

JOHANNESBURG SOCIAL HOUSING COMPANY (SOC) LTD

THIRD QUARTER PERFORMANCE REPORT FOR THE 2020/2021 FINANCIAL YEAR.

(In terms of Section 121 of the Municipal Finance Management Act, 2003 and Section 46 of the Municipal Systems Act, 2000)

JOHANNESBURG SOCIAL HOUSING COMPANY (SOC) LIMITED

COMPANY INFORMATION:

Registration number : **2003/008063/07**

Registered Address : **66 JUTA STREET
Braamfontein**

Postal Address : **66 JUTA STREET
Braamfontein**

Telephone number : **(011) 406-7300**

Fax number : **086 240 6691**

Website : **www.ioshco.co.za**

E-mail : **info@ioshco.co.za**

Bankers : **Standard Bank of SA Limited**

Auditors : **Auditor-General**

Vision

To become the best provider of quality, **affordable** social housing designed to global standards.

Purpose

JOSHCO's mandate is to provide and manage social and affordable rental housing for the lower income market as an integral part of the **efforts** to eradicate the housing backlog in the City. It is a **special** purpose vehicle to access National and Provincial grant funding which a City or department cannot.

Mission

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.

Approval:

<p><u>Nontobeko</u> <u>Ndimande</u></p> <p>Name & Surname Chief Financial Officer</p>	<p><u></u></p> <p>Signature</p>	<p>Date of Approval: <u>27/04/2021</u></p>
<p><u>Victor Rambe</u></p> <p>Name & Surname Chief Executive Officer</p>	<p><u></u></p> <p>Signature</p>	<p>Date of Approval: <u>27/04/2021</u></p>
<p><u>Theodore Msimini</u></p> <p>Name & Surname Chairperson of the Board</p>	<p><u></u></p> <p>Signature</p>	<p>Date of Approval: <u>27/04/2021</u></p>
<p><u>M/ncwisi Moko</u></p> <p>Name & Surname MMC</p>	<p><u></u></p> <p>Signature</p>	<p>Date of Approval: <u>27/04/2021</u></p>

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CHAPTER ONE: LEADERSHIP AND CORPORATE PROFILE

SECTION 1: CHAIRPERSON'S FOREWORD

JOSHCO aims to fulfil its organizational core mandate of developing and managing social and affordable housing projects as well as student accommodation. By doing that, JOSHCO continues to provide solution for the housing challenges that the City of Johannesburg is faced with through provision of affordable rental houses and social housing units mostly closer to economic activities.



Performance to date, the Board noted the overall performance for the third quarter of the 2020/21 financial year. In the quarter, 14 targets were due for reporting with 4 targets achieved, whilst 10 were not achieved. Comparison from the past quarters' performance shows that the entity is slowly recovering.

In the third quarter of 2020/21FY, the Shareholder appointed a new board on 11 February 2021, subsequently an induction was held for directors as well as the site visits in some of JOSHCO projects e.g., Lufhereng, Plein street, Roodepoort and Devland.

The Board remains confident that the company will turn around its performance through implementation of sustainable strategies on key performance areas. The Board has further adopted its Strategic Plan for 2021 to 2025 which mainly outlines JOSHCO's strategic focus for the next 5 years. Over and above the city's GDS priorities, the strategic context of JOSHCO is driven by a myriad of policies and strategies that directly impact on the way JOSHCO positions its strategy. JOSHCO undertakes to ensure that its strategic plan is aligned to Growth Development Outcomes and strategic priorities as articulated in the Growth Development Strategy 2040 of the City of Johannesburg. The Board will utilize its subcommittees to interrogate the strategies that management have put in place to ensure that they are effective and improve performance.

The Board has further taken an initiative to ensure that the organization remains compliant thereby minimizing the spread of COVID-19 pandemic by adhering to the safety regulations whilst ensuring the organization remains sustainable and operational, and mostly protecting the employees and the tenants of JOSHCO.

Mr. Theodore Dhlamini

Chairperson: Board of Directors

SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT



JOSHCO is slowly adapting to the new normal where most of operations have to be executed remotely and different from the norm. The entity, like other organisations, is expected to gain momentum in service delivery. The economic forecast of SA shows that the country is expected to rebound in 2021 and 2022 after an economic collapse that was caused by the impact of COVID-19 outbreak. This is the reality that had a direct impact on our operations especially revenue collection. The challenges that have emerged from the pandemic are far from over, but I continue to be inspired by the collective efforts in the City and JOSHCO as we weather this storm together.

