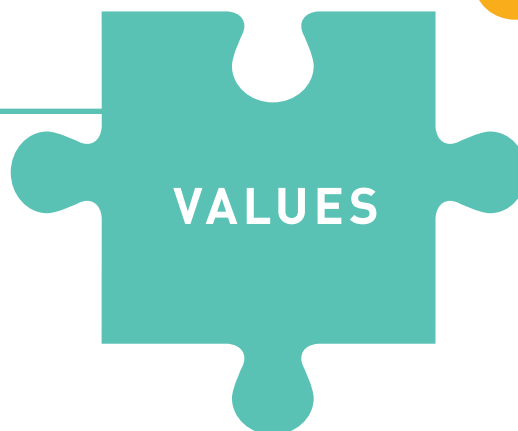
1.1 Vision

To become the best provider of quality social and affordable rental housing designed to the global standards.

To provide quality, resource efficient, economically sustainable and affordable housing products, in locations that guarantee convenience to our customers, which address the needs of the Community and the environment within Johannesburg, underpinned by customer-focused service delivery and effective management



1.3 Values



Transparency

We will conduct business in an open, honest and transparent manner and comply with all legislative and governance requirements and take full responsibility of our decisions and actions.

Customer Focus

At JOSHCO, we hold the customer very dearly to our hearts. We will do everything possible to ensure that we delight our customers in ways they want and to standards they themselves define.

Efficiency

We strive to become resourceful in the way we do business. We will continuously innovate to better our business processes. We focus on achieving more from the resources at our disposal.

Respect

We cannot exist or succeed independent of our clients, customers and partners. We respect every person whom we interact with and strive to treat our customers in a highly respectful & dignified manner.

1.4 Core Mandate/Purpose

JOSHC0 is unique in that the entity offers social housing that is accessible, affordable and of high-quality standards to City residents in secure, well-maintained communities and neighbourhoods. Social housing rental stock remains the only human settlements solution where accommodation and rents linked to household incomes. JOSHC0 offers arguably the most affordable rental homes in the City. The rental mix for JOSHC0 units is significantly lower than market-related rentals in buildings contiguous to JOSHC0's properties and across the City.

The organisation's mandate is to provide and manage social and affordable rental housing for the lower-income market as an integral part of eradicating the housing backlog in the City. It is a unique vehicle structure in terms of legislation to access the Consolidated Capital Grant funding, which a City or department cannot.

1.5 Legislation and Policy Environment

JOSHC0, as a municipal-owned entity, subscribes to several legislations that govern the entities of government. The overarching piece of legislation that the entity subscribes to is the constitution of the republic of South Africa as it sets out the rights and duties of its citizens and defines the structure of the government. Municipal Finance Management Act ("operations MFMA") and the Municipal Systems and Structures Act ("MSA") are the primary governing legislations to Municipalities and their entities, especially concerning the establishment and relationship with Municipal owned entities such as JOSHC0. As an entity of the City of Johannesburg, JOSHC0 is constituted in line with the Municipal Systems Act and, notably, the Companies Act, 2008.

JOSHC0 must also comply with the Companies Act's provisions, which prescribes how companies must be managed and controlled. The entity further subscribes to the recommendations and provisions of the Corporate Governance ("King IV") report applicable to South African Corporate Governance

As a Social Housing Institution (SHI), JOSHC0 also complies with the Social Housing Act that defines and regulate the operations of an SHI. Another vital piece of legislation is the Rental Housing Act, which regulates the relationship between tenants and landlords and the Rental Housing Tribunals' role. The Prevention of Illegal Eviction and Unlawful Occupation of Land (PIE) Act is a relevant piece of the legislative directive regarding social housing. It regulates evictions and illegal occupation cases, protects the tenants against unlawful evictions, and ensures alternative accommodation.

Lastly, JOSHC0's policies and plans are aligned to the City's medium to long term plans such as the Integrated Development Plan and the Growth Development Strategy 2040

1.6 Strategic Objectives - Aligned to COJ programme

JOSHCO undertakes to ensure that its business plan is aligned to growth development outcomes and strategic priorities as articulated in the GDS 2040 of the City of Johannesburg. COJ has articulated 4 key goals that it aims to achieve by 2040, and which are premised on both the concept and aspiration of 'a world class African City'. The Illustration below outlines the Growth Development Strategic Goals of the City of Johannesburg towards 2040.

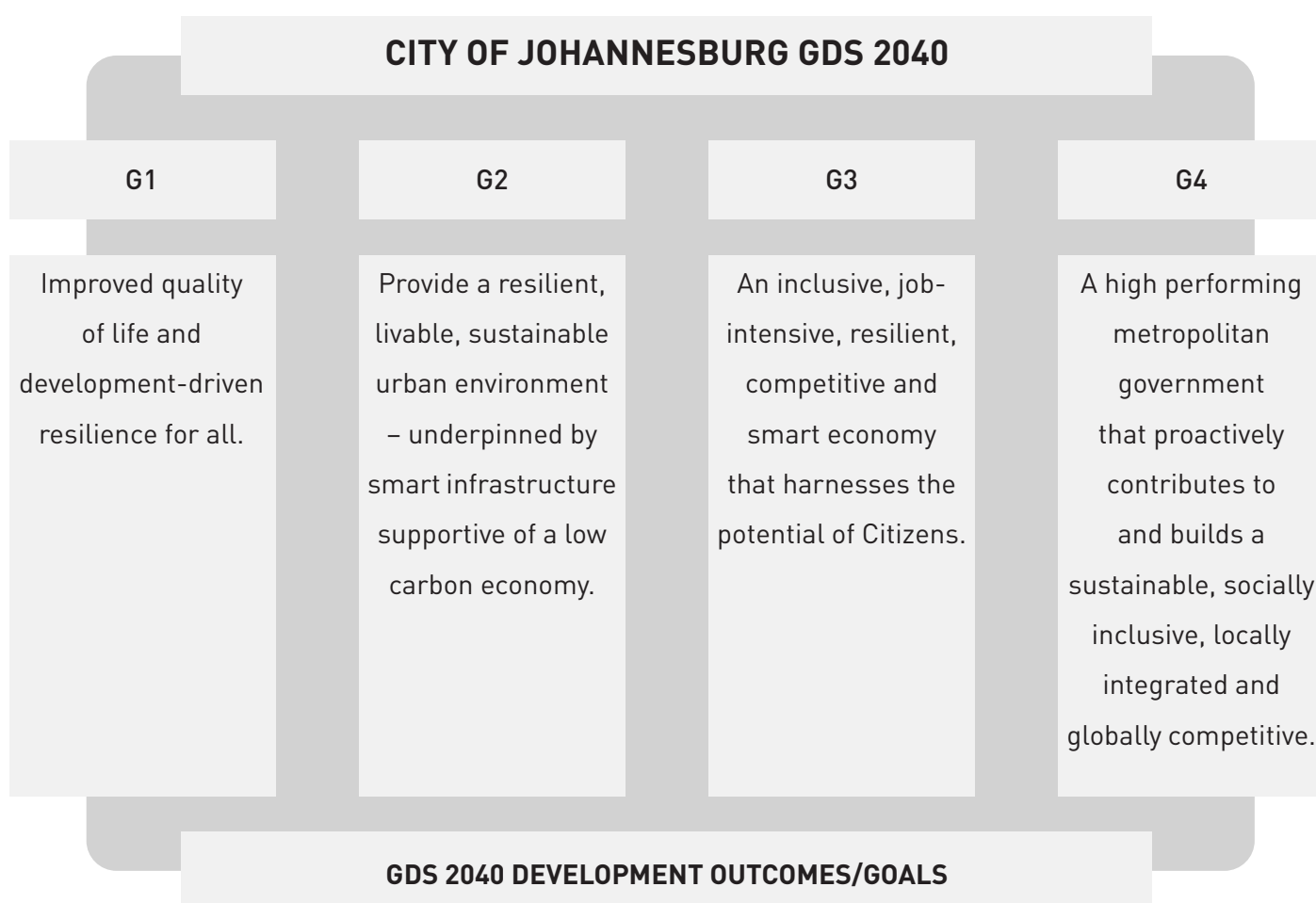


Figure 3: City of Joburg GDS 2040 Outcomes

JOSHCO's core business fully supports and drives each of the four goals. Under Goal 1 (G1), JOSHCO will ensure that all tenants live in a safe and secure environment and that there are substantial efforts to network families and build caring JOSHCO communities. Under G2, JOSHCO will priorities the low income-earning segment, especially previously marginalised South Africans, and provide a quality of life that restores their dignity as part of social redress. JOSHCO will continue to strive, achieve, and exceed quality service provision whilst ensuring that its buildings' design and construction meet environmental and climate change management practices. Under G3, JOSHCO will provide housing solutions within the proximity of commercial points and transport corridors to provide tenants' convenient access to commercial activity. JOSHCO will also contribute to employment creation through its construction and rental management business. Under G4, we will strive to become a highly customer-focused SHI that listens to its customers' needs and concerns and puts into practice its core values of transparency, customer focus, efficiency, and respect. At the Institutional level, JOSHCO will strengthen governance mechanisms and ensure that it becomes accountable and under all circumstances. To achieve the GDS outcomes and priorities, JOSHCO envisages achieving the following strategic objectives in the medium to long term:

- Become a financially sustainable entity.
- Contribute towards economic development through SMMEs Support and Job creation
- Develop Social Housing projects within transport corridors, Inner-City and greenfield (including suburbs and economic hubs).
- Become a customer-centric company.
- Strengthen governance and compliance.
- Effectively manage social housing projects.

The City of Johannesburg identified eleven priorities to drive the GDS goals in the medium to long term and a number of programmes for short to medium term implementation. JOSHCO has aligned its strategic objectives and outcomes with the COJ strategic priorities and plans as outlined in the table below:

Table 1: Strategic Link between the IDP, GDS Priorities and Organisational Objectives.

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
1. Improved quality of life and development-driven resilience for all.	<ul style="list-style-type: none"> Food security is both improved and safeguarded 	<ul style="list-style-type: none"> Safer City 	-	-	-
	<ul style="list-style-type: none"> Increased literacy, skills and lifelong learning amongst all our Citizens. 	-	-	-	<ul style="list-style-type: none"> Provision of infrastructure resources for early childhood development. Gender-Based Violence seminars
	<ul style="list-style-type: none"> Substantially reduce HIV prevalence and non-communicable diseases and a fit City characterised by healthy living for all. 	-	-	-	-

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
	<ul style="list-style-type: none"> A safe and secure City. 	<ul style="list-style-type: none"> Safer City 	<ul style="list-style-type: none"> A safer City by re-introducing ward-based policing (Joburg 10+) and effective law enforcement. Combating drug and substance abuse, gender-based violence Manage displaced communities and homelessness. 	<ul style="list-style-type: none"> Effectively managed Social Housing projects 	<ul style="list-style-type: none"> Controlled access at all JOSHCO properties. Security upgrade: Installation of CCTV cameras, Biometrics
2. Provide a resilient, liveable, sustainable urban environment underpinned by smart infrastructure supportive of a low carbon economy	<ul style="list-style-type: none"> Sustainable/integrated infrastructure services. 	<ul style="list-style-type: none"> Sustainable service delivery. 	<ul style="list-style-type: none"> Accelerated and visible service delivery and re-introduction of co-production in the delivery of the essential services. 	-	<ul style="list-style-type: none"> Achieve all service level standards as agreed through SDA. Critical roles filled within 90 days
	<ul style="list-style-type: none"> Eco-mobility 	-	-	-	-

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
	<ul style="list-style-type: none"> Sustainable human settlement 	<ul style="list-style-type: none"> Integrated human settlement 	<ul style="list-style-type: none"> Impact the housing market, including the integration, development and maintenance of hostels and flats. Combat illegal land invasion and promote regulated land use. Formalisation of informal settlement and accelerated rapid land release. 	<ul style="list-style-type: none"> Increase social housing projects within the transport Inner City and Greenfield, including the suburbs and economic hubs 	<ul style="list-style-type: none"> Number of social and affordable units developed city wide.
	<ul style="list-style-type: none"> Climate change resilience and environmental protection 	<ul style="list-style-type: none"> Sustainable environmental development. 	-	<ul style="list-style-type: none"> Effectively managed Social Housing projects 	<ul style="list-style-type: none"> Installation of alternative energy solutions at all projects. Rainwater harvesting systems. Rooftop gardens in the Inner-City projects.

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
3. An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of Citizens.	<ul style="list-style-type: none"> Job intensive economic growth. 	<ul style="list-style-type: none"> Job opportunity and creation. 	<ul style="list-style-type: none"> Job opportunity and creation. 	<ul style="list-style-type: none"> Contribute towards economic development through SMMEs Support and Job creation 	<ul style="list-style-type: none"> Number of EPWP job opportunity created. Jobs created through development of capital projects
	<ul style="list-style-type: none"> Promotion and support to small business. 	<ul style="list-style-type: none"> Economic development and growth. 	<ul style="list-style-type: none"> Development and support of the SMME's 	<ul style="list-style-type: none"> Contribute towards economic development through SMMEs Support and Job creation 	<ul style="list-style-type: none"> At least 30% of capital expenditure on at least 51 black-owned companies. At least 30% capital expenditure on SMMEs. Provision of financial and non-financial support to SMMEs
	<ul style="list-style-type: none"> Increased competitiveness of the economy. 	<ul style="list-style-type: none"> Smart City 	-	-	<ul style="list-style-type: none"> Installation of prepaid meters Development of JOSHCO App

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region.	<ul style="list-style-type: none"> Re/effective Citizen Gauteng City Region 	-	-	-	-
	<ul style="list-style-type: none"> Responsive, account, efficient Metro. 	<ul style="list-style-type: none"> Good governance. 	-	-	<ul style="list-style-type: none"> Actively involve the public in pre-and post-implementation of the projects.
	<ul style="list-style-type: none"> Financially and administratively sustainable and resilient City. 	<ul style="list-style-type: none"> Financial sustainability. 	<ul style="list-style-type: none"> Improve and strengthen the financial position. 	<ul style="list-style-type: none"> Become a financially sustainable entity. 	<ul style="list-style-type: none"> A robust revenue collection. Diversification of revenue stream through student accommodation and outdoor advertising. Implementing the cost containment strategy, monitoring and reporting thereof.
	<ul style="list-style-type: none"> Citizen empowerment and participation 	<ul style="list-style-type: none"> Active and engaged Citizenry. 	<ul style="list-style-type: none"> Community based planning and enhanced Community engagement, including Mayoral Izimbizo. 		<ul style="list-style-type: none"> Actively involve the public in pre-and post-implementation of the projects.
	-	<ul style="list-style-type: none"> Smart City 	-	-	<ul style="list-style-type: none"> JOSHCO App Customer Relation Management (Call Centre) Smart metering system

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
	<ul style="list-style-type: none"> Customer care and service 	<ul style="list-style-type: none"> Active and engaged Citizenry. 	-	-	<ul style="list-style-type: none"> Review of all business processes
	<ul style="list-style-type: none"> Global positioning of Johannesburg. 	-	-	-	-
	<ul style="list-style-type: none"> Building cooperative and intergovernmental partnerships. 	<ul style="list-style-type: none"> Active and engaged Citizenry. 	-	-	-
	<ul style="list-style-type: none"> A responsive, corruption-free, efficient and productive metropolitan government. 	<ul style="list-style-type: none"> Good governance. 	<ul style="list-style-type: none"> Combat corruption, fraud and, maladministration. 	<ul style="list-style-type: none"> Strengthen governance and compliance. 	<ul style="list-style-type: none"> Robust internal control environment.
		<ul style="list-style-type: none"> Minimising the impact of the COVID 19 Pandemic 	<ul style="list-style-type: none"> Comprehensive Health Response Food Security Response Enforcement and Compliance Measures Economic impact and mitigation measures Social mobilisation and solidarity Continuation of Municipal Services. 	-	<ul style="list-style-type: none"> Avail buildings in response to COVID 19. Provision of PPE to site officials Enhanced IT systems to support working from home Continue tenant education on COVID 19 containment measures.
		-	<ul style="list-style-type: none"> Eradicating Gender Based Violence (GBV) and violence against children. 	-	<ul style="list-style-type: none"> GBV Seminars at JOSHCO projects Green Door initiatives at project level.

2. STRATEGIC ANALYSIS

2.1 Past Performance and Future Outlook

The demand for affordable housing in the City far exceeds supply. The establishment of JOSHCO has contributed towards addressing the housing challenges and improve the citizens of Johannesburg's quality of life. JOSHCO manages 8 856 rental units that from greenfield and brownfield projects. The City's value is to position itself into future development areas to ensure that JOSHCO continues to penetrate the market while addressing the City's historical spatial inequalities.

Past Performance

In the 2019/20 financial year, the organisation continued to strive for the achievement of the board approved institutional and administrative performance against agreed-upon targets. Both revenue targets and the aforementioned qualitative targets drive the organisation's performance and capital and expenditure budget. Below are key metrics for the previous financial year: -

Table 2: previous financial years performance metrics

	30 June 2020	30 June 2019	Change %
Property revenue (R'000)	R151,0	R128,7	17.8
Maximum rental excluding utilities	R5,053	R5,013	5%
Capital budget (R'000)	405.7	321 million	84.7 million
Capital Expenditure	68%	98%	-30%
New units developed	330	297	10%
Occupancy rate	96%	99%	-4%
Collection rate	61%	72%	-11%
Deficit	R79,90	R35,5	
Number of rental units under management	8,515	8,064	451

- Maintenance expenditure was 13% which is within the treasury tolerance level of 40%
- Invoices paid within 30 days was 99,5% against a target of 100%
- The minimum monthly rental charged was R312.00 per household per unit.
- The maximum monthly rental charged was R2,794.00 per household per unit.
- Year-on-year rental increases of 5% per annum were approved

COVID 19 Impact and JOSHCO's Response

A review of the previous financial years would be incomplete without a comprehensive discussion on the impact of the pandemic. The effects of the pandemic and lockdown regulations had a significant financial impact on JOSHCO over the past year. However, the following measures were put in place:

- A duly appointed COVID-19 compliance officer conducts oversight on the safe use of buildings for residents and office.
- JOSHCO provided COVID-19 relief in the form of rent relief to assist tenants that lost their jobs or salary cut during the lockdown period.
- The entity avail two of its buildings to be utilized for the self-isolation and quarantine of Joburg citizens that required such facilities

Assuming that the third wave does not reach us, the recovery is still likely to take a number of years. While we have seen our tenants under financial pressure with the resultant increase in tenants applying for the COVID 19 relief, overall collections also suffered closing the financial year at 61% collection.

We have been encouraged by the positive take-on and letting performance over the last few months at current rental levels. This shows that our rental offering represents good value for money and that we will continue attracting quality tenants despite a very competitive market.

Operationally, JOSHCO has established a COVID-19 Committee that regularly monitors implementations of precautionary measures and ensures that all regulations are followed as and when the government releases them.

2.2 Future Outlook

Under the leadership of a new Board, we anticipate that our results will reflect reinvigorated operational focus and a hands-on, proactive approach to property management while protecting our balance sheet through active risk management. Research shows that the South African economy will continue to face economic challenges, exacerbated by doubts concerning increased load shedding and the resurgence of the 2019 coronavirus disease ("COVID-19") pandemic. This will affect job security, sentiment and find tenant turnover possibly higher.

While the macro-fundamentals remain a concern, we consider that social housing is a defensive sector with demand outstripping supply. Reference to our competitor analysis is evidence of that our business operating model is still relevant.

Our renewed focus on vacancy management aims to stringently allow for a 2% vacancy and follows a concerted effort to target our attention on letting vacant units across the 8 856 social and affordable housing unit portfolio.

JOSHCO's service delivery plan will be measured against the following metrics:

- Tenant satisfaction survey results
- Reduced time for lease enquiries and lease applications

Our business operating model will be implemented through a ramp-up in capacity in housing management by filling critical vacancies

Mitigation of Climate Change

Various initiatives are underway to support City priorities on mitigation of climate change. JOSHCO will contribute to mitigation of climate change through projects such as installation of solar systems to service common areas in all projects, installation of rainwater harvesting system and use the water for gardening and the resuscitation of the roof top garden project in the inner city as a pilot. Four projects are targeted for installation of solar systems and one for installation of rainwater harvesting system.

SMART City

The City has embarked on a journey to transform to become a smart city in terms of economy, environment, utilities, mobility, living, safety, education, health, planning, and governance by 2040. A Smart City is about transforming the City to be adaptive to an ever-changing environment, becoming agile in the presence of unpredictability, emergencies and the unforeseen, and developing the talent necessary to carry us all into a future City that is livable, safe, sustainable, accessible, inclusive and supportive to all. Evolving the municipality into a Smart City is one of the CoJ GLU Priorities that require all departments and entities to adopt the strategy as the blueprint to guide implementation.

In response to Smart City priority, JOSHCO has a number of projects that will be implemented in the 2021/22 financial year. JOSHCO's APP will be fully operational servicing both potential and existing tenants to access the entity effortlessly. JOSHCO will explore the possibility of having fibre optic at its projects through MTC or private sector and all JOSHCO properties to be installed with prepaid electricity meters.

Table 3: Revenue streams

Sources of Revenue	Units	FY 2020/21	FY 2021/22	FY 2021/22 – 2023/24
Baseline 61% tenant collection	8,566	8,566 units (61% collection rate)	85%	Above 85%
New social housing stock		341 plain	257complete	3,633
Generate revenue by executing projects on behalf of other City departments and municipal-owned entities	7% project management fee * number of projects * value of project	not applicable	7% project management fee * number of projects * value of project	7% project management fee * number of projects * value of project
Student Accommodation	193 units	Commencement	Pilot Revenue ramp-up	Full operations
Turnkey projects	4 projects	Procurement	Implementation	Completed (budget dependent)
Outdoor advertising	Pilot 1 building	Pilot 1 building	Pilot 1 building	Pilot 1x buildings
Reduction in consumption, recovery of utilities, and billing accuracy	Not applicable	Not applicable	Procurement	Cost recovery

New revenue streams have been identified to supplement JOSHCO's existing sources of revenue include student accommodation and outdoor advertising.

During 2019/20, JOSHCO experienced budget rationing and identified a change in circumstances affecting its tenants. In response to challenges that threaten the company's business operating model, new strategies were workshopped with management teams, the Board and shareholders. Management then researched the outcomes and road mapped the business case of support revenue enhancement.

The longer-term objective is to create a financially independent and sustainable entity.

The following resolutions are implemented in this business plan:

2.2.1.1. Complete Social Housing Stock

JOSHCO envisages to complete one of its projects, Abel Street, by the end of the financial year based on the allocated budget. The project will yield 257 units consisting of a combination of 1 bedrooms and 2 bedrooms.

2.2.1.2. Student Accommodation.

JOSHCO's approach to student accommodation is to develop a student precinct that offers a safer sound security and technologically enabled environment based on the SMART City approach. Practically, biometric access controls will secure the safety of student community.

JOSHCO plans to convert some inner-city buildings into student accommodation as part of its revenue enhancement strategy. The entity has piloted its first student accommodation project in FY 2020/21 where a service provider was procured to retrofit and project manage Wolmarans Street. Tenantiing of the building is progress swiftly with thirty-three students occupying rooms by end of March 202. The building has 193 beds that are rented at R 3 800 for double room and R4 200 for single rooms. JOSHCO has learned that a limited number of students stay on campus and that the existing student accommodation market cannot cope with the demand. A climate for an off-campus accommodation market exists. Research has demonstrated that students live as backyard dwellers or become the victim of unregistered landlords who charge exorbitant rental amounts. JOSHCO has secured the option to acquire buildings from Johannesburg Property Company SOC, within proximity to higher education institutions. If deemed suitable, buildings are appraised and designed with a student precinct in mind. The primary goals that JOSHCO has in providing student accommodation are to:

- Enhance and facilitate the living and learning experience of students within a diverse student community.
- Contribute to academic success for previously disadvantaged by improving commute time and living conditions.
- Create thriving student communities that foster learning, social cohesion and a growth mindset.
- Build a diverse student profile that reflects the demographics of South African society.

Over the next five years, JOSHCO has set an ambitious but much-needed target of having a minimum of 10,000 student beds. Effectively we aim to grow at scale of another JOSHCO (currently 8 856 units under management). The first building is the afore-mentioned Wolmarans Street project. The second targeted building for student accommodation is Rissik street building that will be made available to bidders to retrofit and manage the project for a period of time before handing it back to JOSHCO. JOSHCO has secured relationships with one of the University in Johannesburg and the National Student Financial Aid Scheme (NSFAS).

2.2.1.3. Regularisation of Tenants

In 2019/20 FY, JOSHCO's housing management unit conducted an occupancy audit throughout its projects with the main objective of identifying the tenants' citizenship. The occupancy audit revealed invalid lease agreements as a result of deceased leaseholders. This resulted in occupancy by the authorised tenants and/or juvenile dependents. The challenge mentioned earlier has affected rental collection since some of the tenants discontinued paying and most are unemployed. A robust process of regularising tenants without a valid lease agreement will see the company's properties occupied by qualifying/paying tenants, which will positively affect revenue. As part of JOSHCO's community development support, child-headed homes are nurtured and supported through the City's Department of Social Development assistance.

2.2.1.4 Outdoor Advertisement

This revenue enhancement will see JOSHCO piloting outdoor advertising space. The plan is to obtain a service provider, due to lack of internal capacity, to investigate the merits of outdoor advertising opportunities in all our buildings. Once the assessment is done, JOSHCO will be able to determine the expected additional revenue that will be generated through this stream. This process is planned to commence in the beginning of the financial year.

2.2.1.5 Generate revenue by executing projects on behalf of other City departments and municipal-owned entities

In the 2019/20 financial year, JOSHCO authorised a special projects unit to leverage JOSHCO's property development expertise. The unit is currently executing projects on behalf of some City departments and entities and generates a 7% project management fee. JOSHCO will continue using the strategy as its additional revenue stream. Several city departments such as Department of Social Development have expressed interest in involving JOSHCO in executing repair and maintenance work. This revenue stream has been tested, is endorsed by the shareholder and is expected to grow.

2.2.1.6 Reduction in consumption, recovery of utilities, and billing accuracy

A significant expense line item is utility costs incurred by tenants but not recouped from tenants by JOSHCO. JOSHCO has a three-pronged approach to reduce consumption of water and electricity, to recover utilities incurred by tenants and actively manage utility costs. i) The pre-paid vending system has commenced procurement in January 2021 and represents significant progress in the recovery of costs. ii) Installing solar systems to reduce energy consumption in common areas. iii) A rainwater harvesting programme to supplement water in large garden areas will save water costs.

2.2.1.7 Development of new stock including turnkeys

The organisation will invest circa R 2,1 billion to develop 3,345 social and affordable rental units in the City over the next three financial years. JOSHCO will deliver the three-year target through amongst others, the four turnkey projects in Rivonia, Northriding, Diepsloot (in proximity to the bustling Steyn City) and Jeppestown. Furthermore, the organisation will continue with market demand and supply studies in the Midrand, Randburg and Fourways economic hubs and suburbs. The products will yield impactful cost and time savings for home seekers. Research conducted by our strategy and planning department consistently supports the premise that families in our target market need to travel an average of 25Km to arrive at work. Those living at the peripheries of the City often use more than one mode of transport to reach their place of work. The commute is characterised often taxi, bus and walk or train. While the investment will reduce commute time, it will also support qualifying beneficiaries to benefit socially from living in well-developed areas that offer much needed (or taken for granted) amenities to enhance their quality of life further. The Social Housing Regulator Authority (SHRA), as one of JOSHCO's key stakeholders and funder, will also invest a projected amount of about R400 million in the next three financial years, which will be re-directed to turnkey projects. The turnkey projects will increase the greenfield affordable housing stock with a significant number of units upon completion. However, the current indicative budget will compel the entity to prolong the process of construction of the turnkeys to reach final completion. The entity will require more than the allocated budget in order to deliver a total of 3,995 in three financial years. The current allocation will only allow the development of 1,208 units (30%), through turnkey, in the next 3 financial years against the total of 3,995. The entity requires additional budget (the remainder of the 70%) in order to fulfil completion of all four turnkey projects in three financial years.

Region	Project Name	Contraying Strategy	No. of Units
Region A	Diepsloot	Turn-Key 1	Phase one: 661 units Phase two: 447 units
Region B	Selkirk Social Housing	Joint Building Contract Committee	Phase one: 145 units
Region C	Northriding area Princess Plot Roodepoort Phase 2	Turn-Key 2 JBCC JBCC	642 units 333 units 92 units
Region D	Golden H/way Lufherheng Nancefield	Turn-Key Turn-Key JBCC	333 units 407 units 372 units
Region E	Revonia Social Housing	Turn-Key 3	Phase one: 531 units Phase two: 500 units
Region F	Jeppestown 80 Plein Street Claim Street Abel Street	Turn-Key 4	1336 units 344 units 80 units 275 units

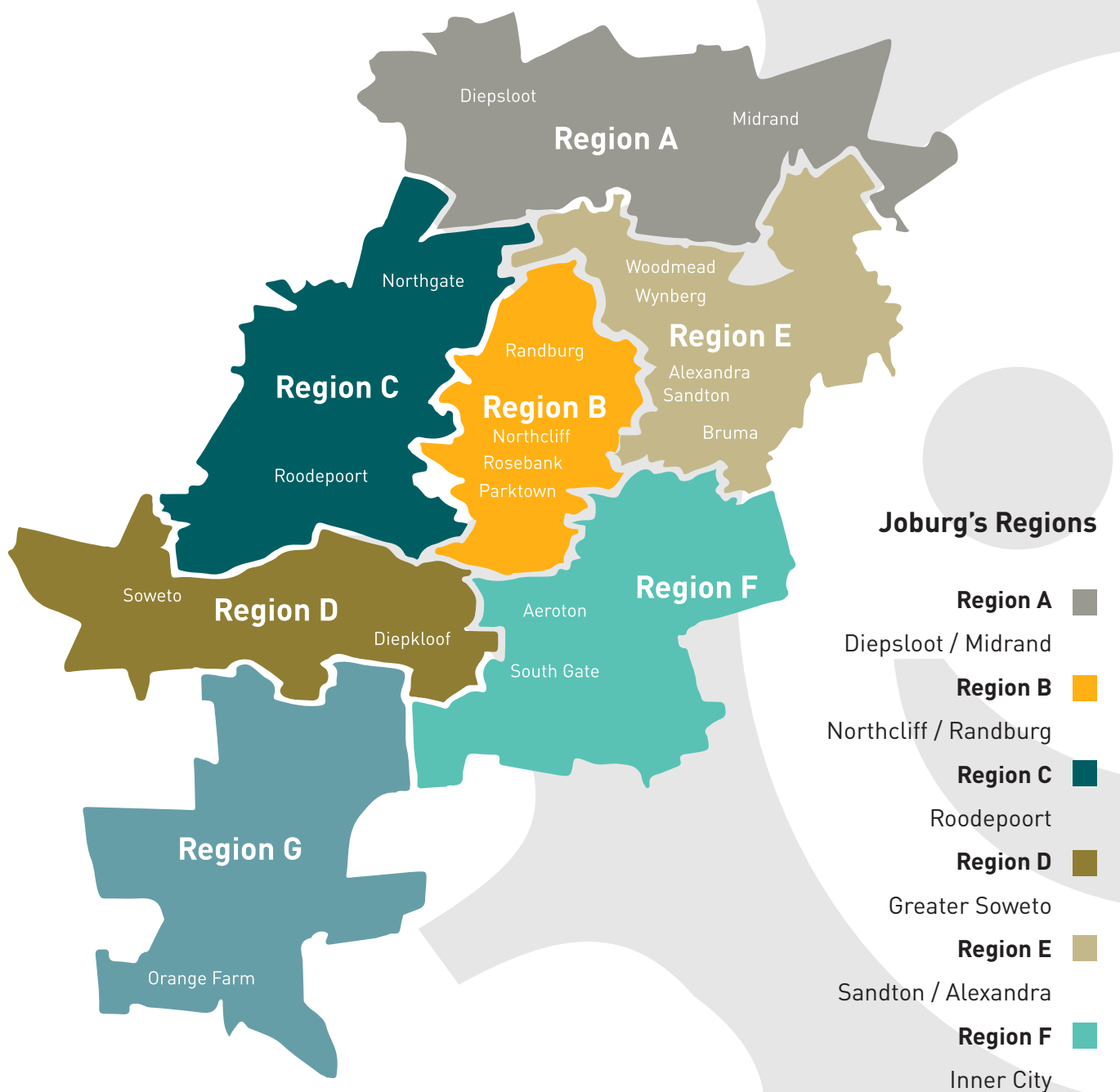


Figure 4: JOSHCO's Futuristic Footprint

2.3 Environmental Analysis

This chapter sets out the SWOT, PESTLE Analysis and includes for value-added purposes a Stakeholder analysis. JOSHCO has applied the SWOT methodology and PESTLE analysis as a strategic planning tool to prepare the 2021/2022 business plan. The environmental analysis process allows the organisation to identify its internal strengths and weakness and external factors that will impair its strategic objectives. The analysis also aids the assessment of the control environment against the (inherent and identified) risks. Our risk assessment is also based on changes in regulatory, policy, operational systems, geopolitical landscape and, market perception. Management undertook an environmental analysis to assess the internal and external environment to develop strategies and respond to dynamic, complex public sector environments.

2.3.1 SWOT

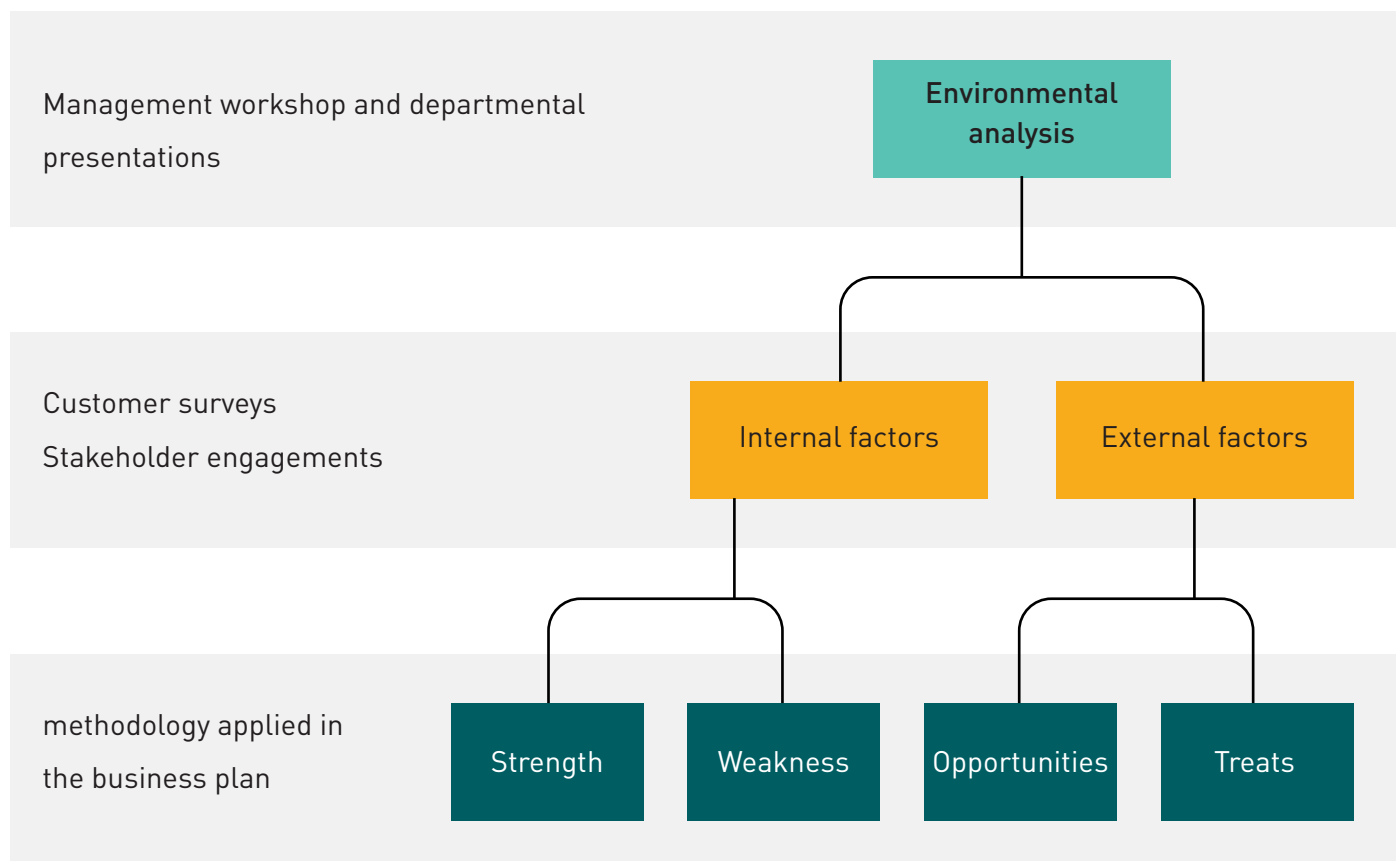


Figure 5: Environmental Analysis Methodology

A SWOT analysis is designed to facilitate planning and strategic thinking for organisations. Several integrated issues were identified, and a matrix view is presented to represent several integrated aspects of the SWOT analysis. The below summarises the key findings from the SWOT analysis. The discussion identifies key themes that emerged from the completed SWOT during the Executive Committee's strategic session.

Table 4: Organisational Strength and Weakness.

Strength	Weakness
<ul style="list-style-type: none"> JOSHCO is the largest SHI, and one of the 12 only fully accredited SHI's in the country. This provides an opportunity to attract quality stakeholders <ul style="list-style-type: none"> » Funding » Investments » Private Partnership Investments » Technical Partners Young and dynamic management team which brings into JOSHCO a promise and prospect to refresh the culture and transform the performance of the JOSHCO. JOSHCO's housing solutions are price competitive. This puts the organisation in advantage position on market development as it pursues an aggressive growth strategy in the next 5 years. JOSHCO's units are of a comparatively high quality (size, design value added services), relative to price, which gives the company leverage on attraction and retention of tenants. JOSHCO boasts of a functional Board of Directors as well as other governance structures. Going forward, the company is better poised to attract and retain quality stakeholders based on the goodwill that is created by the stable governance structure. 	<ul style="list-style-type: none"> There is weak internal control environment, exacerbated by a poor application of risk management - this has manifested from recent audits. Currently there is no specialised function to perform Research & Design (R&D) focused on improving JOSHCO's market understanding and informing its investments strategy & priorities. JOSHCO remains limited to social housing because of its legal framework. Social housing and profitability remain difficult concepts to reconcile - it places a limit on its profitability. The current manual process environment is not only a financial cost driver that induces serious inefficiencies into the company's operations, but also a driver of poor customer satisfaction. JOSHCO's culture is weak and unsuitable for a company whose going concern prospects hinge on entrepreneurship, competitiveness and achievement of financial sustainability. There is need for an organisational culture overhaul.

Table 5: Organisational Opportunities and Threats.