We, the City and its entities, have a history of outstanding resilience, and while this may be one of our biggest tests yet, I strongly believe that the future is full of opportunity. JOSHCO has embarked in the development of projects that will yield units in large numbers in the next three years where the beneficiaries will enjoy the decent accommodation that is closer to amenities and economic hubs at a reasonable rental.

The overall performance of the corporate scorecard, though still concerning, has slightly improved as compared to the previous quarters where only one KPI was achieved. Notwithstanding the challenges, JOSHCO continued to direct its effort on achieving its mandate of developing and managing the social housing project. This was demonstrated through the launch of a brown field project in the inner-city that has a capacity to accommodate 344 families. The student accommodation project at Wolmarans building is also progressing well, more than 30 students have occupied were allocated rooms and this translate to additional revenue generated in this new revenue stream.

In conclusion, I would like to acknowledge that this are hard times for both private and public entities. However, as the Accounting Officer, I commit to remain focused on the JOSHCO mandate and also initiate other business segments to augment the current operations and generate revenue.

Mr. Victor Rambau (MBA)
Chief Executive Officer

SECTION 3: CHIEF FINANCIAL OFFICER'S REPORT



The Office of the Chief Financial Officer is responsible and accountable for 3 functional areas of operation namely the revenue, supply chain management and finance divisions. Through the operation of these divisions, we served to integrate the entity's business.

Revenue Collection Report

JOSHCO's revenue collection target for the 2020/21 financial year is 85%. The collection rate for the third quarter is 56%. This is a decline from the previous quarter where collection was at 60%. The entity will embark on an extensive collaborative collection drive between our housing management and revenue management teams as well as the external debt collection company.

JOSHCO continues to enforce the collection processes within the regulations. Eviction orders received to date can now be executed with the assistance of the newly appointed tactical security panel as we are now in lockdown Level 1.

The debt collecting company appointed in August 2020 contributed positively to the collection of outstanding debt over 90 days. The company has collected a cumulative balance of R5.5 million, of which R2.6 million relates to the 3rd quarter.

Financial Performance

Revenue and expenditure are recorded on the accrual basis and resulted in a deficit of R69.8 million. The deficit is as a result of the entity not being able to generate sufficient income to cover their fixed expenses and several expense line items being over budget as detailed below.

JOSHCO's rental facilities contributed 66% towards total revenue. Total revenue is 2% above budget (R3.3 million). The main reason is due to management fees being 30% above budget due to additional work from other departments of City of Johannesburg. JOSHCO has collected 56% of current rentals against a collection target for the 2020/21 financial year of 85%.

Expenditure

a) Governance and Staff costs

- 10% above budget (R10 million) due to a higher wage bill than budgeted as a result of mainly unbudgeted overtime of insourced security guards and a high leave pay provision. In the adjustment budget we requested an adjustment of R39 million but was only approved R26 million this was to allow us to cater for critical positions and the additional fixed term contract staff which are assist with executing work on behalf of Housing and to manage any other special projects.

b) Other project related costs

- 135% above budget (R28.5 million) due to a low rental collection rate for the quarter leading to a higher provision for bad debts. Our collections rate for the quarter is 56% which is still significantly influenced by the effects of the COVID-19 pandemic on the economy.

c) Repairs and maintenance

- 34% below budget (R12 million) due to a slow implementation of the maintenance programme for the quarter under review. The bulk of this variance is due to upgrade of the biometric system which was waiting for finalising of the security tender. The funds are expected to be utilised in quarter 4.

d) Cleaning and Gardening

- 42% below budget (R1.3 million) due to a delay in finalising the tender for garden tools where budget was allocated for the operational costs of the tools from this quarter. These funds will be directed where there is a shortage of budget.

e) Security

- 416% over budget (R11.5 million) due to actual security spending year to date being significantly high due to additional security requirements

f) Administrative

- 153% over budget (R38 million) due to inadequate budget being available to allocate to municipal charges due to constraints on the budget. A tender for a prepaid vending solution is in the evaluation stage to assist with recouping of utilities from tenants.