Opportunity	Threats
<ul style="list-style-type: none"> • The Government of South Africa's Human Settlement policy has highlighted Social Housing as a key programme. JOSHCO must leverage on political goodwill to attract adequate funding for its housing development projects. • JOSHCO has a unique opportunity now to set up and operationalise a specialised function to perform R&D in order to enable researched and fully appraised investments strategies and priorities. • There is an opportunity to strengthen Corporate Social Investment to enhance the reputation of JOSHCO whilst at the same time addressing critical business objectives such as market development. • There are opportunities to leverage of Technology to assist in climate change through Smart City models. 4IR provides opportunities to reduce maintenance costs, improve quality of accommodation, achieve superior tenant experience, etc. • There are opportunities for targeted Urban Agriculture that can be enabled through innovative housing design models (roof top gardens). 	<ul style="list-style-type: none"> • The nature of JOSHCO's business and operations means that several legal frameworks directly affect its operations. This creates complexity in operations, increases the possibility on non-compliance, and demand investment in legal skills. • South Africa's current ranking of no. 88 on the construction sector's 'Ease of Doing Business' index threatens access to funding & place a premium on funding housing development. • Recent downgrade of SA by Moody's and the general economic slowdown will likely further depress capital investment whilst also increasing the cost of accessing funding. • The already high, and still increasing unemployment rate will adversely affect revenues through default – there is need to rethink / reprofile JOSHCO's tenantry model. • Recent Cyber-attacks on CoJ and several SA Banks signals the potential for increased cyber hacks with disruptive and costly financial implications on business. • Citizen activism has seen, for first time, social housing protests (over & above service delivery protests). This now includes the pressure of Tenants to own property – JOSHCO business model must be geared to respond to this emerging development

Opportunity	Threats
<ul style="list-style-type: none"> • There are opportunities for biodiversity preservation, which can be used to strengthen funding attraction and the co-management of JOSHCO's housing assets, for mutual benefit. • Access to municipal owned assets remains a strategic opportunity that JOSHCO can fully exploit. Convenient location of housing will improve uptake and reduce tenant churn. • JOSHCO is pursuing the Shareholder in order to transfer the properties that are under its management to JOSHCO's books. This will assist with improvement of the company solvency status. • Market diversification through student accommodation projects. • Develop solutions to waiting list beneficiaries. 	<ul style="list-style-type: none"> • The combined impact of urban migration (urbanization) and foreign migration (immigration), both legal and illegal, threatens our ability to meet housing demand and deliver satisfactory service to tenants. • Long legal processes for evictions, and new laws that entrench consumer rights, remains a big threat to revenue assurance. • Changes at Political Leadership levels brings policy direction changes, hence investment priorities and thrust also changes • Natural Disaster such as the COVID 19 pandemic threatens the mandate and current operations at JOSHCO • Availability of vacant land. • Old building technology.

2.2.2 PESTEL

The acronym PESTLE refers to the Political, Economic, Social, Technological, Legal and Environmental factors and their impact on the JOSHCO's business plan. As an entity committed to transparency, accountability and integrity, JOSHCO has voluntarily added the element of Ethics to the strategic analysis. In order to understand the environment in which JOSHCO functions and to adequately respond to the challenges from a strategic and operational perspective, an analysis of key aspects have been undertaken by executive management. Plans to address these issues are reflected in the strategic objectives and are managed through the inclusion of matters and mitigating actions in the risk register for the organisation. The various factors that were briefly analysed and summarized in this strategic plan are:

Political-: The political cycle is typically established for a period of at least five years. These have historically been stable and largely predictable in South Africa and within local government spheres. More recently, and over the past 24 months the City has experienced several unprecedented changes. Internally, the City negotiated a change in administration mid-way through the 2020/21 financial year. In December 2019, the Government of Local Unity ("GLU") was formed, which necessitated the need for a review of the City's development priorities. JOSHCO has found itself in a rapidly changing political leadership which has impacted on human settlements policy and implementation of JOSHCO specific programmes

Continued political support for JOSHCO is critical, regardless of any changes in administration. Any diversification of products and revenue streams will require political support.

Economic--: The 2021/22 business planning cycle has been foreshadowed by the November 2020 investment downgrades by two major ratings agencies. The agencies have highlighted high South African government debt, weak economic growth, and growing inequality. These factors are reflected in the City's socio-economic fundamentals. The downgrades reflect the sentiment that the Country may not be well positioned to implement its strategies. In November 2020, the Reserve Bank has also announced an economic contraction in projected growth levels. These factors ultimately impact the environment in which JOSHCO operates in and will directly result in an increase in inflation putting pressure on JOSHCO's suppliers, tenants, and shareholder. The effects of the COVID-19 pandemic on the economy will impact on the stability of jobs, livelihoods of the low to middle income earners, that are JOSHCO's current and future customers.

The credit downgrade of the City reflects the weakening of the credit profile of its funder, the National Government of South Africa. The city's credit profile also reflects the challenges associated with its high infrastructure backlog and rapid population growth, which strain its ambitious capital infrastructure plans. Covid-19 will add further pressure on the City's credit rating due to increased unemployment.

Social factors--: are driven by the impact of the Covid-19 pandemic. Recent trends in social factors affect the demand for JOSHCO's products and how JOSHCO operates in terms of rent relief options, increased debtors days and arrears coupled with increased demand from residents that are downgrading. For example, the housing backlog creates an opportunity for JOSHCO to accelerate rental units in market that is under serviced. In this factor, JOSHCO is well positioned to respond as its core competencies lie in servicing the psycho-social needs of its tenants through training, community support and tenant services. The threat of unemployment risk creates an opportunity for JOSHCO to move closer to tenants, understand their needs and proactively assist to support the community and ultimately secure its commercial base.

Technological factors--: and in particular PropTech will be a major impactor and potential disruptor to JOSHCO's core function of housing management. Functions of leasing and property management are becoming more automated and the challenge to JOSHCO is as a late adopter to leapfrog its competitors before they or new entrants begin to cannibalise a highly mobile customer base. The technological aspects such as research activity, automation of applications to tenant, technology incentives available and the rate of technological change. They can determine barriers to entry, minimum efficient production level and influence future insourcing decisions. Furthermore, technological shifts will affect JOSHCO's costs, quality, and lead to innovation internally and externally. JOSHCO needs to keep an eye on PropTech, new developments in housing materials and integrated developments as it becomes a catalyst for JOSHCO's bid for financial sustainability.

Environmental--: Coupled with the aforementioned economic analysis, the City is marked with high inequality. The desire for previously disadvantaged communities to achieve dignity through the application of sound quality materials and regulated building norms. JOSHCO invests in the improvement of client services and ultimately the quality of life of its residents. The environmental landscape is marked by future building design and refurbishment of existing stock that will maximise renewable energy and reduced and recycled utilities in JOSHCO's contribution to climate change challenges. JOSHCO's sustainability policy has been developed in response to residents needs . The JOSHCO board has delegated the Social and Ethics Committee to monitor and report on this function. The 2021/22 year will ensure that appropriate metrics are defined to include on the entity's reporting dashboard to stakeholders.

Legal Factors--: Include social housing law and rental law, employment law, and occupational health and safety law. These factors can affect how JOSHCO operates, its costs, and the demand for its products. As discussed earlier in the document JOSHCO functions in a highly regulated and complex compliance driven environment with the highest standards of corporate governance that justifies the City's financial support over the longer term as JOSHCO competes with private sector affordable housing providers.

Ethics: The social and ethics committee supports the board with the governance of ethics. JOSHCO continues to identify and evaluate the corruption risks at its employees or others acting on its behalf that are likely to encounter and use this knowledge as a basis for developing the appropriate measures to reduce these risks. The risk evaluation considers the nature of the company's business, including sectors and markets in which it operates and will be reviewed annually. Specific focus was placed on ensuring implementation of JOSHCO's corporate compliance programme.



2.2.3 DEMAND ANALYSIS

The City of Johannesburg comprises of the northern suburbs, the Central Business District (CBD) and Southern suburbs. Based on their October 2020 report, the Centre for Affordable Housing Finance states that 29% of households in Johannesburg rent, slightly more than the provincial figure of 27%.

While it is too early to definitively draw conclusions, overall, heightened uncertainty and low confidence levels, as a result of the COVID-19 pandemic, will slow housing market activity, a trend which was already underway. Low investment levels, constrained income and weak domestic demand are going to have a negative impact on the rental sector as a whole.

Empirical evidence and international experience suggest that pandemics have a sharp but short-lived impact on property markets, largely affecting transaction volumes more than values. Given the impact of employment levels and economic growth on the property sector, broader economic trends will continue to dictate the longer-term prospects for the residential property market. The national lockdown appears to have only put a temporary brake on rent collections in Johannesburg's northern and southern suburbs.

With the reopening of the economy, the Johannesburg market is expected to benefit in 2021/22. Looking forward, the prospects for growing demand in the lower end of the affordable housing market are potentially strong in the face of the COVID-19 pandemic, as shrinking incomes necessitate cheaper housing options for households. The reduction in the mortgage prime lending rate is attractive to buyers who can more easily qualify for a home loan at reduced interest rates, thereby extending the market reach within the affordable housing sector.

2.2.4 SUPPLY AND COMPETITOR ANALYSIS

JOSHCO is one of twelve (12) fully accredited Social Housing Institutions within the South Africa. Of the approximately 30 SHIs in Joburg (source NASHO), JOSHCO is a leading supplier of social and affordable rental housing stock,

The market supply of social and affordable rental housing however is rapidly growing. Rosebank, north of the Joburg central business district has seen a growth in rental stock in R4,500 to R7,500 per month bracket. A natural geographic competitor, Rosebank along with Sandton, Marlboro and Joburg south have been identified for new growth areas. A comprehensive competitor analysis for JOSHCO revealed 3 significant suppliers of similar stock in the City. Supply within the Joburg CBD is approximately 78,000 units based on research.



2.4 Risk Management

The governance of risk is a primary duty and responsibility of the Board of Directors. Our Board implemented Principle 11 of the King IV report on Corporate Governance for South Africa 2016. Principle 11 states, “The governing body should govern the risk in a way that supports the organisation in setting and achieving its strategic objectives”. To that effect, the strategic risk assessment for the 2021/22 financial year was undertaken in line with the recommended practices of the aforesaid principle which are as follows:

- The governing body should assume responsibility for the governance of risk by setting the direction for how risk should be approached and addressed in the organisation.
- The governing body should treat risk as integral to the way it makes decisions and execute its duties.
- The governing body should evaluate and agree on the nature and extent of the organisation’s risks in pursuit of its strategic objectives.
- The governing body should delegate to management the responsibility to implement and execute effective risk management.

The Board further addressed the compliance requirements of section 62(1)(c) of the Municipal Financial Management Act (MFMA): “The Accounting Officer must ensure that the Municipal Entity has and maintains an effective, efficient, and transparent system of financial, risk management and internal control”.

The more clearly an organisation can state its mission and objectives and understand its strengths and capabilities, the more directly it can navigate to identify key risk areas to develop mitigating plans. Below are the top five strategic inherent risks that continue to face the organisation throughout its existence.

2.4.1 Top Five Inherent Strategic Risks

1. Inability to continue as a going concern.
2. Failure to deliver capital projects on time and within budget.
3. Lack of cooperation by SMME’s.
4. Business Interruption
5. Theft, Injuries and Fatalities

Reference No	Objectives	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Time scale
1	Become a financial sustainable entity	Inability to continue as a going concern.	1. Illegal tenants.	1. Installation and activation of Biometrics system at entrance to deny illegal tenants access to JOSHCO properties.	Dec-21
			2. Tenants not satisfied with the services rendered by JOSHCO resulting to rental default.	2. Partner with marketing and stakeholder relations management to develop Tenants Education Training Manual.	Quarterly
			3. Job losses affecting tenants as a result of negative global market conditions and, Covid-19 affected industry as result of shutdown regulations.	3. Appointment of service providers to assist with outdoor advertising to increase revenue.	30-Jul-21
			4. Political influence.		
			5. High utility bills.	5. Appointment of a service provider for installation of prepaid vending solution to transfer high electricity bill directly to Tenants.	
			6. High staff costs as a result of insourcing.	6. Replacement of physical security with technology to curb high staff cost.	30-Dec-21

Reference No	Objectives	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Time scale
2	Strengthen Governance and Compliance	Governance failures	1. Unethical culture.	1. Appointment of ethics champion to drive and instil ethical culture throughout the organisation.	Jul-21
			2. Constant change of the Board (12 months contract).	2. Regular engagements with COJ governance department to review Board contracts.	Ongoing
			3. Weak internal controls.	3. Annual review of internal controls	Jul-21
3	Develop social housing projects within transport corridors, inner-city and greenfield (including suburbs and economic hubs).	Failure to deliver capital projects on time and within budget.	1. Inadequate capital budget allocation by the City.	1. Presentation and submission of JOSHCO contracts that are signed with service providers so that the budget office is aware of existing financial and contractual commitments.	Jul-21
			2. Poor Performance by contracted Service Providers.	2. Fully enforcement of the contract and exercise JOSHCO remedial provisions.	ongoing
			3. Project disruptions by disgruntled communities.	3. Thorough engagement with the community prior to the commencement project.	ongoing
			4. Non compliance with Building regulations		

Reference No	Objectives	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Time scale
4	Contribute towards economic development through SMME's support and Job creation	Lack of cooperation by SMME's.	1. Lack of business understanding and cooperation with contractual requirements(70% to 30%).	1. Appointment of SITA accredited training providers to train SMME's on new projects.	Quarterly
			2.Non- compliance with business and building regulations requirements.	2. Enforcement of the Contractual obligations.	Ongoing
			3. Lack of technical capacity within SMME's.	3. Continuous engagements with SMME's .	ongoing
5	Become a Customer Centric Company.	Minimal Stakeholder and Customer Relations Management	1. Lack of an integrated stakeholder and customer engagement plan.	1. Develop and implement stakeholder relations strategy.	30-Jul-21
			2. Reactive engagements with communities/ customers.	2. Proactive engagement with the communities through Social media and physical meetings.	30-Jul-21
			3. Delays and inability to respond to customer equerries/ applications in time.	3. Develop Tenant education manual to clearly outline the rules of JOSHCO and Tenants.	30-Jul-21

Reference No	Objectives	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Time scale
6	Effectively managed Social Housing projects	Theft, Injuries, vandalism and Fatalities	1. Poor maintenance of buildings in existing projects.	1. Conduct building conditional assessment in Joshco buildings(4 in Q1, 2 in Q2, 2 in Q3 and 2 in Q4)	Quarterly
			2. Absence of the biometrics systems to improve access controls and limitation of unauthorised access including subletting.	2. Installation and activation of Bio metrics system at entrance to improve access.	Dec-21
				3. Installation of CCTV cameras that will be linked to Security control room.	Quarterly
				4. OHS Committee to hold quarterly meetings to address weakness at projects and head office	Dec-21
				5. Partner with marketing and stakeholder relations management to develop Tenants Education Training Manual.	Dec-21
				6. Development of Security policy.	Aug-21
			3. Non compliance with Health and safety regulations.		

Reference No	Objectives	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Time scale
7	Strengthen Governance and Compliance	Cyber attack	1. Absence and inadequate design of formal security standards for configuration of servers, network, applications and resource constraints.	1. Employ an accredited Information Security Officer.	Aug-21
			2. Phishing scams.	2. Implement information Security standards.	Aug-21
			3. Social engineering attacks.	3. Daily IT security assessment tests.	Aug-21
8	Effectively managed social housing projects	Business Interruption	1. Unreliable network.	1. Appointment of service provider for networks upgrade and network management tool to monitor down time and uptimes.	Dec-21
			2. Load Shedding (Eskom).	2. Development and implementation of Disaster recovery Plan.	
			3. Lack of business continuity plan.	3. Development of Business continuity plan	
			4. Office renovation.		
			5. Covid-19.		
			6. Poor ICT infrastructure.	4. ICT Infrastructure upgrade.	

Reference No	Objectives	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Time scale
9	Strengthen Governance and Compliance	Inaccurate and unreliable performance information	1. Insufficient quality assurance on performance information as submitted during the performance review.	1. Monitoring of scorecard evidence will be undertaken on a quarterly basis.	Quarterly
			2. Performance evidence not available on time for validation of achieved targets prior to submission of the quarterly reports to the City.	2. Implementation of the monitoring tool to strengthen quality assurance by Executive Management.	
				3. Biannual performance of information Audits.	Jan-22
10	Effectively managed social housing projects	Failure to develop, attract and/or retain talent.	1. Pay Grade not matching the job.	1. In a process of sourcing a service provider to assist with the Job grading exercise.	30-Sep-21
			2. Organisational culture and work overload.	2. Recruiting in line with the approved Organisational structure.	30-Aug-21
			3. Lack of Career Growth.	3. Encourage and drive a learning culture.	Ongoing
			4. Opportunities outside the organisation.	4. Develop a retention and succession policy.	30-Aug-21
			5. Absence of retention Policy.		

Reference No	Objectives	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Time scale
11	Strengthen Governance and Compliance	Fraud and corruption	1. Financial pressure and opportunity.	1. Fraud detection review.	Oct 2021
			2. Collusion between contractor, tenants. and JOSHCO officials.	Partner with marketing and stakeholder relation management department to facilitate fraud and corruption campaign to JOSHCO tenants.	Quarterly
			3. Weakness in internal controls.	3. Annual review and evaluation of internal controls by management.	30-Sep-21
			4. Abuse of Power.		
			5. Lack of consequence management.		
12	Effectively managed social housing projects	Deterioration of Buildings	1. Poor workmanship.	2. Maintenance work certified and signed off by portfolio managers.	Ongoing
			2. Poor maintenance.	3. Property management Training for Housing supervisors.	Oct-21
			3. Theft and vandalism.	4. Submission of maintenance budget to the Board for approval.	Jul-21
			4. Budget constraints.		

3. STRATEGIC RESPONSE - IMPLEMENTATION

3.1 Key Performance Areas

3.1.1 CORE SERVICES

JOSHCO has a core mandate of development and management of social and affordable housing. The entity achieves its mandate through the two core services, housing development and housing management which is responsible for property management inclusive of community development and customer relation as highlighted below.

HOUSING DEVELOPMENT

Introduction

JOSHCO's housing development has built the requisite expertise, will and frameworks to help the City implement its vision for affordable rental housing and community development through revitalisation, that is consistent with the City's human settlements programming. JOSHCO participates in the planning phases of large metro planned projects, such as Lufherheng, as well as smaller site-specific developments. The housing development department has over years, improved its planning, delivery and organisation capabilities to become a leading and best practice developer of good quality, innovative and cost-effective properties that contributes towards the creation of sustainable human settlements and as a result enhanced quality of life for the end users of the JOSHCO product offering as well as the creation of good urban environs. The achievement of the abovementioned key performance areas can be realised by the department through strong adherence to the housing development value chain as depicted in the figure below: -



Figure 6: housing Development Value Chain

Section 4.3 reflects a detailed project plan i.e. number of Social Housing Units to be developed and number of Inner-city projects to be upgraded, for the next three financial years, and the budget for each project. The project pipeline is made up of predevelopment projects and projects under constructions.

Transit Oriented Development (TOD)

The City has introduced the transit-oriented development approach where corridors of freedom paths have been identified and prioritized for integrated development. The TOD intends to address the spatial and social landscape. Integrated planning is prioritised in the following identified corridors:

- Empire-Perth
- Louis Botha
- Soweto CoF
- Turffontein CoF

In response to the approach, all JOSHCO projects that are in the pipeline are planned along the above mentioned Corridor. See section 4.3

Property Management

Upon completion of the projects, the building is handed over to housing management team. This is the team responsible for the property management value chain that include, leasing/tenanting, tenant education, maintenance and implementation of community development programmes across all JOSHCO projects.

Through housing management, the entity focuses on:

- Planned maintenance programmes to preserve the properties that are under our management
- Improve property management systems and processes to achieve tenant satisfaction levels at 85%
- Maintain occupancy rate at 98% at all times
- Reduction of the number of illegal occupancies
- Implementation of the business improvement programme such as online application

Community Development programme

Social Housing Act, clause 14 (1c) states that "Social Housing Institutions must promote the creation of quality living environments for low – income residents. JOSHCO will distinguish and differentiate itself from private landlords by not only offering accommodation to City of Johannesburg (CoJ) residents but by also building communities

Community development programs are an integral part of the service delivery value offering and value proposition of JOSHCO. The aim is to work together with the tenants, to improve their livelihood. Resources will be utilized as a strategic enabler for Community development, improve the quality of life and tenant participation by implementing effective innovative and distinct methods of engagement and manage the stakeholder expectation across the Board. The resource will be focused on the achievement of the following goals: -

- To facilitate transparent communication between JOSHCO and the communities in JOSHCO's residential properties
- To facilitate and coordinate the development and sustainment of networks and partnerships
- To facilitate and coordinate opportunities to build the capacity of community members and resources
- Implementation of community development programmes that deal with social issues and vulnerable groups

3.1.2 Service Deliver plan for the 2021/22

The entity has identified the following key performance areas that will focus on the 2021/22 financial year.

Table 7: Service Deliver plan for the 2021/22

Strategic Objective: Develop social housing projects within transport corridors, inner-city and greenfield (including suburbs and economic hubs)			
Key areas	Deliverables	Resources	Outcome
Development of Social and affordable rental units	-Development of 1038 units through construction of green field and brown field projects - Completion of 257 units through one brownfield project (Abel Street project)	Capital budget of R648,055 million Human Resources	Sustainable human settlements across CoJ Regions
	-Conversion of 1 building into student accommodation (Rissik build)	Financial and project funding instruments.	Student accommodation projects
	Development of a framework on the standardization of unit's design that respond to green economy	Green-economy expertise for planning and designing of such projects.	Board approved framework
Strategic Objective: Effectively manage social and affordable housing projects			
Key areas	Deliverables	Resources	Outcome
Tenanting	Public participation on new projects completed ready for tenanting (Abel street Project) in collaboration with the ward councilor.	Staff	Community well informed of JOSHCO processes i.e. qualifying criteria and tariffs
	Establishment of tenanting Help desk at completed project (Abel street Project)	PPEs	Enhanced application screening process
	Automation of application process through the development of JOSHCO App	Online application system	Automated applications
	Continuous tenant education	+/- R100 000	Well managed properties
	Customer satisfaction survey	+/- R500 000	Customer satisfaction rating
	Regularization of tenants occupying units without valid lease	None	Lease agreements of all JOSHCO Units

	Management of vacancy level through allocation committee and dashboard data	None	Achieve 98% occupancy rate
Maintenance	Commence with implementation of the building conditional assessment for a three-year cycle	R10 million	Preserved buildings and meet SHRA's Maintenance Standards
	Implement automation of Repairs and Maintenance System	Budget	Automated system
	Ensure adherence to maintenance turnaround times as per the Service Level Standard agreement	Approved budget	Reported maintenance addressed within timelines
Strategic Objective: Effectively manage Social Housing projects			
Key areas	Deliverables	Resources	Outcome
Project Security Upgrades	Installation of CCTV cameras at inner city and former city hostel projects (12 project)	+- R15 million	CCTV Cameras linked to security control room
	Installation of Biometrics at all projects		Biometrics in all projects
	Installation of burglar doors and windows in high raising buildings. Two projects targeted	+- R2 million	Burglars in all high rising buildings
	Annual building condition compliance (servicing of fire extinguishers, heat pumps, fire detectors in all tenanted project)	+- R4 million	Serviced extinguishers that complies with H&S Regulations
Strategic Objective: Effectively managed social and affordable housing projects.			
Key areas	Deliverables	Resources	Outcome
Climate change and Green buildings	Alternative energy solutions - Installation of solar systems in one project -Use of LED lights in communal areas	Budget	Project sustainability

	Implementation of roof garden in Antea project	Budget	Green buildings
	-Water saving through installation of rainwater harvesting system in two projects	Budget	Green buildings
Strategic Objective: Become a Customer Focused Company			
Key areas	Deliverables	Resources	Outcome
Customer Relation Management	Implementation of the CRM System	SAP, training	CRM System that is fully functional
	Develop and Implement a robust 2021/22 FY Customer Engagement Plan	Stakeholder Manager	Stakeholder engagement plan
	Monitor the Service Level Standards monthly and quarterly	None	Achieve SLS targets as per the SDA
Gender Based Violence (GBV)	Conduct quarterly gender-based seminars in JOSHCO projects. 4 Sessions targeted for the 2021/22 FY	+/- R100 000	Increased GBV awareness
Strategic Objective: Contribute towards economic development through SMME support and Job creation			
Key areas	Deliverables	Resources	Outcome
SMME Support and Job creation	30% CAPEX Spend on SMME	Clear Policy provision on 30% expenditure on SMME's. Stakeholder management tools through effective Social Facilitation	Seamless implementation of local SMME work-packages at a minimum of 30% of contract value.
	-SMMEs subcontracted for construction works to receive business training - SMMEs appointed for delivery of goods and services JOSHCO wide	OPEX budget	SMME empowerment
	Creation of 500 job opportunity through Expanded Public Works Programme (EPWP)	R712 000	Skills development of local labourers

Strategic Objective: Strengthen Governance and Compliance

Strategic Objective: Become a financial sustainable entity.

Key areas	Deliverables	Resources	Outcome
Financial Sustainability	Grow revenues from new streams - student accommodation, outdoor advertising, commercial, parking	- Additional buildings allocated for student accommodation	- Increase in revenue
	- Move JOSHCO's properties from the City to the entity's books	- Update of the SDA to allow the transfer of the properties	- Strengthen the balance sheet
	Continuous tracking of capital project progress	None	Spend 100% of allocated capital budget
Good Governance	Attain unqualified audit opinion through amongst other -Attend to group Operation clean audit (OPCA) resolutions to ensure compliance with processes - Participation of finance staff to GRAP standards and National Treasury Regulations and Circulars trainings	-Document management system	Improved control environment and complete and accurate financial records.
	Inculcate the culture of risk and compliance management across the organization	Appointment of departmental risk and compliance champions	Improved culture of risk and compliance in the organisation
	Review of entity policies and standard operating procedures that are due	Human Resource	Enhanced control environment
	Public adjudication of all tenders	Human Resources	Transparency in the entity's tender processes
	Embark in the business improvement process	Business process management expertise	Improved business efficiency

3.2 Corporate scorecard (as per Circular 88 planning template.)

The corporate scorecard has been populated in the circular 88 template which outlines the quarterly targets and the quarterly budget as outline in table.

SMART



Table 8: The Corporate Scorecard

Key Performance Area	Key Performance Indicator	KPI No	Baseline 2019/20	2021/22 Target	Quarterly Performance Targets				2021/22 Budget Per Projects R 000						
					Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				Means of Verification
									Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
Objective: Become a financial sustainable entity.															
Financial sustainability	Current Ratio	1	Current Ratio: 0.75:1	Current ratio 1:1	1:1	1:1	1:1	1:1	400	100	100	100	100	400	Monthly management accounts
	Solvency Ratio	2	Solvency Ratio 0.83:1	Solvency Ratio 1:1	1:1	1:1	1:1	1:1	400	100	100	100	100	400	Monthly management accounts
	Cost coverage Ratio	3	New	50 days cost coverage	50 days	50 days	50 days	50 days	400	100	100	100	100	400	Monthly management accounts
	Remuneration to Opex expenditure up to % 40%	4	New	Remuneration to Opex expenditure up to 40%	Remuneration to Opex expenditure up to 40%	Remuneration to Opex expenditure up to 40%	Remuneration to Opex expenditure up to 40%	Remuneration to Opex expenditure up to 40%		1 200	300	300	300	300	Monthly management account

Key Performance Area	Key Performance Indicator	KPINo	Baseline 2019/20	2021/22 Target	Quarterly Performance Targets				2021/22 Budget Per Projects R 000						Means of Verification
					Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				
									Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
Financial sustainability	% Collection in respect of current debtors.	5	61% collection in respect of current debtor	90% collection in respect of current debtor	90%	90%	90%	90%	N/A	39 127	9 781	9 781	9 781	9 784	Revenue Report approved by Board
Objective. Contribute towards economic development through SMME Support and Job creation															
Job creation	Number of jobs created for the unemployed through EPWP programme	6	185 number of jobs created for the unemployed through EPWP programme	500 number of jobs created for the unemployed through EPWP programme	100	275	390	500		1 300	260	455	299	286	EPWP database
Economic Development	% of capex spent on SMME	7	11% of capex spent on SMMEs'	30% of capex spent on SMMEs'	30%	30%	30%	30%		-	-	-	-	-	Quarterly Capital Expenditure Report

Key Performance Area	Key Performance Indicator	KPINo	Baseline 2019/20	2021/22 Target	Quarterly Performance Targets				2021/22 Budget Per Projects R 000						Means of Verification
					Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				
									Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
Economic Development	% of valid invoices paid within 30 days of invoice receipt	8	99.5% valid invoices paid within 30 days of invoice receipt.	100% valid invoices paid within 30 days of invoice receipt.	100% valid invoices paid within 30 days of invoice receipt.	100% valid invoices paid within 30 days of invoice receipt.	00% valid invoices paid within 30 days of invoice receipt.	100% valid invoices paid within 30 days of invoice receipt.	-	840	210	210	210	210	Monthly Compliance Report
Objective: Develop Social Housing projects within transport corridors, Inner-City and greenfield (including suburbs and economic hubs).															
Social Housing Development	No of Social Housing units developed	9	330 no of social housing developed for the disadvantage beneficiaries	1038	-	-	-	1038	R648 055	R327					Progress report dated and signed by Professionals
	No of Social Housing units completed	10	New	257	-	-	-	257							Completion Certificate
	% Capital budget spent.	11	69% capital budget spent.	95% capital budget spent.	20%	50%	70%	95%	5 100	420	1 380	1 380	1 380	1 380	Board approved Capital Expenditure report

Key Performance Area	Key Performance Indicator	KPINo	Baseline 2019/20	2021/22 Target	Quarterly Performance Targets				2021/22 Budget Per Projects R 000						
					Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				Means of Verification
									Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
Objective : Effectively managed social housing projects.															
Effective property management	% occupancy rate.	12	96% occupancy rate.	98% occupancy rate.	98% occupancy rate.	98% occupancy rate.	98% occupancy rate.	98% occupancy rate.		3 420	855	855	855	855	Property management system generated report
	Number of building conditional assessment concluded	13	New	10 Buildings conditional assessment	4	6	8	10		2 600	432	432	1 296	440	Professional signed building conditional assessment reports
Objective : Strengthen governance and compliance.															
Adherence to Corporate Governance Principles.	Unqualified audit opinion	14	Unqualified audit opinion.	Unqualified audit opinion.	-	-	-	Unqualified audit opinion.	N/A	3 937	-	-	-	3 937	Auditor General final report

Key Performance Area	Key Performance Indicator	KPINo	Baseline 2019/20	2021/22 Target	Quarterly Performance Targets				2021/22 Budget Per Projects R 000						
					Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				Means of Verification
									Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
Adherence to Corporate Governance Principles.	% Compliance to laws and regulation	15	89% Compliance to laws and regulation	95% compliance to laws and regulation	95%	95%	95%	95%	N/A	4 586					Board approved Compliance reports
	% implementation of targeted corrective action against identified risks	16	50% implementation of targeted corrective action against identified risks	95% implementation of corrective action against identified risks	20%	50%	80%	95%	N/A	1 153					Board approved risk control assessment report

Key Performance Area	Key Performance Indicator	KPINo	Baseline 2019/20	2021/22 Target	Quarterly Performance Targets				2021/22 Budget Per Projects R 000						
					Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				Means of Verification
									Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
Corporate governance	% implementation of targeted corrective action against internal audit findings	17		95% implementation of corrective action against internal audit findings	95%	95%	95%	95%	N/A	4 586					Internal audit report
	% implementation of targeted corrective action against external audit findings	18		100% implementation of corrective action against internal audit findings	100%	100%	100%	100%	-	-	-	-	-		Internal audit report
Objective : Strengthen governance and compliance.															
	% Filling of vacancies from middle management to Executive Management	19	New KPI	100% Filling of vacancies from middle management to Executive	100% filling of vacancies	100% filling of vacancies	100% filling of vacancies	100% filling of vacancies	-	-	-	-	-	-	Recruitment report

Key Performance Area	Key Performance Indicator	KPINo	Baseline 2019/20	2021/22 Target	Quarterly Performance Targets				2021/22 Budget Per Projects R 000						
					Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				Means of Verification
									Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
Corporate governance	% Customer satisfaction rating.	20	66.74% Customer satisfaction rating	85% Customer satisfaction rating	-	-	-	85% Customer satisfaction rating	-	2 976	-	-	-	2 976	Signed customer Survey report
	% employee satisfaction rating	21	New KPI	70% employee satisfaction rating	-	-	-	70% employee satisfaction rating	-		-	-	-		Signed employee Survey report

3.3 KPI Definitions

Table 9: Technical Indicator Descriptors

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
Financial Sustainability												
1	Current Ratio	The indicator refers to the ability of Johannesburg Social Housing Company (JOSHCO) to pay short term obligations or those due within one year	To measure the financial sustainability of the organisation	Management account / annual financial statements	Current ratio Current assets divided by current liabilities	None	Financial	Current ratio Cumulative	Quarterly	No	current ratio 1:1	Chief Financial Officer
2	Insolvency ratio	The indicator refers to the ability of Johannesburg Social Housing Company (JOSHCO) to meet its long-term debt obligations. The ratio indicates whether the company's cashflow is sufficient to meet its long-term obligations sufficient to meet its long-term obligations	To measure the financial sustainability of the organisation	Management account / annual financial statements	Solvency ratio Total assets divided by total liabilities	None	Financial	Solvency ratio Cumulative	Quarterly	No	Solvency ratio 1:1	Chief Financial Officer

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
3	Cost Coverage Ratio	The indicator refers to the ability of Johannesburg Social Housing Company (JOSHCO) to service its overheads	To measure the financial sustainability of the organisation	Management account / annual financial statements Management accounts report	Cost coverage ratio 50 days cost coverage	None	Financial	Cost coverage ratio Cumulative	Quarterly	No	50 days cost coverage	Chief Financial Officer
4	Remuneration to Opex expenditure up to %	The indicator refers to the contribution of the remuneration expenditure to the overall operational expenditure	To measure the financial sustainability of the organisation	Management account / annual financial statements Management accounts report	Staff and governance costs divided by total operational expenditure multiplied by 100	None	Financial	Remuneration on to OPEX up to 40% Cumulative	Quarterly	yes	Remuneration on to OPEX up to 40%	Chief Financial Officer

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
5	% Collection of debtors on current billing	The indicator refers to the percentage of money collected as a percentage of the total value billed for rental.	To enhance financial sustainability of the organisation through tracking revenue collected from the tenants who are occupying JOSHCO projects.	MDA System. List of JOSHCO projects. Financial Summary. Final billing report. Tenant Age Analysis/ tenancy schedule; and Invoices or bank statements	Rental collected/total bill multiply by 100	None	Financial	Non-Cumulative	Quarterly	No	90%	Chief Financial Officer
Economic Development												

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
6	Number of jobs created for the unemployed through EPWP programme	<p>The indicator refers to the number of jobs created through the Expanded Public Works Programme (EPWP) during the financial year under review.</p> <p>Jobs: refers to temporary jobs linked to projects by JOSHCO to develop housing units, and through repairs and maintenance or in JOSHCO offices.</p>	To promote economic development through job creation and skills transfer.	<p>Service provider – Register and Payroll</p> <p>Attendance Register/ timesheet, proof of payment, ID, and employment contract.</p>	Simple count of jobs created as defined.	None	Output	Cumulative	Quarterly	No	500	EM: Corporate Services

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
7	% of CAPEX spent on SMME's	<p>The indicator refers to the capital budget funds spent on SMMEs against the appropriate capital budget for the financial year aggregated into a percentage.</p> <p>JOSHCO provides financial support to SMMEs through sub-contracting of SMMEs and non-financial support through training or workshops for SMMEs.</p>	Economic development contribution through SMME support	Departmental expenditure report. Invoices	Percentage (30%) of total expenditure on construction for the quarter (excluding professionals)	Un-availability of information from main contractors	Output	Non-cumulative	Quarterly	No	30%	EM: Housing Development

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
8	% of valid invoices paid within 30 days of invoice receipt	The indicator refers to the percentage of invoices paid within 30 days.	To ensure that the organisation complies with payment of service providers within prescribed time and avoid interest and penalties. It also ensures that Small, Medium and Micro Enterprises (SMMEs) providing services to JOSHCO are sustainable.	Purchase master. Bank statements; Invoices register; and Remittance for service providers.	Invoices paid within 30 days of receipt/ total valid invoices received for the same period multiply by 100	None	Quantitative	Non-cumulative	Quarterly	Yes	100%	Chief Financial Officer
Social Housing Development												

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
9	No of Social Housing units developed	The indicator refers to the number social housing units developed within the financial year to a level where they have all walls, doors, windows, and floor finishes but not connected with any services. The units will be developed through JOSHCO projects and once completed will accommodate beneficiaries that based on their statuses qualify for social housing or affordable rental units.	Enhanced quality of life that provides meaningful redress through pro-poor development	Independent professional report on milestone progress signed and dated within the financial year	Simple count of housing units developed.	Evidence not provided due to projects not being met on time.	Output	Non-cumulative	Annually	No	1038	EM: Housing Development

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
10	No of Social Housing units completed	The indicator refers to the number social housing units developed to reach completion and ready to accommodate beneficiaries. The units will be developed through JOSHCO projects and once completed will accommodate beneficiaries that based on their statuses qualify for social housing or affordable rental units.	Enhanced quality of life that provides meaningful redress through pro-poor development	Occupation certificates	Simple count of housing units completed	Evidence not provided due to projects not being met on time.	Output	Non-cumulative	Annually	No	257	EM: Housing Development

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
11	% Capital budget spent on rental Social Housing Infrastructure	The indicator refers to the spending of capital budget on development of social housing infrastructure	The indicator seeks to track the spending pattern of capital budget on the development of social housing infrastructure	CAPEX expenditure report, and valid Invoices	Total Capital expenditure (CAPEX) for the period divided by total approved CAPEX budget multiplied by 100	None	Quantitative	Cumulative	Quarterly	No	95%	EM: Housing Development and Chief Financial Officer
Corporate Governance												

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
12	Unqualified audit opinion	This indicator refers to achievement of unqualified audit opinion by an independent auditor (AGSA). An unqualified audit opinion refers to an independent audit judgement that the company's financial statements are fairly and appropriately presented, without any exceptions and in compliance with accounting standards	Improve the control environment of the organisation	JOSHCO's integrated annual report and Auditor General final reports.	Simple read of the AG report	No specific limitation	Output	Non-cumulative	Annually	Yes	Unqualified audit opinion	Chief Financial Officer

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
13	% implementation of corrective action against identified risks	The indicator refers to monitoring of mitigation actions identified to address strategic risks. The aim is to effectively manage business risk to ensure that the risks facing the organisation do not negatively affect the business objectives of the organization	Improve the control environment of the organisation.	Strategic Risk Register, and approved risk report submitted to Group Risk	Number of actions implemented for the period/Total number of actions for the FY multiply by 100	No specific limitations	Output	Cumulative	Quarterly	No	95%	Chief Financial Officer EM: Business Planning and Strategy; and All EMs

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
14	% Implementation of targeted corrective action against external audit findings	The indicator refers to the closing of audit findings that are due for implementation. It seeks to ensure that audit findings are addressed to minimise or mitigate weaknesses within the controlled environment	Improve the control environment of the organisation.	Internal audit tracking reports submitted to Executive Committee (EXCO) as well as the Audit and Risk Committee. Internal audit reports	Number of actions to improve implemented and verified by Internal audit /total number of actions due for implementation multiply by 100	No specific limitation	Output	Non-cumulative	Quarterly	No	100%	CFO All EMs
15	% Implementation of targeted corrective action against internal audit findings	The indicator refers to the closing of audit findings that are due for implementation. It seeks to ensure that audit findings are addressed to minimise or mitigate weaknesses within the controlled environment	Improve the control environment of the organisation.	Internal audit tracking reports submitted to Executive Committee (EXCO) as well as the Audit and Risk Committee. Internal audit reports	Number of actions to improve implemented and verified by Internal audit /total number of actions due for implementation multiply by 100	No specific limitation	Output	Non-cumulative	Quarterly	No	95%	CFO All EMs