CAPEX Expenditure

CAPEX spend is directed towards the development, renovation and upgrade of CoJ and JOSHCO's properties that are to be leased as housing units or for the entity's own use. JOSHCO has been allocated a CAPEX budget of R378 Million for the financial year ended 30 June 2021. The verified spent is 53% against a target of 80% for the quarter under review.

Ms. Nontobeko Ndimande CA(SA)
Chief Financial Officer

SECTION 4: CORPORATE PROFILE AND OVERVIEW OF THE ENTITY



Picture 1: Photo: Turffontein Social Project in the Inner City

The Johannesburg Social Housing Company SOC Ltd (JOSHCO) was established in November 2003 and received its mandate in March 2004 from the City of Johannesburg (CoJ). JOSHCO's mandate is to provide and manage affordable rental housing for the lower income market as an integral part of efforts to eradicate the housing backlog of CoJ. JOSHCO is a registered social housing institution and is accredited by the Social Housing Regulatory Authority (SHRA). The core business of JOSHCO includes: the development of social rental housing; refurbishments, upgrading and management of Council owned rental housing properties (including hostels); housing management and the refurbishment, conversion, and management of Inner-City buildings into social housing units. As a Municipal Owned Entity, JOSHCO is required to comply with all the relevant legislation (such as Municipal Finance Management Act; Municipal Systems Act and the Companies Act). The policies and strategy of JOSHCO are strongly influenced by the vision of CoJ as outlined in the Growth Development Strategy 2040 (GDS) and the Integrated Development Plan (IDP).

SECTION 5: STRATEGIC OBJECTIVES

- 1.1 Become a financial sustainable entity.
- 1.2 **Contribute** towards economic development through Broad Based Black Economic Empowerment.
- 1.3 Develop Social housing projects within the transport corridors, Inner City and Green Fields (including suburbs and economic hubs).
- 1.4 Contribute to mitigating climate change impact.
- 1.5 Become a customer centric company.
- 1.6 Strengthen governance and compliance.
- 1.7 Improve safety and security of all tenants in JOSHCO projects.

SECTION 6: CORPORATE ETHICS AND ORGANISATIONAL INTEGRITY

The Company, through its Social, Ethics & Human Resource Committee, addresses issues relating to the ethical conduct of the Company and its employees. The company complies with the City's Code of Conduct ('the Code') which has been fully endorsed by the Board and applies to all Directors and Employees. It is a requirement for any Director and Executive Manager at any meeting of the Board of Directors, Board Sub Committees, and the Audit & Risk Committee to declare interest and sign a register to that effect. Should such a conflict exist, the Director or Executive Manager concerned is recused from the proceedings.

SECTION 7: SUSTAINABILITY REPORT

The Social, Ethics & Human Resource Committee of the Board has an oversight role on Social, Ethics and, Human Resource matters of the organisation in order to promote sustainable organisational development. JOSHCO inculcates an ethical culture and is mindful of the effects of its operations on the economy, society and the environment. JOSHCO offers a range of quality housing products and services for low-income households that ensure sustainable affordable rentals to its tenants. The construction and refurbishment of JOSHCO housing projects create sustainable jobs during and after construction. Moreover, JOSHCO continues to make training and employment opportunities available to its unemployed tenants.

JOSHCO has adopted a zero-tolerance approach to fraud and corruption and any reported cases of such instances are investigated through Group Forensic and Investigation Services Unit (GFIS) without fail. Stakeholder management remains key in having uninterrupted service delivery as a result of JOSHCO being a customer centric organisation. It is imperative that JOSHCO remains at the helm of stakeholder relationship which is part of its strategy to build partnered relationships.

JOSHCO's contribution towards the EPWP City programme undertakes to reduce unemployment and facilitate socio economic development of the Citizen of Johannesburg. JOSHCO has created 342 jobs from various projects through EPWP programme within the 3 quarters of the financial year. The entity continued to support SMMEs and local labour through allocation of 30% of CAPEX contracts. The entity has managed to spend 16% of CAPEX on SMME during the third quarter.

CHAPTER TWO: GOVERNANCE

SECTION 1: BOARD OF DIRECTORS

The Board of Directors is presided over by a Non-Executive Director (Chairperson), Mr. T Dhlamini was appointed the Chairperson of the JOSHCO Board. Table 1 below has listed the thirteen (13) Non-Executive Members and two (2) Executive Directors. Further to that it listed three (3) Independent Audit Members. JOSHCO members were appointed at a Special General Meeting held on 11 February 2021 by its parent municipality, City of Johannesburg.