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
16	% Compliance to laws and regulation	The indicator refers to tracking of the extent to which JOSHCO complies with the laws and regulations that are relevant to the organisation. As a Municipal-owned Entity (MoE) JOSHCO has aligned its compliance function with that of the City of Johannesburg (CoJ) Metropolitan's Group Compliance and Advisory Services Compliance Framework for purposes of integrated reporting and monitoring compliance risks on a holistic level.	Improve the control environment of the organisation.	Questionnaires supported by evidence and Exclaim Compliance Universe Toolkit Generated Reports	Number of legislations with 100% compliance/ total number of Acts applicable multiply by 100	Non submission by business units responsible for implementation of the Acts monitored for compliance.	Output	Non-cumulative	Quarterly	No	95%	EM: Planning & Strategy
Customer Centric												

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
17	% customer satisfaction rating	The indicator refers to the rating (%) provided by JOSHCO clients to measure satisfaction levels of the services provided by JOSHCO.	Meet the service level standards with the CoJ. Improve customer satisfaction levels.	Survey conducted by service provider. Customer satisfaction survey report; and Questionnaires or survey instruments	Mean average scoring of the population studied	Un-availability of customers, lack of cooperation by customer	Output	Non-Cumulative	Annually	No	85%	EM: Housing Management
Human Resources												
18	%employee satisfaction rating	The indicator refers to the rating (%) provided by JOSHCO employees to measure satisfaction levels of the working condition and support provided by management	Inculcate the culture that enables high performance	Survey conducted by service provider. employee satisfaction survey report; and Questionnaires or survey instruments	Mean average scoring of the population studied	Incomplete questionnaires that will be deemed invalid	Output	Non-Cumulative	Annually	Yes	85%	EM: Housing Management

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
19	% Filling of vacancies from middle management to Executive Management	The indicator refers to the filling of critical positions within 90 working day of becoming vacant to ensure high performance in the organisation	Inculcate the culture that enables high performance	Approved organizational structure, advertisement, and appointment report	Number of positions filled within 90 days/ Total number of vacant positions at that level multiply by 100	None	Output	Non-cumulative	Quarterly	Yes	Filling of management positions within 90 working days	EM: Corporate Services
Effectively Managed Social Housing Projects												
20	% occupancy rate	The indicator refers to the percentage of housing units occupied by tenants as a percentage of total units under management.	To improve efficiency in management of units and enhance financial sustainability	System generated report	Number of units occupied/total number of all units under JOSHCO management (excluding vandalized) multiply by 100	None	Output	Non-cumulative	Quarterly	No	98% occupancy rate	EM: Housing Management

KPI NO.	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
21	Number of building conditional assessment concluded	The indicator refers to the building conditional assessment done for the purpose of maintaining and preserving the buildings. This will ensure that the buildings are always at an acceptable standard	To have well maintained buildings that are attractive	Signed Professional assessment reports	Simple count of building conditional assessment	None	Output	Cumulative	Quarterly	Yes	10	EM: Housing Management



3.4 Service Standards Charter

The relationship of JOSHCO and City of Johannesburg as a parent municipality and the sole shareholder of the entity is formalised through various processes and documentation that include the Service Delivery Agreement and the Shareholder compact. Section 93B (a) of municipal system act stipulates that “Parent municipalities having sole control. — A parent municipality which has sole control of a municipal entity:

- (a) Must ensure that annual performance objectives and indicators for the municipal entity are established by agreement with the municipal entity and included in the municipal entity’s multi-year business plan. As such JOSHCO and the City sign a five-year SDA that is reviewed annually, and the agreement outlines the entity’s scorecard and seven service level standards that JOSHCO should adhere to when delivering its services to the Johannesburg communities.

JOSHCO reports on performance against seven pre-determined targets for Service Level Standards. On average. The agreed service level standards with the City covers the following:

KPI No	Key Performance Indicator	Baseline 2019/20	2021/22 Target	Quarterly Performance Targets				2021/22 Budget						Means of Verification
				Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				
								Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
1	% accurate bills of all active customers.	97%	98%	98%	98%	98%	98%		9812	2 453	2 453	2 453	2 453	Dated and signed pre-billing monthly report for each project per tenant
2	% of maintenance requests attended within 14 working days of the logged call.	91%	96%	96%	96%	96%	96%		21 164	5 291	5 291	5 291	5 291	Dated and signed maintenance form and invoice
3	% implementation of planned routine building maintenance	67%	100%	100%	100%	100%	100%		23 992	5 998	5 998	5 998	5 998	Approved requisition of major maintenance

KPI No	Key Performance Indicator	Baseline 2019/20	2021/22 Target	Quarterly Performance Targets				2021/22 Budget Per Projects R 000						Means of Verification
				Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				
								Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
4	Days taken to send the outcome of application enquiry.	3	5	5	5	5	5		32	8	8	8	8	Monthly service level standards
5	Days taken to communicate the outcome of the housing unit application.	4	10	10	10	10	10		32	8	8	8	8	Signed lease agreements
6	Period taken to acknowledge receipt complaints lodged.	24 hours	24 hours	24 hours	24 hours	24 hours	24 hours		840	210	210	210	210	Monthly service level standards Emails to customers
7	Days taken to resolve lodged complaints/ queries.	4	5	5	5	5	5		696	174	174	174	174	Monthly service level standards Emails to customers

3.5 Performance Monitoring, Evaluation and Reporting



This is an essential tool for reviewing the organisational dashboard and corporate scorecard. As a Municipal owned entity and Social Housing Institution, how JOSHCO responds to its tenants and Communities on a daily basis needs to measure elevation to comprehensively communicate its role to stakeholders and funders.

JOSHCO PERFORMANCE MONITORING, EVALUATION AND REPORTING PROCESSES

Monitoring Process.

Throughout spheres of government, the performance information reported in accountability documents enables Parliament, provincial legislatures, municipal councils, and the public to track government performance, and to hold it accountable. Performance information is also made available to managers at each stage of the planning, budgeting, and reporting cycle so that they can adopt a results-based approach to managing service delivery. This approach emphasises planning and managing with a focus on desired results and managing inputs and activities to achieve these results. Performance information is structured to demonstrate clearly how JOSHCO uses available resources to deliver on its mandate.

Evaluation Process.

JOSHCO's evaluation process is intended to improve decision making, improve performance and accountability. Key programmes such as EPWP are identified for evaluation of its long-term impact.

Reporting Process.

The National Treasury has developed two monitoring and reporting systems to integrate planning with budgeting systems that cater for financial and nonfinancial information. In-year implementation and monitoring of service delivery and the budget is conducted through the quarterly performance reports and the monthly financial reports respectively. End year reporting constitutes reporting on outputs against pre-determined targets and reporting on annual financial statements. The City of Johannesburg performance reporting framework that provides guidelines across city departments and entities is aligned to the National Treasury one.

In-year Monitoring Reports.

In year monitoring of JOSHCO's performance will be done through quarterly performance reports and monthly expenditure reports as entranced in section 71 and 72 of the MFMA. The quarterly performance reports provide progress on the implementation of the institutions' annual performance plan with emphasis on monitoring delivery against planned quarterly targets. Monthly expenditure reports are used to monitor actual spending against planned spending. These reports are also used to alert managers where remedial action is required in-year, based on both financial and nonfinancial information. Value for money is an important objective in budgeting. In support of this, quarterly performance targets are compared to actual expenditure in an effort to link service delivery with spending data.

Annual reports.

The annual report process is guided by section 121 of the MFMA, MFMA circular 63 and the international Reporting Framework that has been adopted by the City. The annual report is the ultimate accountability document in JOSHCO. It is linked to the implementation of the annual performance plan and the budget. It focuses on the institution's performance relative to the targets set in the annual performance plan and indicates how the budget was implemented in accordance with the service delivery outputs. The relationship and alignment of the planning, budgeting, reporting, monitoring, and evaluation documents is made possible through appropriate budget programme structures. Budget programme structures provide the key link between our objectives and its detailed operational budgets. The budget programme structure at our disposal provides a stable platform, linking successive plans and strategic priorities to budget allocations and performance indicators that track delivery over the medium to long term

4. FINANCIAL IMPACT



4.1 Budget and Sources of Funding

The capital budget funding is attained from the City based on the number of social and affordable rental units to be developed in a financial year and support programmes to implement the delivery of the social housing programme. Another source of capital funding is attained through application of capital funding from SHRA. The market demand studies, and project feasibility studies are critical to this funding programme, as part of the achievement of the organisational rental stock growth projections. The organisation projected operational budget is based on the number of social housing and affordable rental units under its current management. The City supports the operational budget through budget allocations and budget adjustments. Rent collected collection and utility recoveries from tenants supplement the operational budget.

4.2 Operational Expenditure

JOSHC0 is a rapidly scaling entity. Its growth parameters are driven by the increasing number of take on units from housing development. The pipeline alone will double JOSHC0's units under management in the medium term. On the support services side, the programme to insource security, cleaners, and general maintenance laborer reflects the key property management and facilities management competencies of JOSHC0. Financial sustainability therefore remains a challenging but not impossible aspiration. The understanding of the impact of and management of operational expenditure is critical to the achievement of the strategic imperatives of the organisation.

The principle pertaining to the implementation of the business plan is centered on accountability and transparency, efficiency and effectiveness, commitment, time consciousness, prudent financial management and the ongoing coordination and collaboration with other departments. JOSHC0 is however in a space that is directly impacted by the harsh economic conditions of the country. Rental collections are steadily lagging and the gap between expenses and income is widening. Competitor analyses show that during difficult times as experience during the pandemic, collection rates reduce in the short term but not in a manner that would be detrimental to the entity.

At an operational level, JOSHC0 will continue the following strategies to reduce the loss and maintain its financial sustainability.

- Revenue drives which involve all departments at JOSHC0 in particular revenue and housing management
- Managing expenditures closely through cost containment measures, reconciliation, and supervisory controls. JOSHC0 has adopted a policy in line with National Treasury and the City's cost containment guidance.
- Handover of tenants to the Local Magistrates Courts for Emolument Attachment or Garnishee Orders
- Refer the defaulting tenants to the Housing Tribunal Court for mediation (this is a free service)
- CoJ employee area account balances collected through Garnishee Orders
- Relocate unqualifying tenants to Temporary Emergency Accommodation projects
- Educate tenants about Social Housing through the stakeholder engagement program

Balance Sheet Optimisation

All projects that are managed by JOSHC0 are capitalised in the City's balance sheet. JOSHC0 would be engaging the City to persuade them to transfer the JOSHC0 managed property portfolio to the entity. This would enable JOSHC0 to improve its current and solvency ratios.

Budget for 2021/22 Financial Year

Table 11: The table below reflects the revised budget for 2020/21 financial year and the proposed budget for the medium term for 2021/22 - 2023/24:

	Current Budget	Medium Term Revenue and Expenditure Budget: 2021/22 - 2023/24								
Description	Adjusted Budget	Tabled Budget	Adjustment	Adjusted Budget	Tabled Budget	Adjustment	Adjusted Budget	Tabled Budget	Adjustment	Adjusted Budget
	2020/21	2021/22		2021/22	2022/23		2022/23	2023/24		2023/24
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Revenue										
Rental of facilities and equipment	175,860	177,648	11,171	188,819	185,642	11,486	197,128	205,998	-	205,998
Interest earned - outstanding debtors	7,660	1,734	6,256	7,990	1,812	6,528	8,340	8,716	-	8,716
Other Revenue	45,949	16,675	20,566	37,241	17,338	21,555	38,893	40,646	-	40,646
Direct Revenue	229,469	196,057	37,993	234,050	204,792	39,569	244,361	255,360	-	255,360
Internal Transfers										
Interest Income (Sweeping Account)	-	9,171	-	9,171	9,584	-	9,584	10,015	-	10,015
Operating Grants & Subsidies from (COJ)	19,900	20,736	-2,189	18,547	21,669	-2,330	19,339	20,200	-	20,200
Total Internal Transfers	19,900	29,907	-2,189	27,718	31,253	-2,330	28,923	30,215	-	30,215
Total Revenue	249,369	225,964	35,804	261,768	236,045	37,239	273,284	285,575	-	285,575

	Current Budget	Medium Term Revenue and Expenditure Budget: 2021/22 - 2023/24								
Description	Adjusted Budget	Tabled Budget	Adjustment	Adjusted Budget	Tabled Budget	Adjustment	Adjusted Budget	Tabled Budget	Adjustment	Adjusted Budget
	2020/21	2021/22		2021/22	2022/23		2022/23	2023/24		2023/24
	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000	R 000
Expenditure By Type										
Employee related costs	127,282	105,852	26,896	132,748	111,708	26,866	138,574	144,801	-	144,801
Debt impairment	28,107	14,836	14,478	29,314	15,504	15,096	30,600	31,977	-	31,977
Depreciation & asset impairment	1,430	1,504	-13	1,491	1,572	-15	1,557	1,627	-	1,627
Finance charges	1,536	1,616	-14	1,602	1,689	-17	1,672	1,747	-	1,747
Other materials	28	17	12	29	17	13	30	31	-	31
Contracted services	73,201	76,162	1,880	78,042	79,300	2,185	81,485	85,157	-	85,157
Other expenditure	16,175	23,541	-6,693	16,848	23,736	-6,149	17,587	18,376	-	18,376
Direct Expenditure	247,759	223,528	36,546	260,074	233,525	37,980	271,505	283,716	0	283,716
Internal Transfers										
Internal charges (ME's)	1,610	1,694	0	1,694	1,779	0	1,779	1,859	-	1,859
Total Internal Transfers	1,610	1,694	0	1,694	1,779	0	1,779	1,859	-	1,859
TOTAL EXPENDITURE	249,369	225,222	36,546	261,768	235,304	37,980	273,284	285,575	-	285,575
OPERATING SURPLUS / (DEFICIT)	0	742	-742	0	741	741	0	0	-	0
Taxation		-742	742		-741	-741				
OPERATING SURPLUS / (DEFICIT) AFTER TAX	0	0	0	0	0	0	0	0	0	0

Table 12: Operational Capital Budget for 2021/22 to 2022/24 Financial Year.

Expenditure	Budget 2021/22	Budget 2022/23	Budget 2023/24
Computers	350,000	400,000	450,000
Furniture	500,000	200,000	250,000

Revenue

JOSHCO's main revenue items are as follows:

- Rental of facilities and equipment.
- Agency services; and
- Grants and subsidies.

The take-on delivery of unit's programme by housing development to housing management will result in the delivery of 257 completed units handed over to accommodate qualifying beneficiaries and will contribute towards the forecasted rental revenue.

The operational subsidy from the Shareholder has also decreased to R18 547 million. JOSHCO earns 7% management fee for agency services in respect of the development of projects and this is derived from the development programme. Revenue would be maximised through selling of advertising space on certain JOSHCO projects especially in the inner city and through letting of commercial space of the ground floor of all new Inner-City projects.

Despite the current economic conditions, revenue collection remains a strategic imperative for the organisation and as such debt impairment has been maintained conservatively for the medium term with a slight increase due to continuing declining collection levels. Revenue collection strategies inclusive of encouraging tenants to switch over to the debit order system and paying the accounts through Easy pay at most retail outlets have been put in place.

Expenditure

The financial planning for the year ahead, takes into consideration the following:

- Insourcing of security, cleaners, and gardeners
- **Employee related costs:** slightly Increase to R 132 748 million
Employee related cost is an enabler. The budget increase has been prepared on the following basis of filling of key positions in the new organisational structure. The increase in insourcing of key competency staff cost is higher than the reduction of repairs maintenance cost, as the amount includes benefits like pensions, etc.
- **Repairs and maintenance:** Reduction due to insourcing of cleaners and gardeners whose costs are now included under internal charges.
- **General expenses:** General expenses are also an enabler. Although JOSHCO strives to undertake its business through economies of scale, for the current financial year (2021/22) it has increased.

4.3 Capital Expenditure

The organisation has identified the need to improve its planning, delivery and organisation capabilities to become a leading and best practice developer of good quality, innovative and cost-effective properties that contributes towards the creation of sustainable human settlements. Moreover, to enhanced quality of life of JOSHCO's target market. The achievement of the abovementioned key performance areas can be realised through strong adherence to the housing departments value chain.

Mix Housing Options and Capital Management

The tables below reflect a detailed project plan i.e. number of Social Housing Units to be developed and number of Inner-City projects to be upgraded for the 3 three financial years, and the budget for each project.

Table 13: Capital Expenditure Budget for the 2021/2022 Financial Year

JOSHCO DEVELOPMENT PROGRAMME						
Financial Year: 2021-2022						
Strategic Objective: Pro-Poor Development	Projects	Pro-gramme	Total Project Unit yield	Baseline	Total units for the year 2021/22	Financial year budget: 21/22
Soweto to CBD along Empire and Perth Raods	Lufherheng Social housing	Green-fields	407	0	150	85 000 000
	Golden Highway Social Housing (Devland)		588	255	150	85 000 000
	Nancefiled Station		372	0	93	55 000 000
SUB-TOTAL			1367	255	393	225 000 000
CBD to Alexandra along Louis Botha Avenue	Casa Mia		81	0	0	2 500 000,00
	Inner City acquisition/ Conversion (Student Accommodation)		0	0	0	16 000 000,00
	Abel Street		257	0	257	24 500 000,00
	38 Rissik Street		300	0	0	1 500 000,00
	Marlboro Housing		0	0	0	1 000 000,00
	Jeepestown Social Housing		1336	0	140	80 000 000,00
	Booyesen Place		200	0	0	3 500 000,00

SUB TOTAL			2174	0	397	129 000 000
Mining Belt	Princess Plot Social Housing		333	0	95	57 900 934
SUB-TOTAL			333	0	95	57 900 934
Alexandra-Malboro to Sandton-Randburg	Randburg Social Housing		145	0	100	58 000 000
	Region E: Edenburg Housing		1031	0	140	80 000 000
	Region A: Riverside Housing		1108	0	140	80 000 000
	Turn-Key 4: Region c		520	0	30	18 155 000
SUB-TOTAL			2804	0	410	R236 155 000,00
GRAND TOTAL			6678	255	1 295	R648 055 934,00

Table 14: Capital Expenditure Budget for the Year 2022/2023

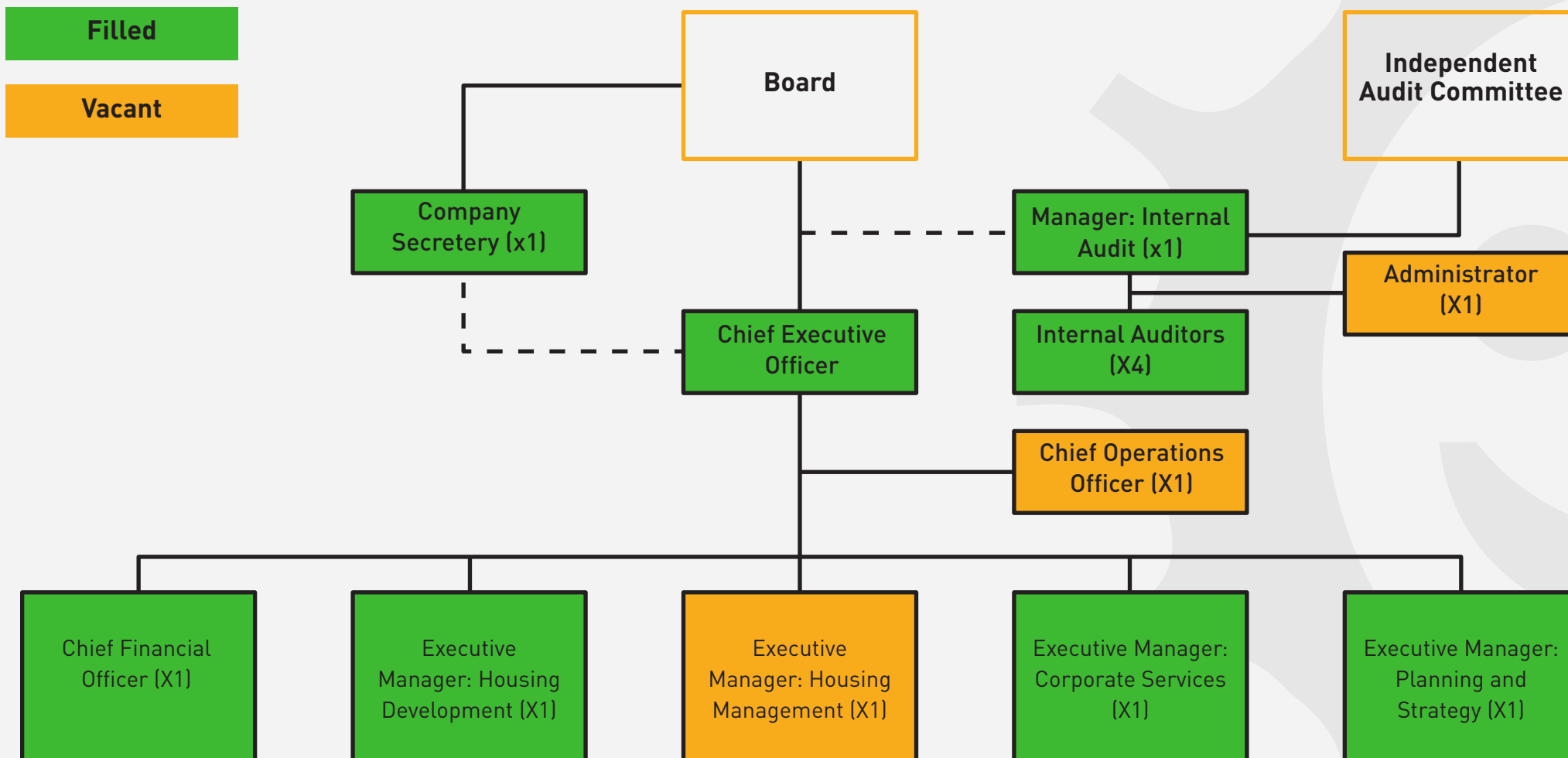
JOSHCO DEVELOPMENT PROGRAMME						
Financial Year: 2022-2023						
Strategic Objective: Pro-Poor De-velopment	Projects	Pro-gramme	Total Project Unit yield	Baseline	Total units for the year 2022/23	Financial year budget: 22/23
Soweto to CBD along Empire and Perth Raods	Lufherheng Social housing	Greenfields	407	0	175	100 438 000
	Golden Highway Social Housing (Devland)		588	255	55	28 142 000
	Nancefiled Station		372	0	150	80 000 000
SUB TOTAL			1367	255	380	208 580 000
CBD to Alexandra along Louis Botha Avenue	Casa Mia		81	0	80	48 453 000,00
	Inner City acquisition/ Conversion (Student Accommodation)		0	0	0	11 000 000,00
	38 Rissik Street		300	0	0	5 700 000,00
	Marlboro Housing		0	0	0	1 537 000,00
	Jeepestown Social Housing		1336	0	200	100 000 000,00
	Booyesen Place		200	0	0	5 000 000,00
SUB TOTAL			1917	0	280	171 690 000
Mining Belt	Princess Plot Social Housing		333	0	120	66 555 000
SUB-TOTAL			333	0	120	66 555 000
Alexan-dra-Malboro to Sand-ton-Randburg	Randburg Social Housing		145	0	45	63 900 000
	Region E: Edenburg Housing		1031	0	200	100 000 000
	Region A: Riverside Housing		1108	0	200	100 000 000
	Turn-Key 4: Region c		520	0	120	63 000 000
SUB-TOTAL			2804	0	565	R326 900 000,00
GRAND TOTAL			6421	255	1 345	R773 725 000,00

Table 15: Capital Expenditure Budget for the Year 2023/2024

JOSHCO DEVELOPMENT PROGRAMME						
Financial Year: 2023-2024						
Strategic Objective: Pro-Poor Development	Projects	Pro-gramme	Total Project Unit yield	Baseline	Total units for the year 2023/24	Financial year budget: 23/24
Soweto to CBD along Empire and Perth Raods	Lufherheng Social housing	Greenfields	407	0	82	47 000 000
	Nancefiled Station			0	129	80 000 000
SUB TOTAL			779	0	211	127 000 000
CBD to Alexandra along Louis Botha Avenue	Casa Mia		81	0	0	3 000 000,00
	Inner City acquisition/ Conversion (Student Accommodation)		0	0	0	5 000 000,00
	Auckland Park		300		16	20 000 000,00
	38 Rissik Street		300	0	80	30 950 000,00
	Marlboro Housing		0	0	120	50 000 000,00
	Jeepestown Social Housing		1336	0	190	94 078 000,00
	Booyesen Place		200	0	96	37 000 000,00
SUB TOTAL			2217	0	502	240 028 000
Mining Belt	Princess Plot Social Housing		333	0	95	47 050 000
SUB-TOTAL			333	0	95	47050000
Alexan-dra-Malboro to Sand-ton-Randburg	Region E: Edenburg Housing		1031	0	280	140 000 000
	Region A: Riverside Housing		1108	0	280	140 000 000
	Turn-Key 4: Region c		520	0	115	57 950 000
SUB-TOTAL			2659	0	675	R337 950 000,00
GRAND TOTAL			5988	0	1 483	R752 028 000,00

5. MANAGEMENT AND ORGANISATIONAL STRUCTURES

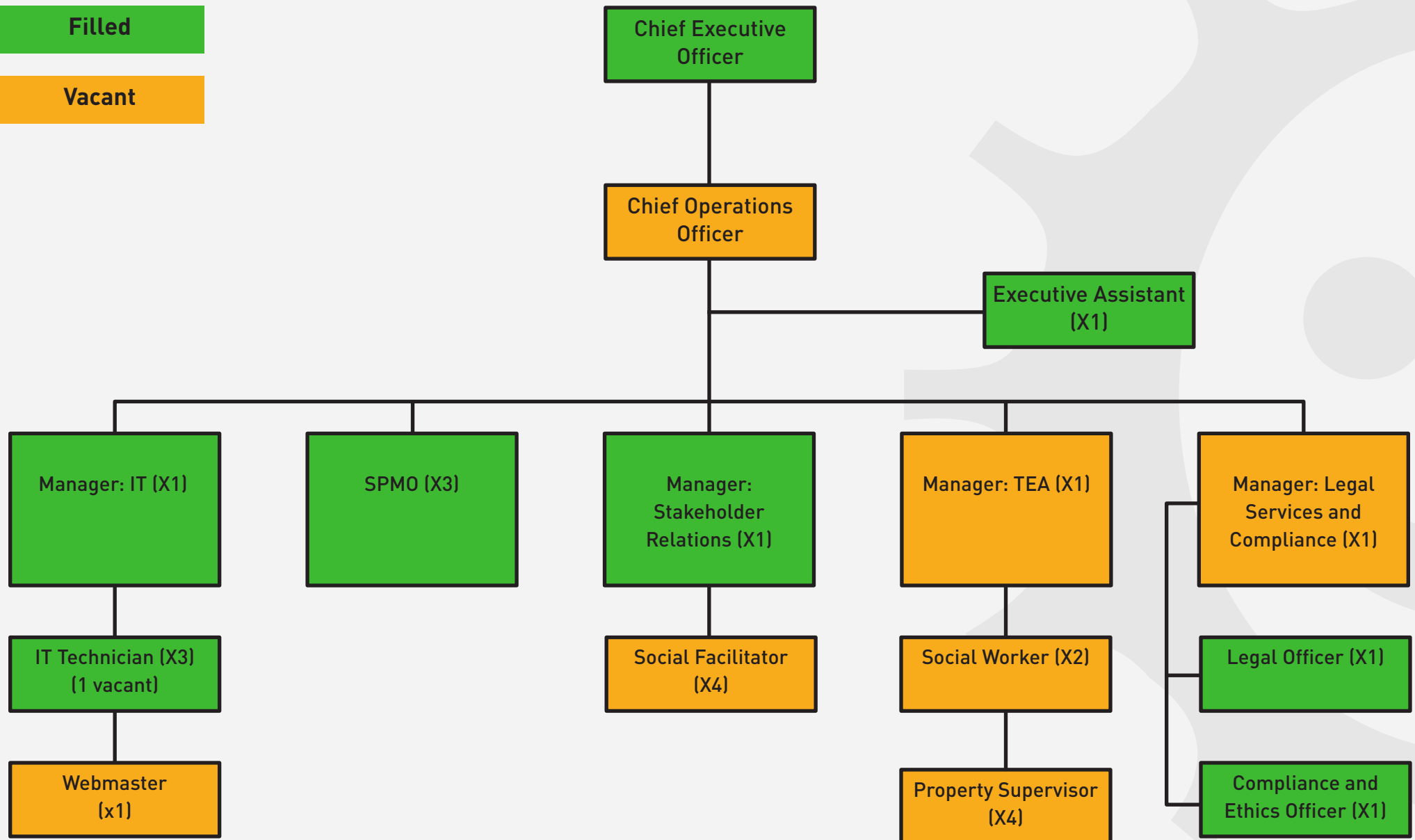
5.1 Organisation Structure



Office of the Chief Executive Officer

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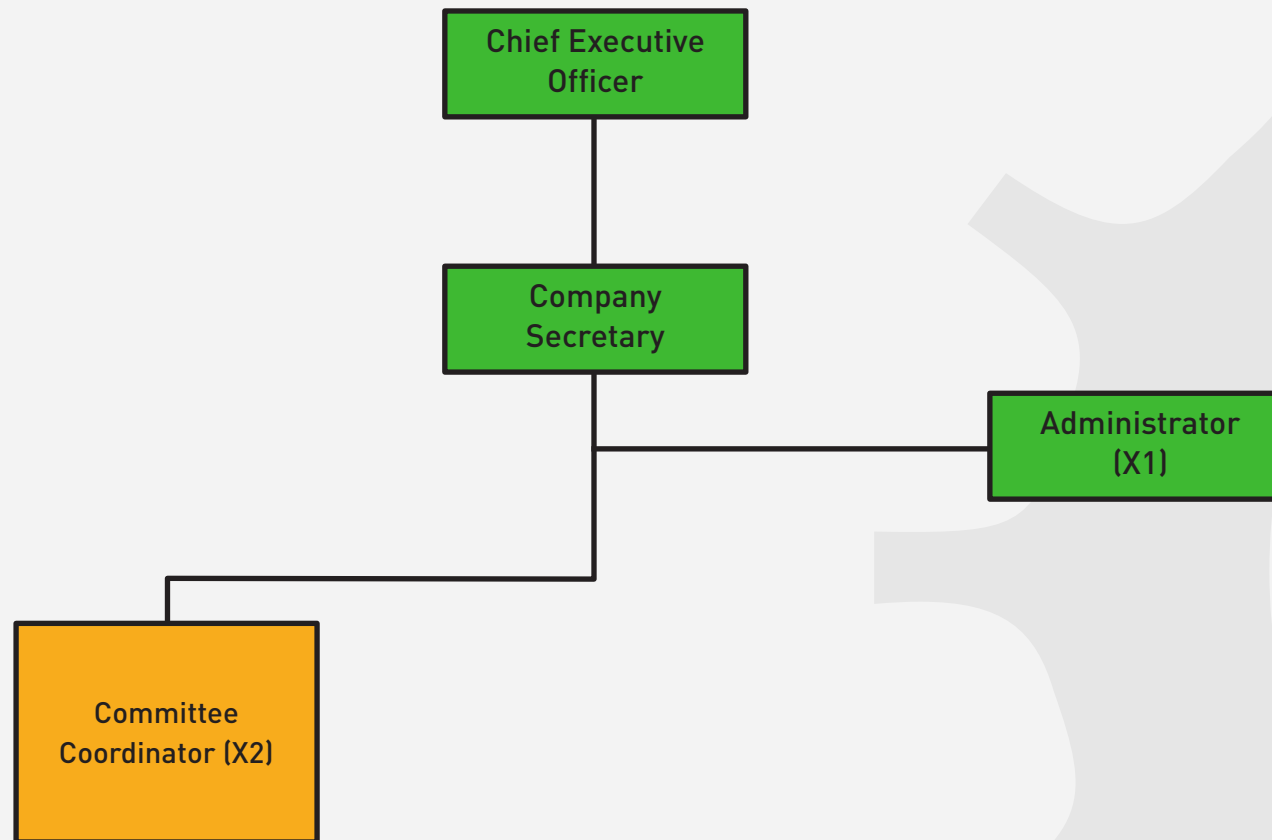
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Office of the Company Secretary

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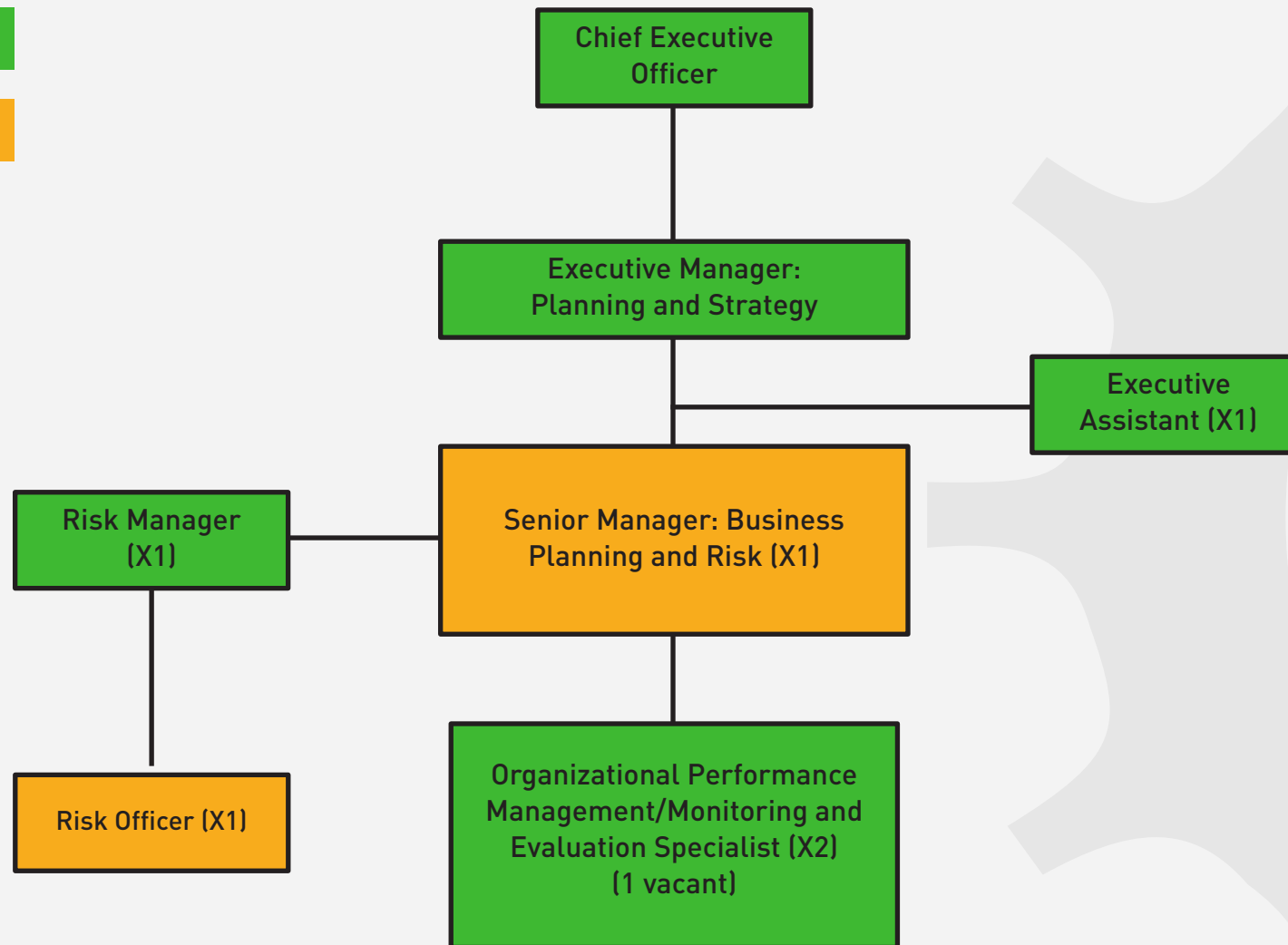
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Planning and Strategy Department

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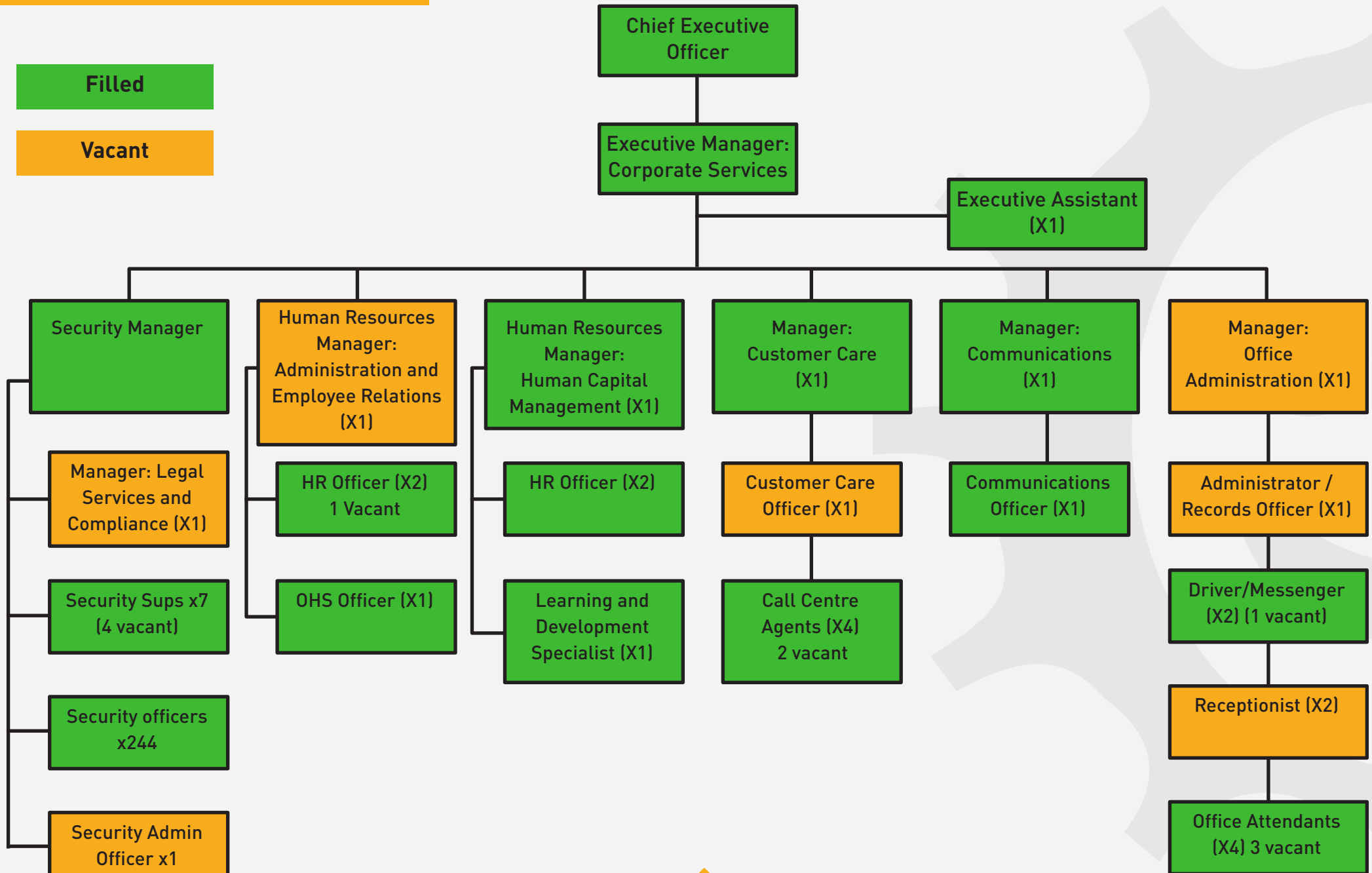
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Corporate Services Department