Through its Annual Work Programme, the Board of Directors monitors strategy implementation, and is kept abreast of the achievements and risks associated with the achievement of the strategy. The Board has skills and expertise it brings for the benefit of JOSHCO and currently comprises of nine (13) Non-Executive Directors and two (2) Executive Directors being the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).

Table 1: Board Composition was as follows as at 31 March 2021

Member	Capacity: Executive/Non- Executive Director	Race	Gender	Qualifications
Mr T Dhlamini (Board Chairperson)	Non-Executive	A	M	Leadership training and certificate in engineering hand skills
Mr J Sobekwa	Non-Executive	A	M	B Accounting, PG Dip: Financial Management and CIMA
Mr M Maimane	Non-Executive	A	M	Diploma, Bachelor, Honours degree in Public Administration, MBA & CDSA
Ms G Boikanyo	Non-Executive	A	F	B Computer Science, ND Analytical chemistry
Mr X Dlwathi	Non-Executive	A	M	Diploma, Honours and master's degree in theology
Mr T Mamba	Non-Executive	A	M	Matric and higher certificate in supervision
Ms S Bhengu	Non-Executive	A	F	Matric and certificate in Theology
Ms B Makhanya	Non-Executive	A	F	Matric and certificate in Business Administration

Member	Capacity: Executive/Non-Executive Director	Race	Gender	Qualifications
Mr S Mhlongo	Non-Executive	A	M	Matric and Diploma in Risk Management
Ms Debbie Raphuti	Non-Executive	A	F	Diploma in Nursing Science, PG Dip in strategic diplomacy and transitional justice, Master of Business Administration and Master of public management and governance
Ms Eugenia Motloung	Non-Executive	A	F	Extended programme UNISA and N Dip Public Relations
Dr Kentse Sesele	Non-Executive	A	F	B Social Science, Honours in local economic development, Master and PHD in town and regional planning
Mr Nikelo Bangisi	Non-Executive	A	M	B Juris, LLB
Victor Rambau	Executive	A	M	B Tech Production and Operations, MAP and MBA
Ms N Ndimande	Executive	A	F	CA (SA)
Mr L Matshekga	IAC	A	M	MBA, B Com Honours Finance, B Com Economics a
Mr M Mokgobinyane	IAC	A	M	Master's in accounting science, B Com Accounting, B Com Honours Accounting
Mr Enerst Khosa	AIC	A	M	Higher Diploma in Company Law, Bachelor of Arts, BA Honours, Master of Science and LLB

1.1 BOARD AND COMMITTEE MEETINGS ATTENDANCES

To date, the JOSHCO held 10 Board meetings, 5 Development Committee meetings, 4 Social, Ethics & HR Committee meetings and 7 Audit and Risk Committee meetings. The below table depicts details of attendance of members in various meetings.

Table 2: Board and Committee Meetings Attendances as at 31 March 2021

Board of Director	Board			Development			Social and Ethics		
	Attendance	Absent	Apologies	Attendance	Absent	Apologies	Attendance	Absent	Apologies
Number of Meetings	10			5			4		
Mr V Rambau	10	-	-	4	-	1	4	-	-
Ms Nontobeko Ndimande	10	-	-	5	-	-	4	-	-
Mr T Dhlamini	10	-	-	-	-	-	-	-	-
Mr X Dlwathi	10	-	-	5	-	-	-	-	-
Ms G Boikanyo	10	-	-	5	-	-	-	-	-
Mr M Maimane	10	-	-	-	-	-	4	-	-
Mr J Sobekwa	10	-	-	5	-	-	-	-	-
Ms S Bhengu	9	-	1	-	-	-	4	-	-
Ms B Makhanya	10	-	-	-	-	-	4	-	-
Mr S Mhlongo	9	-	1	-	-	-	3	-	1
Mr T Mamba	9	-	1	5	-	-	-	-	-
*Mr Nikelo Bangisi	2	-	-	-	-	-	-	-	-
*Ms Euginia Motloun	2	-	-	-	-	-	-	-	-
*Ms Debbie Raphuti	2	-	-	-	-	-	-	-	-
*Dr Kentse Sesele	2	-	-	-	-	-	-	-	-

*New appointment 11 February 2021

Table 3: Audit & Risk Committee Meetings Attendances as at 31 March 2021

Names of Audit Committee Members	Audit and Risk Committee		
	Attendance	Absent	Apologies
Number of Meetings	9		
Moshupi Mokgobinyane (Chairperson)	9	0	0
Lesetsa Matsheka	9	0	0
Jason Sobekwa	9	0	0
*Enerst Khosa	1		
Victor Rambau (CEO)	8	0	1
Nontobeko Ndimande (CFO)	9	0	0

***New appointment 11 February 2021**

1.2 BOARD COMMITTEES

The following Committees have been formed by the Board, each of which is chaired by a Non-Executive Director.

- Audit & Risk Committee
- Social, Ethic, and Human Resource; and
- Development Committee

The Audit & Risk Committee is a statutory Committee which has been formed in line with the Companies Act, Act 71 of 2008 and the Local Government Municipal Finance Management Act, Act 56 of 2003.

1.2.1 Audit & Risk Committee

The Audit & Risk Committee's composition is compliant with the Local Government: Municipal Finance Management Act, Act 56 of 2003.

The Committee consist of the following members: -

Mr. M Mokgobinyane	Non- Executive Director (Chairperson)
Ms. L Matshega	Independent Audit Committee Member
Mr. J Sobekwa	Independent Audit Committee Member

The mandate of the Committee as delegated by the Board of Directors in the Audit & Risk Charter includes: -

- Financial Reporting and Reliability of Financial Information;
- Business Planning and Budget Implementation;
- Identify financial, business and operational risk areas of the company to be covered in the scope of internal and external Audits;
- Ensure that the Accounting Officer of the company has put in place appropriate internal control systems;
- Monitor and review the effectiveness of the Internal Audit function;
- Oversee the relationship of the company with the Auditor General of South Africa;
- Review the consistency of, and any changes to, the accounting policies of the company both on a year-on-year basis and across the company and the City of Johannesburg;

- Review the company's arrangements for its employees to raise concerns in confidence and confidentiality about possible wrongdoing or improprieties in financial reporting and other matters;
- Monitor and review the performance information provided by the company against the approved business plan, the City's Integrated Development Plan and the Growth and Development Strategy and provide to the Board of Directors an authoritative and credible view of the performance of the company.
- Monitor implementation of the policy and plan for risk management taking place by means of risk management systems and processes;
- Oversee that the risk management plan is widely disseminated throughout the company and integrated in the day-to-day activities of the Company;
- Ensure that risk management assessments are performed on a continuous basis;
- Ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
- Express a formal opinion on the effectiveness of the system and process of risk management; and
- Review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.

1.2.2 Social, Ethics, and Human Resource Committee

The Committee consists of the following members: -

Mr. M Maimane	Non-Executive Director (Chairperson)
Ms. B Makhanya	Non-Executive Director
Ms. S Bhengu	Non-Executive Director
Mr. S Mhlongo	Non-Executive Director

The mandate of the Committee is set out in its terms of reference and inter alia includes the following:

- Review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.
- Overseeing of the setting and administering of remuneration at all levels in the company
- Overseeing the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance
- Reviewing the outcomes of the implementation of the remuneration policy for whether the set objectives are being achieved.

- Ensuring that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued
- Consider the results of the evaluation of the performance of the CEO and other executive directors, both as directors and as executives in determining remuneration
- Select an appropriate comparative source when comparing remuneration levels
- Advise on the remuneration of non-executive directors
- Management development and succession plans for executive levels; and
- Make recommendations to the Board where necessary or take approved action within its delegated authority. Social and economic development, including the organisation's standing in terms of the goal and purpose of UN Global Compact principles, recommendations regarding Corruption, Employment Equity Act and Broad-Based Black Economic Empowerment.
- Good corporate citizenship including promotion of equality and contribution to development of communities.
- The Environment, Health and Public Safety.
- Consumer Relationships.
- Labour and Employment.
- To draw matters to the attention of the Board as occasion requires.
- To report to the Shareholder at the AGM on matters within its mandate.