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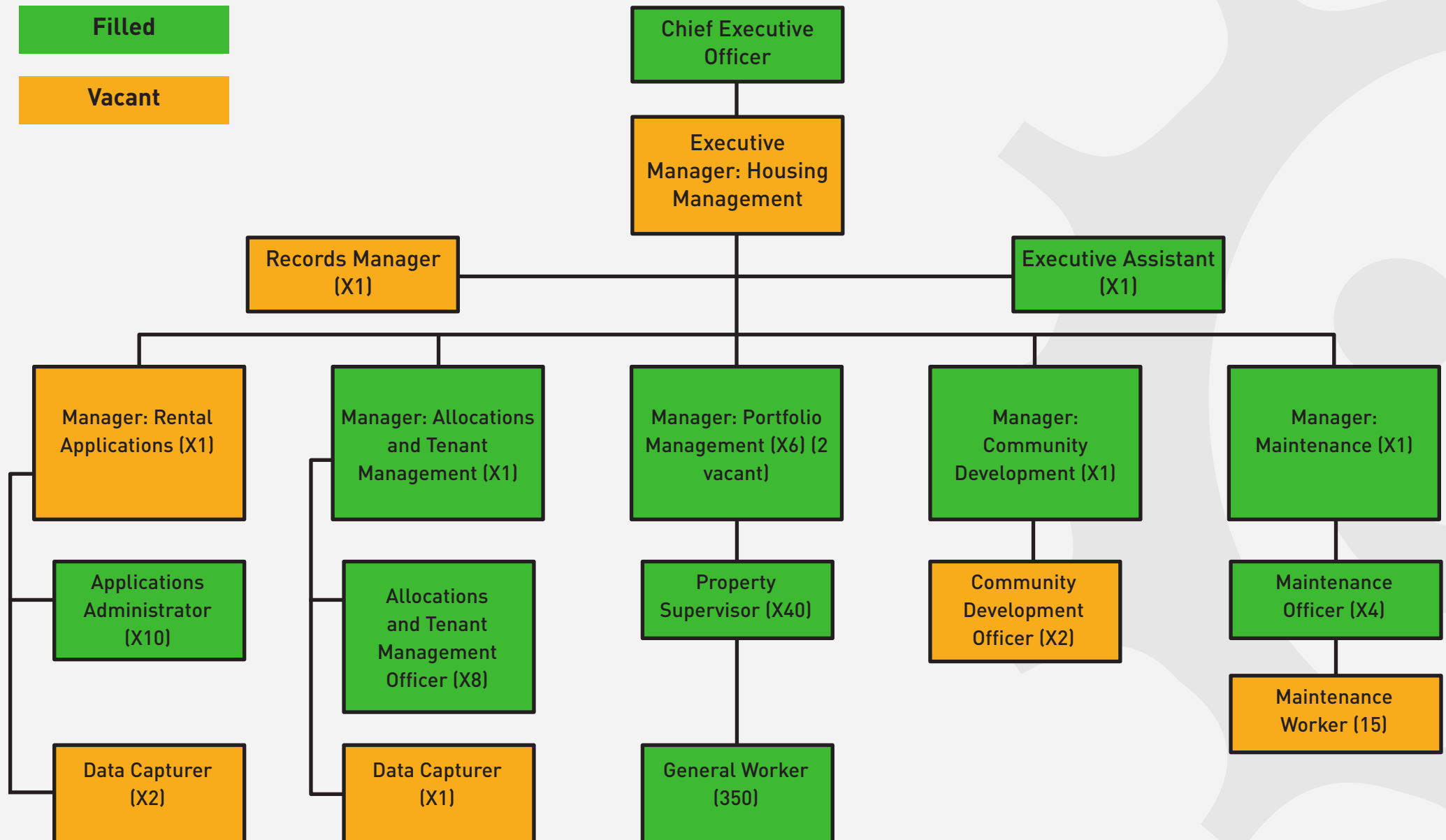
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Housing Management Department

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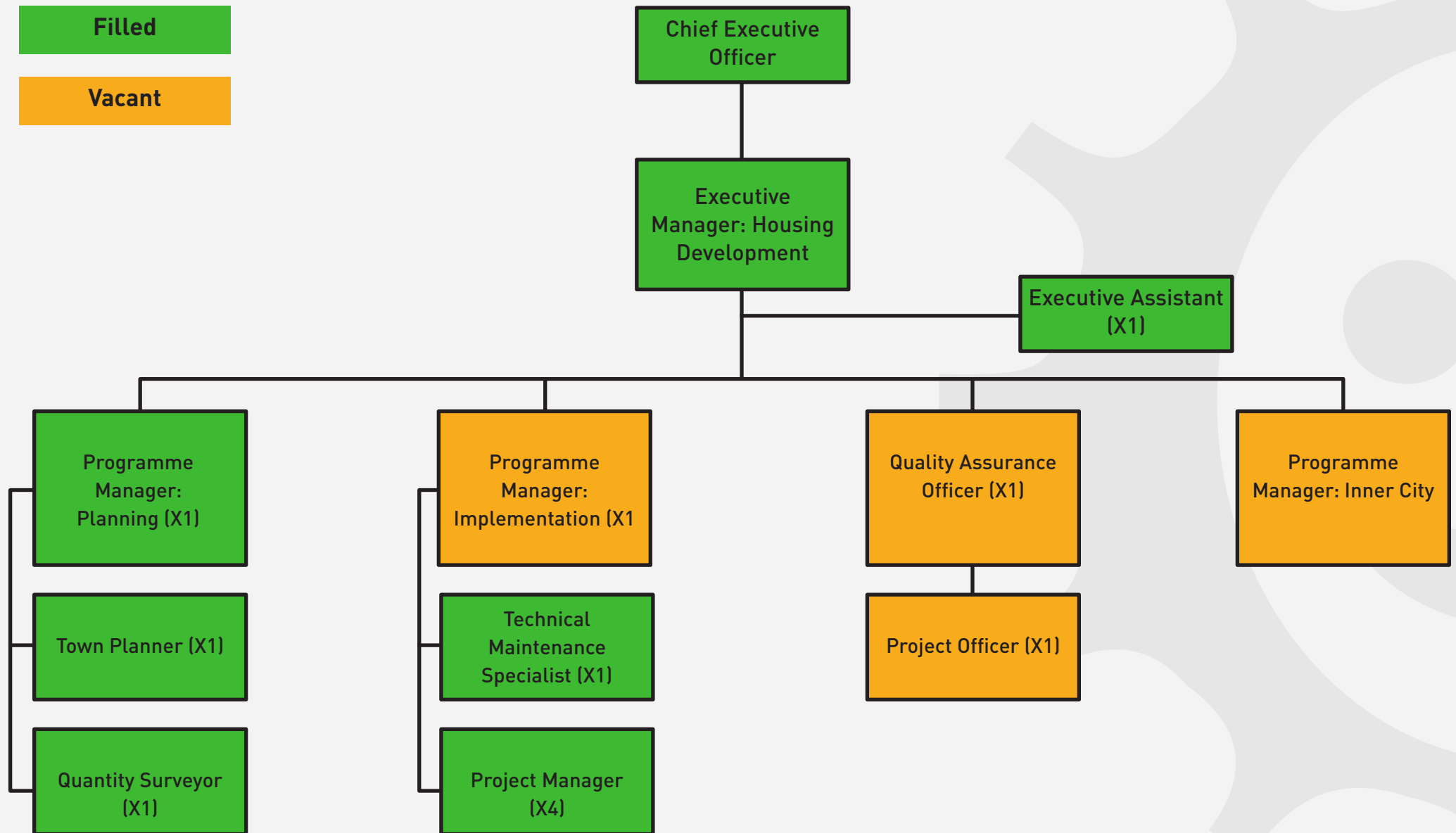
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Housing Development Department

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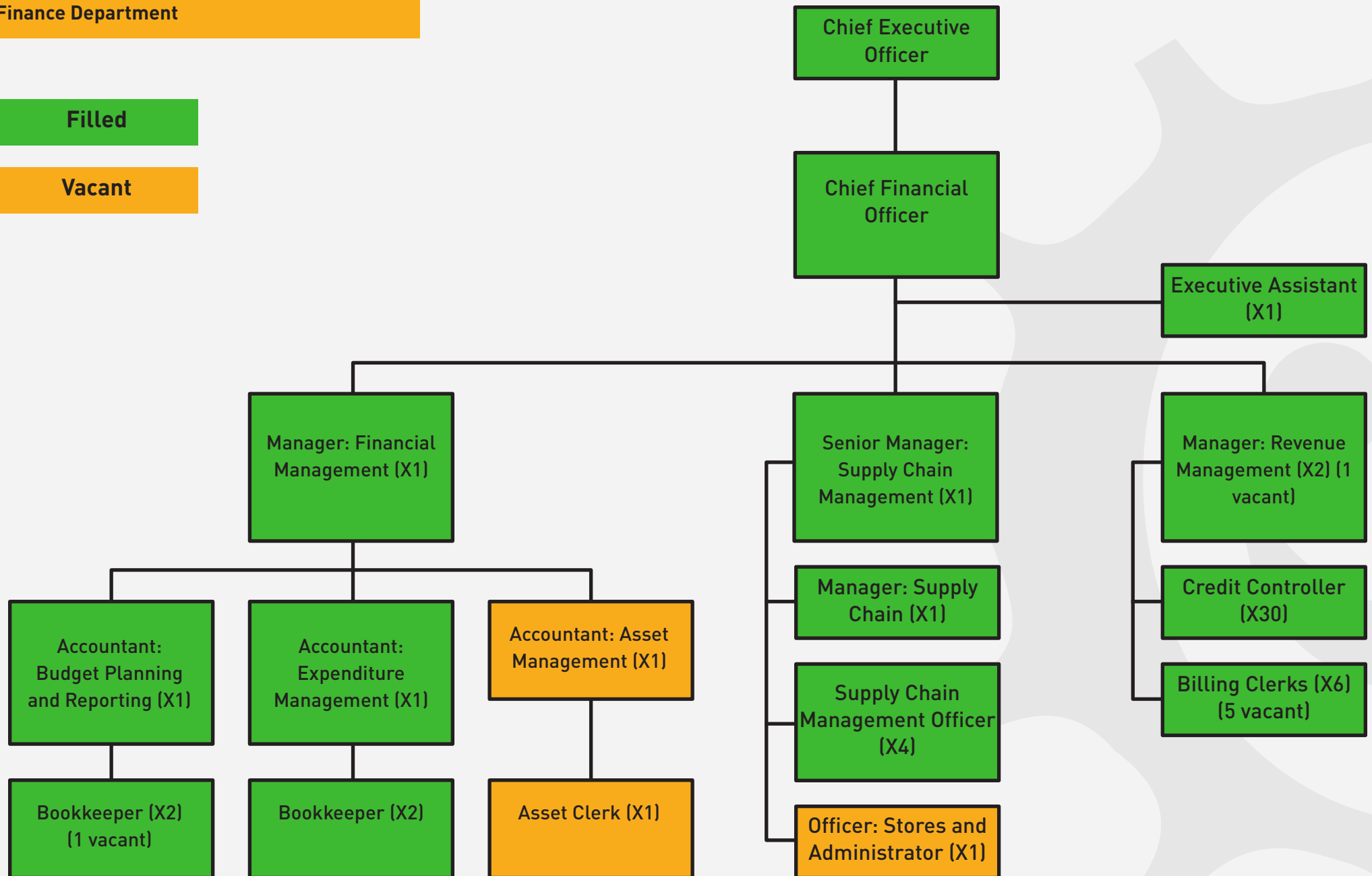
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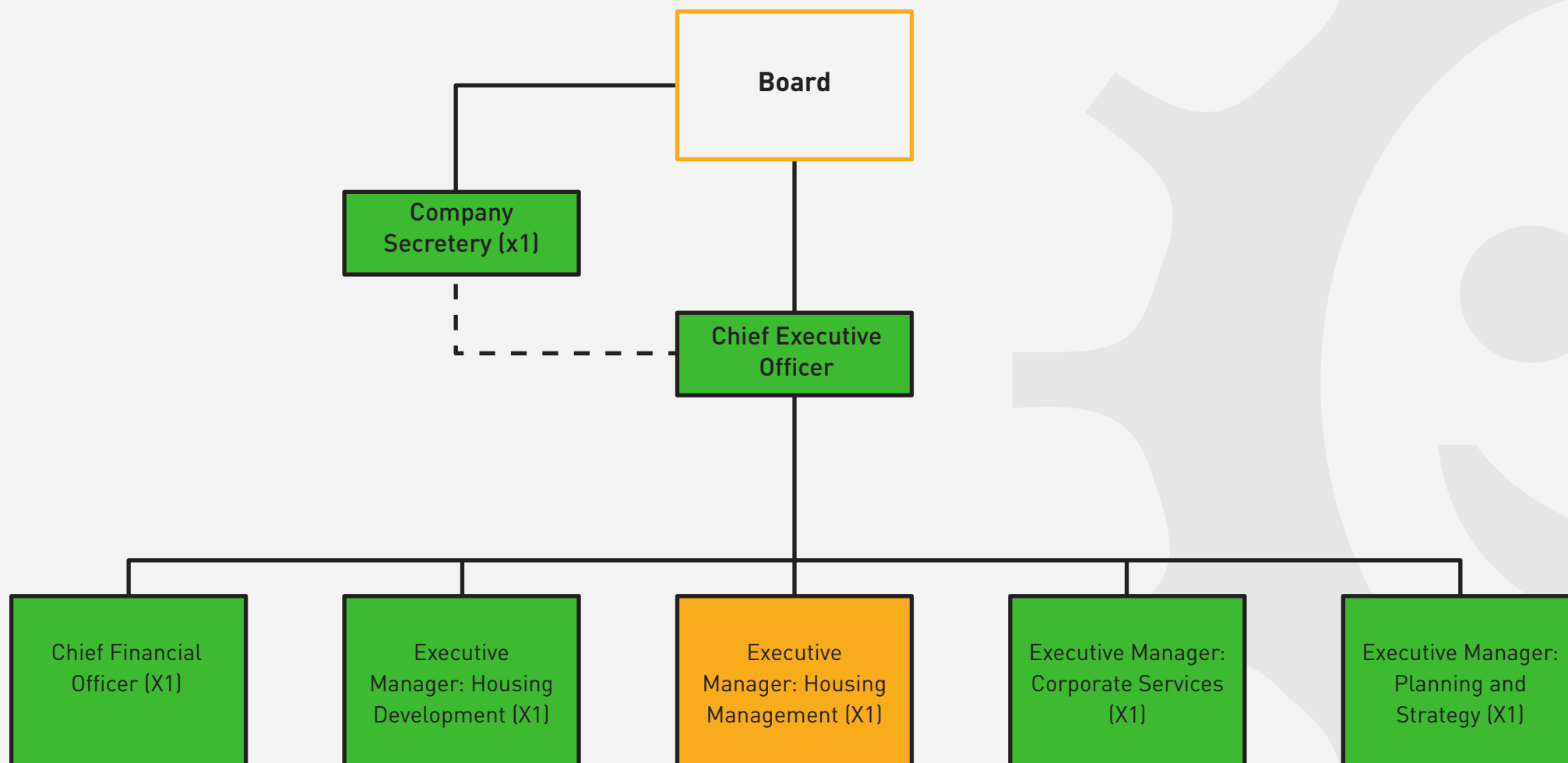
Finance Department

Filled

Vacant



5.2 Management Team



5.3 Capacity Analysis

A human resources capacity analysis was undertaken based on the previous financial year's organisational performance and in consideration of the internal audit and performance audit findings. The analysis pointed out the need to capacitate the organisation with further requisite skilled and competent staff to achieve better control environment and performance results. The table below depicts the requisite capacity to manage the performance risk.

Table 16: Proposed Position to be filled in the next 3 Financial Years.

Employee Numbers	Audio Outcome 2019/20	2020/21			2021/22	2022/23	2023/24
		Actual as ay 30 Nov 2020	Additional	Total	Additional	Additional	Additional
Top management is level 1 and 2		2	0	2	0	0	0
Senior management is level 3 and 4		3	0	3	0	0	0
Professionally qualified and experienced specialists and mid-management level 5 and 6		34	4	38	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, formen, and superintendents level 7 and 8		93	3	96	2	0	0
Semiskilled and discetionary decision-making level 9 and 10		1	1	2	0	0	0
Unskilled and defined decisions-making level 11		366	0	366	0	0	0
PWD = People living with disabilities		0	0	0	2	0	0
Total							

Note: The approved budget for employee related costs is R 127 282 000 for FY 21/22 with an increase to R105 852 000. In FY22/23 the approved budget is R111 707 000.

5.4 Management Team

Table 17: Employment Equity

Financial Year 2020/2021 numerical goals

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	1	0	0	0	0	0	2
Senior management	2	0	0	0	2	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	15	1	1	3	11	0	1	0	1	1	34
Skilled technical and academically qualified workers, junior management, supervisors	40	2	1	0	47	4	3	1	0	1	99
Semi-skilled and discretionary decision making	1	0	1	0	0	0	0	0	0	0	2
Unskilled and defined decision making	169	2	0	0	193	3	0	0	0	0	367
TOTAL PERMANENT	228	5	3	3	254	7	4	1	1	2	508
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	228	5	3	3	254	7	4	1	1	2	508

Financial Year 2021/2022

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	1	0	0	0	0	0	2
Senior management	2	0	0	0	2	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	15	1	1	3	11	0	1	0	1	1	34
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	40	2	1	0	48	4	3	1	0	2	101
Semi-skilled and discretionary decision making	1	0	1	0	0	0	0	0	0	0	2
Unskilled and defined decision making	169	2	0	0	193	3	0	0	0	0	367
TOTAL PERMANENT	228	5	3	3	255	7	4	1	1	3	508
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	228	5	3	3	255	7	4	1	1	3	510

Note: The numerical goals for FY 22/23 will remain the same as above.

6. Communication and Stakeholder Management

JOSHCO's stakeholder engagement is driven by a well-defined strategy with a clear set of objectives which are in line with an organisation's operational strategy and business plan. Engaging with stakeholders in a structured and well-managed way enables a proactive cultivation of a good relationship. JOSHCO's communication and stakeholder management is a function driven by the Company Secretary's office and the Corporate Services Management. The articulation and communication of complex discussions at the Board and Shareholder level is essential to the strategy and business planning of a complex regulated entity such as JOSHCO. JOSHCO's Integrated Communication, Marketing and Stakeholder Management Strategy is an implementation guide, reflecting JOSHCO's programmes aimed at ensuring that all JOSHCO stakeholders are informed and involved in driving the company's strategic agenda as set out in the Business Plan and the City's IDP. It is thus important for the functionality of the organisation to:

- Identify key stakeholders.
- Define communication parameters and needs.
- Design key messages,
- Choosing communication channels and
- Compile implementation methods

Principle 16 of the KING IV report highlights the importance of stakeholder management. JOSHCO stakeholders are specific people, groups or organisations that could impact or be impacted by JOSHCO operations, projects, and programmes. It is therefore key to have a systematic approach on how the organisation will engage and involve its stakeholders in strategic processes.

Rational

This Integrated Communication, Marketing and Stakeholder Management Strategy is based on the current environmental factors influencing our communication with stakeholders and the sectoral environment we operate in, and JOSHCO needs to prioritise all the areas of improvement and build on them. Stakeholders are a commonality in the organisation's communication - demanding every department within JOSHCO to play a role in driving this strategy thrive. The above statement necessitates the move of communications from a back-office support function to a more strategic role, being the face of change in the way JOSHCO operates - this will contribute towards fostering good relations between departments and promote exchange of strategic business information.