1.2.3 Development Committee

The Committee consists of the following members: -

Ms. G Boikanyo	Non- Executive Director (Chairperson)
Mr. T Dlwathi	Non- Executive Director
Mr. J Sobekwa	Non- Executive Director
Mr. T Mamba	Non-Executive Director

The mandate of the Committee is set out in its terms of reference and inter alia includes the following: -

- To approve new developments reports on detailed investigation stage and to give approval to proceed with the development i.e. Design and Business Plan development stage.
- To recommend to the Board approval of new engagements in developments where appropriate;
- To evaluate proposed financing mechanisms where external financing is required; and
- To set benchmarks to be used to evaluate risk/return relationship on significant projects to be undertaken by the Company.

1.3 DIRECTORS AND PRESCRIBED OFFICER'S REMUNERATION

The remuneration of Directors is in accordance with the Council approved rates. Remuneration reflects cumulative figures from the beginning of the financial year to date.

Table 4: Previous Board of Directors Remuneration as at 31 March 2021

Name	Designation	Remuneration
*Mr Theodore Dhlamini	Non-Executive Director	R284 000
Mr Xolani Dlwathi	Non-Executive Director	R208 000
Mr Siphiwe Mhlongo	Non-Executive Director	R166 000
Mr Moerane Maimane	Non-Executive Director	R210 000
Mr Themba Mamba	Non-Executive Director	R178 000
Ms Sebongile Bhengu	Non-Executive Director	R180 000
Ms Brenda Makhanya	Non-Executive Director	R182 000
Ms Gaby Boikanyo	Non-Executive Director	R210 000
Mr Jason Sobekwa	Non-Executive Director	R240 000
Ms Eugenia Motloung	Non-Executive Director	R32 000
Mr Nikelo Bangisi	Non-Executive Director	R32 000
Ms Debbie Raphuti	Non-Executive Director	R32 000
Ms Kentse Sesele	Non-Executive Director	R32 000
Total		R1 986 000.00

Chairperson fees includes payment of adhoc Board Committee meetings.

Table 5: Previous Independent Audit Members Remuneration as at 31 March 2021

Name	Designation	Remuneration
Mr Moshupi Mokgobinyane**	Independent Audit Member	R132 000
Mr Lesetsa Matshekga	Independent Audit Member	R60 000
Mr Ernest Khosa	Independent Audit Member	R34 000
Total		R226 000. 00

NB: **Member fees included attendance of Group Audit and Group Risk Committee and Board fees.

Table 6: Executive Management Remuneration as at 31 March 2021

Name	Designation	Remuneration
Mr Victor Rambau	Chief Executive Officer	R1 629 232,28
Ms Nontobeko Ndimande	Chief Financial Officer	R1 058 035,59
Ms Livhalani Nemaungani	EM: Strategy and Planning	R1 007 228,19
Ms Nkululeko Magubane	EM: Housing Development	R1 027 248,63
Ms Kedumetsi Mokhampanyane	EM: Corporate Services	R1 027 248,63
Mr Ronald Mutheiwana	Acting EM: Housing Management	R681 391,70
Total		R6 430 385, 02

1.5 COMPANY SECRETARIAL FUNCTION

The Company Secretary has a key role to play in ensuring that Board procedures are followed and regularly reviewed. The Chairperson and the Board consult with the Company Secretary for guidance on Board responsibilities, under the rules and regulations as well as how these responsibilities should be discharged. All Directors have access to the advice and services of the Company Secretary and recognise that the Chairperson is entitled to support from the Company Secretary in ensuring the effective functioning of the Board.

SECTION 2: HIGH LEVEL ORGANISATIONAL STRUCTURE

This diagram demonstrates how the core business of JOSHCO feeds into the different divisions/departments within the organisation. JOSHCO Core Business comprises of two departments, which is the Housing Development responsible for construction and development of projects: and Housing Management responsible for property management, tenancing and community development. The remaining departments are support functions such as Finance, Legal, Strategy and Human Resources.

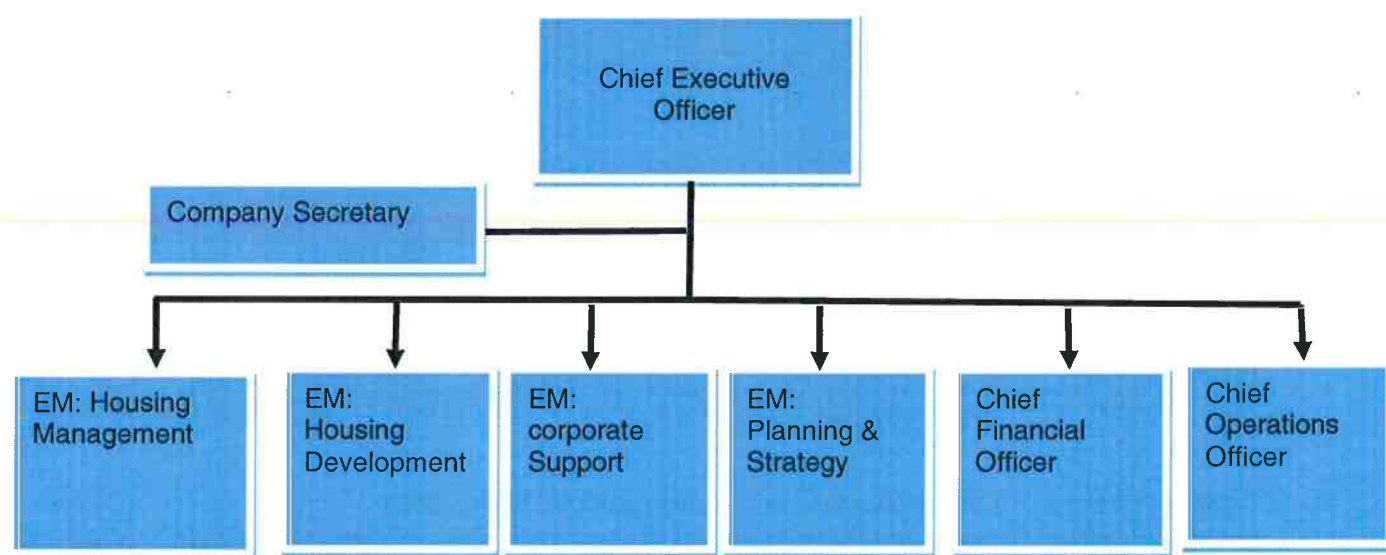


Figure 1: High Level Structure

SECTION 3: RISK MANAGEMENT

The objective of JOSHCO's Enterprise Risk Management (ERM) programme is to affect an ERM process to reduce the total cost of risk, add maximum sustainable value to all activities of the organisation and, assist in achieving key strategic objectives. The Board and management undertook a risk assessment process to identify the risks facing the organisation in line with the strategy. The realisation of the strategic objectives depends on JOSHCO being able to take calculated risks in a manner that does not impair the direct interest of both shareholder and stakeholder(s).

Sound management of risk enables JOSHCO to anticipate and respond to changes in the Social Housing and economic environment as well as enable the Board to make informed decisions under conditions of uncertainty. The Board committed JOSHCO to a process of risk management aligned to the King IV principle and, the Committee of Sponsoring Organisation of the Treadway Commission (COSO) Integrated Framework. The ERM methodologies are refined through continued research and development and, benchmarking against best practice.

3.1 RISK ESCALATION METHODOLOGY

The risk framework provides guidance on which risks should be escalated to the various governance Committees within JOSHCO. The process implementers which are functional departments assess the risks and Heads of departments as process owners report on the risks results at the Executive Committee and Audit & Risk Committee. The Audit & Risk Committee Chairperson escalates the assessment results to the Board of Directors and to the Group Risk Committee at the City for oversight. The Audit & Risk Committees' role is to identify business risks that could potentially have a negative impact on both objectives and the company's operations and advice the Board of possible mitigating strategies.

3.2 CORPORATE RISK ARCHITECTURE



Figure 2: Risk ARCHITECTURE

3.3 JOSHCO'S TOP 5 RISKS:

Top 5 Residual Risk Rating					
Risk No	Risk Description			Inherent Rating	Residual Rating
1	Low revenue collection			Very High	High
2	Inadequate capital budget allocation by the City resulting to JOSHCO not being able to meet its business plan target of providing affordable rental and social housing units.			Very High	Medium
3	Increase in construction cost of JOSHCO projects due to international trade restrictions.			Very High	Low
4	Inadequate Customer Relationship Management			High	Medium
5	Poor public relations with communities.			Very High	Medium

The above table reflects the top 5 risks that are facing the organisation as at 30 March 2021. These risks are inherent in nature and have influence in the achievement of strategic objectives and robust control environment. Although 3 of the risks have a medium residual risk rating, Management will continue to monitor their movements on a quarterly basis to ensure that they remain within the risk appetite level throughout the financial year and posing no threat to the achievement of objectives and better control environment.