The organisation's priority is to position JOSHCO as a brand that is reliable and consistent in its service offering. This requires consideration of the organisational communication objectives, priorities, and tactics to achieve positive outcomes.

6.1 Stakeholder Matrix

Stakeholder Mapping and Analysis

JOSHCO's stakeholders are internal and external with varying degrees of influence, including but not limited to, funders, customers, public, regulators, politicians, board of directors, management, and staff, all yielding unique communication needs, approach and requires distinct resources. Essential is engaging, recognising, and acknowledging the importance of the organisation's key stakeholders. Those with an ability to directly affect the objectives are sometimes highlighted as being the key stakeholders with high impact.

	Name of Stakeholder	Specific Interest in our Business	Interest	Power	Impact
Share Holder	City of Johannesburg	Delivery on socio-political mandate, financial sustainability	High	High	V. High
Regulator	National Treasurer/AG	Social Return on Investment, financial sustainability	Med	High	High
	Performance & Oversight Bodies	Accountability	High	High	V. High
	National Treasurer/AG	Compliance / Regulation	Med	High	High
	SHRA	Social and economic return on Funding, good governance. SHI Regulator	High	High	V. High
Customes	Tenants	Cheap, high quality housing, great services, secure leases	High	High	V. High
	Advertisers	Access to tenants, maximization of brand visibility, sales	High	Low	Medium
Business partners	Employees / Labour	Secure employment, competitive remuneration, work climate	High	High	V. High
	MoEs (Water, Power, Policing, etc.)	Collaborative service delivery and sustainability of services	Med	Med	High
	Contractors / Service Providers	Secure contracts, timely payments,	High	Low	High
	Universities / NSFAS	JOSHCO meets accreditation standards, more accommodation	Med	Med	High
	Public / Community	Creation of employment, CSI, Good corporate citizenship	High	High	V. High

Tenants Education & Outreach Programme “Building harmonious relationship with Tenants”.

JOSHCO will roll out a Tenant Engagement and Outreach Programme aimed at engaging with the tenants to share information on key issues and processes that concern them as residents in JOSHCO projects. Tenants are a critical part of JOSHCO’s mandate; therefore, maintaining mutually, beneficial relationships always become critical.

The rental sector in South Africa is changing and evolving on a continuous basis since 1994. It is through this, that JOSHCO maintains strict policies to stakeholder engagements on all JOSHCO projects to ensure seamless delivery and a shared vision that could improve the relationships.

We therefore task ourselves to proactively respond to the needs and challenges of our tenants to ensure that our responses have a lasting effect daily. JOSHCO will ensure high impact service delivery in a customer-centric, transformative, and sustainable manner, to improve the quality of life of its tenants

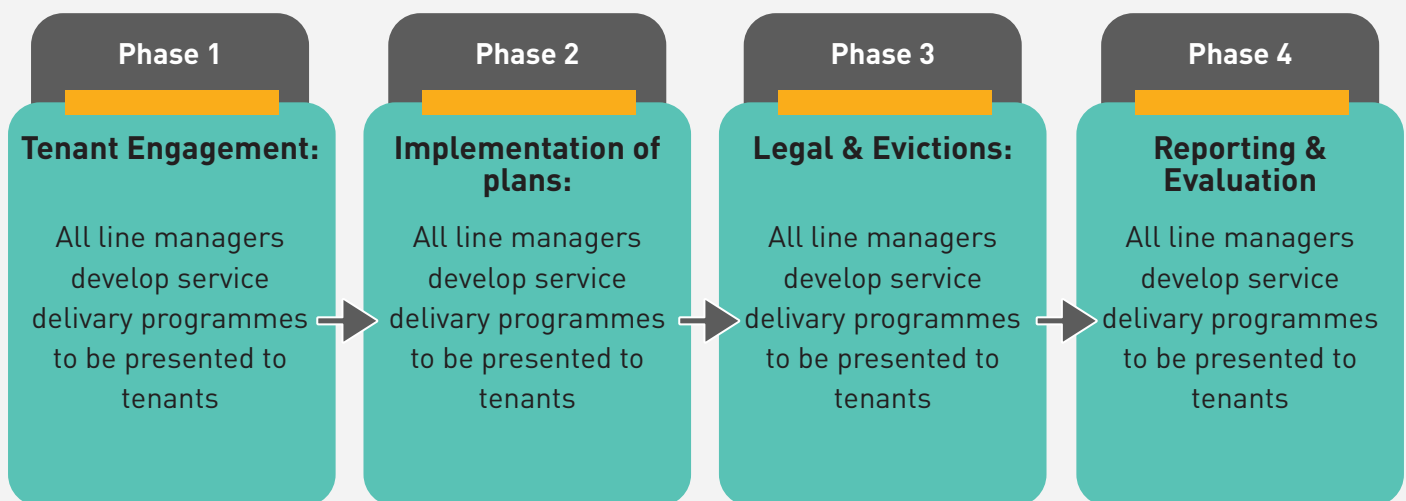


Figure 7: Communication cycle

Communication Strategy & Priorities

The strategy aims to address communication needs and priorities holistically; and identify ways to improve the problem areas.

- To maximize the impact of our projects by making the results and deliverables visible to stakeholders and the wider audience.
- Heighten City’s Strategic Priorities and Programmes
- Prompt pro-active communication on service delivery and response
- Business optimization and social presence by communicating JOSHCO’s successes, policies and processes on multiple platforms: Quite critical also is the platforms that JOSHCO will use to communicate or interact with stakeholders in order to accentuate the significance of collaborating to build dependency.
- Change negative perceptions held by the public by addressing challenges openly and demonstrate the impact of JOSHCO in the lives of Johannesburg residents

- Boost continuous interaction with stakeholders to improve service delivery. Radical transparency will manifest through frequent newsletters, community communication drives and survey follow-up.
- Automation of processes (applications, billing, payments, invoicing etc.). A more detailed IT programming initiative is set out in IT section below that ensures automation of processes to improve the timing, quality, and frequency of reporting financial and non-financial performance metrics. The rollout of ISO 9001 quality management systems certification is planned for 2021 to support the processes adopted by JOSHCO and their subsequent or in parallel automation.
- Personalisation of customer experience by using online solutions (i.e. live chats). the policy of ensuring closer to real-time feedback and communication with tenants will be implemented with the Mobile application development system to be procured in 2021/22.
- Use simple language, infographics and videography translated into different languages to boost the best interpretation of our key messages.
- Manoeuvring of unrealistic expectations from communities to avoid boycotts.
- Device new tactics to boost our Corporate Social Investment (CSI) support.

Planning and Coordination

JOSHCO continues to involve stakeholders from the inception of JOSHCO development projects to create the basis for a shared vision that could improve its relationship with stakeholders. The aim is to fairly identify and respond to all legitimate interests by providing clear and convenient opportunities for substantive involvement at critical stages in the development process. Involvement should begin well before a development plan is on the table, the scope of participants' decision-making power should be clear at the outset, and all involved should be periodically updated on how their input is being used. The impact and result of this kind of involvement can be a growth plan that will uphold the rights of access and protect the community's interest and needs.

Collaboration

JOSHCO continues to prioritise stakeholder collaboration to ensure that their interest in the rights of access to JOSHCO projects and programmes is upheld. Collaboration with the office of the Mayor, the MMC for Housing, the Housing department, Ward Councillors, Residents and local Media is critical for the organisation's brand management and by employing robust media interactions – the organisation will enable a swift implementation of JOSHCO projects and programmes. Our brand statement depends (to some extent) on these key collaborations.

Innovation

JOSHCO to exploit new innovative ways that boost and build close, harmonious relationships with communities

- Service Desk: Forming Strategic Partnerships and creating interactive programmes aimed at elevating service delivery to meet new prescribed standards and improve turn-around times whilst promoting the

entity as a prime brand.

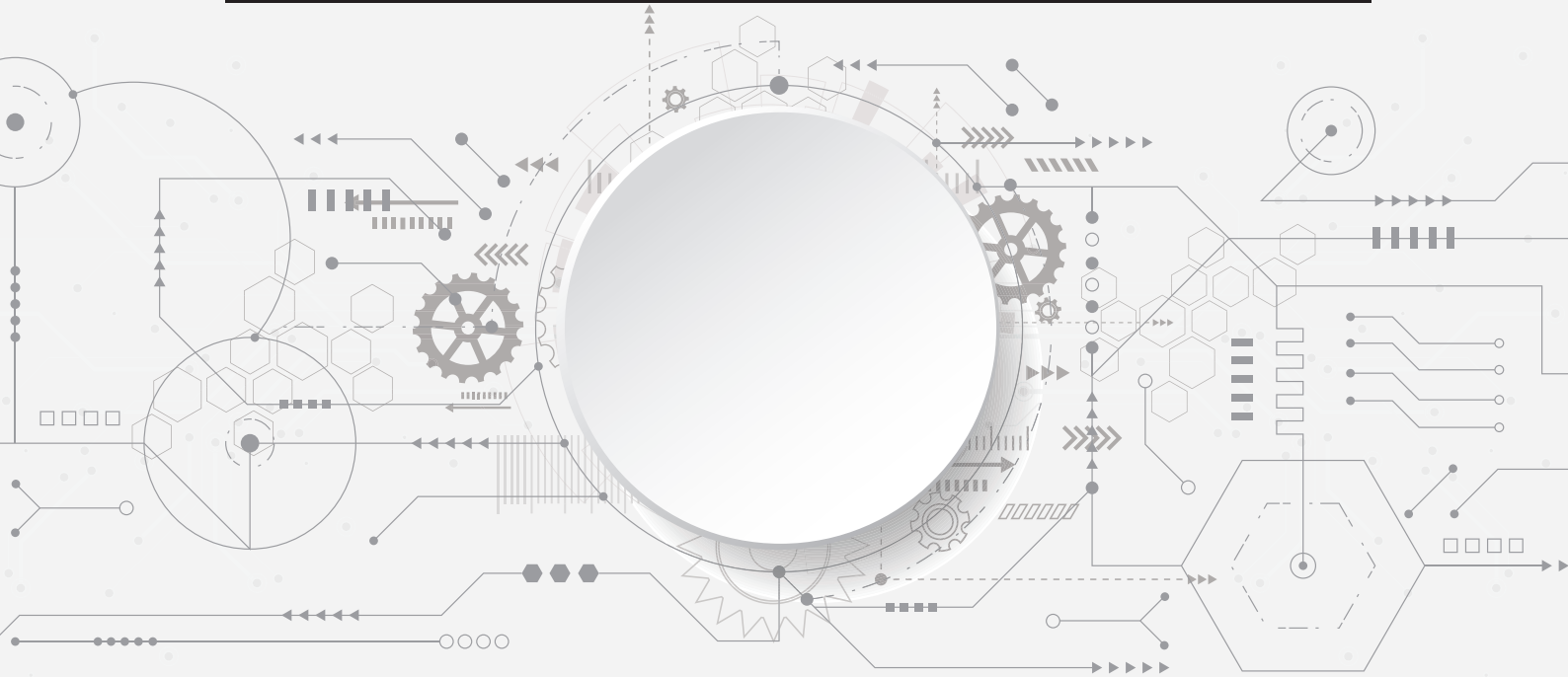
- Community Development and Corporate Social Investment: Stimulating community empowerment programmes to leverage on JOSHCO's relationship with tenants to achieve accelerated delivery of units and uninterrupted allocation processes. Giving back to the community through services and support.
- Short Comic Videos: Developing collateral to package clear messages to address unique audiences on relevant issues. Communicating in manner that uses images to simplify the message and be translated into different languages.
- Media Briefings: Pro-active engagement of the Media on the organisational plans and programmes aimed at empowering the residents.
- Active Management of Social Complaints: Manage and respond to queries on HelloPeter; Twitter; Facebook and WhatsApp. JOSHCO will employ this tactic to stabilize stakeholder relations, expand and reposition itself as a respectable brand within the housing sector and in the City. This is critical to establish a distinct identity for our service offering to persuade consumer buy-in by promising to serve their needs in a unique way.

Up keeping the JOSHCO Brand

The organisation needs to establish efficient, interactive online/ digital engagement platforms and to facilitate and engage in robust discussions to boost a clear understanding of our Strategic Mandate and Priorities. This can be achieved by:

- Improved Social Media presence
- Proactively engaging tenant needs before they become complaints.
- Optimizing our brand visibility through project branding & advertising.
- Investing in (CSIs)/ Charity initiatives to boost trust and confidence in JOSHCO.

7. INFORMATION AND COMMUNICATION TECHNOLOGY



JOSCHCO's investment in the 2021/22 financial to improve the availability, integrity and confidentiality of information will drive a number of programmes and projects across the entity. The primary property management systems are managed on MDA property systems, a purpose built property management system. The system caters for tenant management, billing, age analysis and reporting. Several new modules (leasing management, maintenance planning) may be introduced to improve the systems functionality. The City has encouraged its entity's to migrate to SAP and JOSCHCO will continue the phase-in implementation to ensure consistency with the City. Training, customisation to social housing requirements and implementation will feature during the upcoming three financial years.

Principle 12 of the King IV report on corporate governance recommends that the Board assume responsibility for the governance of technology and information by setting the direction for how technology and information should be approached and addressed in the organisation. At JOSCHCO, the Board has delegated its responsibility to the JOSCHCO Audit and Risk Committee (ARC) which meets quarterly. The function sits within the sub-committees terms of reference and is included in the annual work plan. Under the supervision of the ARC, JOSCHCO has developed a three-year ICT strategy. JOSCHCO ICT is responsible for the following objectives which relate specifically to the investment, monitoring and improvement of the ICT infrastructure and governance: Major projects that the ICT department is required to implement at JOSCHCO include

- **Implementation of Protection of Personal Information Act ("POPIA"):** The Protection of Personal Information Act (POPIA) has significant considerations in the JOSCHCO business operating model. JOSCHCO collects financial information and personal information for tenants from screening, waiting list management and through to tenant onboarding.
- **Enhancement of the JOSCHCO Property Management System and development of the JOSCHCO Mobile Application:**

- **Electronic Document Management System(“EDMS”):** JOSHCO’s investment to improve the integrity and availability of documents for the purpose of JOSHCO processes, which include but not limited to screen, manage the life cycle of tenant acceptance and onboarding through to exit is managed in physical files. Access to documents, information, reporting and file maintenance is slow, due to the need to access files that are in physical storage. The move to an electronic document management system will rapidly improve JOSHCO’s timing for reporting and communication of critical client information to key performance. The EDMS is a key performance indicator recommended by the shareholder.
- **JOSHCO Business Intelligence (BI) System:** Solution will provide a Dashboard to monitor real-time performance and generate reports. These reports will provide JOSHCO with analytics which will show JOSHCO KPA and KPI versus met targets. The City and SHRA have key performance indicators linked to conditional grants and funding covenants. To ensure proactive management and reporting obligations, the JOSHCO BI Solution will be an essential tool for monitoring and reporting.
- **Provision of adequate ICT services at JOSHCO projects:** ramping up and leveraging current technologies to service its citizens, employees and tenants.
- **JOSHCO Website:** Further investment in the website to be useful to potential tenants, JOSHCO’s communities and stakeholders is closely aligned to the communication initiatives described in.
- **Implementation of effective COBIT Governance Framework:** Alignment of JOSHCO’s governance framework with good practice and King IV report recommendations.
- **Implementation of ISO 27001 Information Security Framework:** JOSHCO has adopted the information security management system to ensure the protection of JOSHCO’s business, operational and tenant information in a systematic and cost-effective manner. The good practice adoption is ultimately owned by the executive authority and is the underlying framework for JOSHCO’s key performance indicators. The implementation is aligned to the communication plan
- **JOSHCO ICT infrastructure and Technology:** For the purposes of the CoJ SAP implementation project, Data Storage Solution and JOSHCO business continuity, an ICT infrastructure upgrade will be implemented during the 2021/22 financial year.
- **ICT Asset and Service Management System:** Provides enterprise wide inventory and life cycle management of software and hardware assets used by JOSHCO. This can include asset maintenance history, user permissions, acquisition budget forecasting, and software license compliance and reduces the financial risk and improves the planning for JOSHCO’s long term ICT investment.
- **Disaster Recovery off-site Solution:** In line with the principles of King IV and ISO 27001, disaster recovery is essential to JOSHCO’s continuity of operations. The remote operations imposed by the Covid-19 pandemic, refurbishment of the JOSHCO head office and power outages due to load-shedding experienced has created an urgency for implementation in quarter one of 2021/22.

Table 19: The ICT implementation Plan for the 2021/22 Financial Year

ICT Project	Project status	Budget
Implement Electronic Document Management System	Implementation for quarter 3 of the 2021/22 financial year	R2 500 000
Implement Business Intelligence Solution to track the real-time performance	Implementation for quarter 4 of the 2021/22 financial year	R400 000
Implement Service Desk System	Implementation for quarter 2 of the 2021/22 financial year	
Provision of adequate ICT services at JOSHCO projects	Implementation for quarter 2 of the 2021/22 financial year	TBA
Developing JOSHCO Website	Implementation for quarter 2 of the 2021/22 financial year	R300 000
Implementation of effective COBIT Governance Framework	Implementation for quarter 3 of the 2021/22 financial year	R0
Implementation of ISO 27001 Information Security Framework	Implementation for quarter 1 of the 2021/22 financial year	R100 000
Implementation of POPIA	Training and awareness will commence in quarter 1 of the 2021/22 financial year	R0
Improve JOSHCO ICT infrastructure and Technology	Implementation for quarter 1 of the 2021/22 financial year	Ongoing
IT Asset and Service Management	Implementation for quarter 3 of the 2021/22 financial year	R0
Implement Network and Internet Upgrade	Implementation for quarter 1 of the 2021/22 financial year	R7 000 000
Implement Effective Disaster Recovery Site and Solution	Implementation for quarter 1 of the 2021/22 financial year	Ongoing
Enhancement of the JOSHCO Property Management System and development of the JOSHCO Mobile Application	Implementation for quarter 1 of the 2021/22 financial year	Ongoing
Implement Server room construction	Implementation for quarter 1 of the 2021/22 financial year	R3 000 000

8. AUDIT RESOLUTION (OUTSTANDING ISSUES)

Several audit findings have been raised by internal and external auditors in the previous financial year. The organisation has been implementing corrective measures to address the possible risks related to the findings raised. The Internal Audit Unit function has played a key role in ensuring the robust follow-up through substantive audit procedures that have significantly reduced the outstanding audit findings. Management has created a sense of responsibility, accountability and urgency to ensure that the internal control environment is strengthened and will continue to aid the strategic objectives and key performance indicators of the organisation.

Internal Audit administratively reports to the Chief Executive Officer and functionally to the Audit and Risk Committee. The internal audit has unfettered access to the management team as recommended by KING IV. The role of the Audit and Risk Committee as it relates to internal audit includes the review and development of the Internal Audit Charter. The Charter sets out the roles and responsibilities of the internal audit function. The skills, knowledge and expertise of the internal audit team are assessed annually by the Audit and Risk Committee which is based on the complexity and risks assessments

9. CONCLUSION

The business plan of JOSHCO intend to provide a medium-term road map of 2021/22 deliverables and programmes planned for implementation of the two outer financial years. The review of this plan will be done through quarterly performance reports and subsequently by the annual integrated report that will be audited to validate the reported performance against the plan and the portfolio of evidence. Upon approval of this business plan, JOSHCO will publicized for transparency purposes.

Annexure A Proposed Tariffs

Tariff determination and consideration

- *Social:* Affordability of housing units and cross-subsidisation of the poor where necessary and feasible.
- *Economic:* Competitiveness of the City of Johannesburg, in support of macroeconomic policies of the country, tariffs must positively influence microeconomic input costs facing firms.
- *Financial:* Cost-reflective tariffs, the cost of providing the services and linked to medium term financial framework.

The proposed tariffs have been adjusted in consideration of the pandemic outbreak given the second wave that has been announced by National Government. This indicates the JOSHCO's commitment towards the affordability of its customers and to ensure that the organisation remains financial sustained through rental collection.