3.4 INFORMATION ON EMERGING/ NEW RISKS




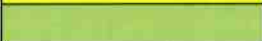
In the period under review, there were no new or emerging risk identified. However, the organisation continued implement strategies for COVID-19 pandemic to ensure the safety of essential employees while non-essential continued to work from home. In Q3 11 new COVID-19 cases were reported, 10 recoveries and 1 fatality, 92 close contacts were referred to COVID-19 testing.

3.5 STRATEGIC RISK STATUS

3.5.1 Progress in the Implementation of Mitigating Controls as at 31 March 2021.

The table below lists the risks as reflected in the strategic risk register in which their mitigation actions are due for reporting as at 31 March 2021: -

Legends

	Residual risk is extremely high
	Residual risk is high
	Residual risk is moderate
	Residual risk is low

The following legend is applied to denote the risk mitigation progress in Strategic Risk Register.






Legend	Explanation
	Risk mitigation plans not on track, key implementation targets missed and requires immediate management attention for review and sound corrective measures.
	No movement and requires immediate management attention for review and sound corrective action
	Minimal progress achieved but on track for implementation.
	Significant progress achieved and on track for complete implementation of mitigation plan by target date.

Table 7: Progress in the Implementation of Mitigation Controls as at 31 March 2021.

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating			KPI linked to the risk	Action(s) to improve management of risk.	Progress on each action item as at end of the quarter.	Residual Risk Movement	Status
			Q1	Q2	Q3					
1	Financial Instability	Low rental revenue	H	H	H	% collection in respect of current debt.	<ul style="list-style-type: none"> Tenant education on the roles and responsibilities of both JOSHCO and tenants. Approval of a business turnaround strategy. 	<ul style="list-style-type: none"> No Progress- The department had targeted 2 projects per quarter. However, Tenant education was not done in Q3 due to 2nd wave COVID-19 restrictions. The Housing management department in collaboration with the marketing and communication department has compiled tenant training manuals that will be circulated to all tenants in Q4 to avoid physical contact. The appointed debt collecting company 		1/2


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating			KPI linked to the risk	Action(s) to improve management of risk.	Progress on each action item as at end of the quarter.	Residual Risk Movement	Status
			Q1	Q2	Q3					
								<p>collected R5.5m since the first month of operation in August 2020, of which R2.6m relates to 3rd quarter. The second phase of the handover is all tenants who have defaulted on acknowledgement of debt agreements entered into and those who have not entered into any payment arrangement for amounts over 90 days in arrears. These will be done across all projects.</p> <ul style="list-style-type: none"> The turnaround strategy has been developed and approved by the Board in February 		


Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating			KPI linked to the risk	Action(s) to improve management of risk.	Progress on each action item as at end of the quarter.	Residual Risk Movement	Status
			Q1	Q2	Q3					
								2021.		
2	Inability to meet Service Delivery Standards	Inadequate capital budget allocation by the City resulting to JOSHCO not being able to meet its business plan target for providing affordable rental and Social Housing.	M	M	M	No of Social and affordable Housing Units developed for under privileged beneficiaries City wide.	<ul style="list-style-type: none"> Submit budget adjustment to the City in request for additional capital budget or budget shift to performing projects. 	<ul style="list-style-type: none"> The midyear deviation report was submitted to the City on 14 December 2020 for council approval. However, no additional capital budget was allocated instead the organisation was allowed to reprioritise within the original budget of R378 million. Reprioritisation resulted in an increase of targeted annual units from 648 to 662 by 30 June 2021. 		1/1
	Inability to meet Service Delivery Standards	Increase in construction cost of JOSHCO			L	No of Social and affordable Housing Units developed for	Standardisation of units designs to contain unit development cost within a specific range.	<ul style="list-style-type: none"> The standard Unit design and costing aligned with SHRA requirements was 		1/1

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating			KPI linked to the risk	Action(s) to improve management of risk.	Progress on each action item as at end of the quarter.	Residual Risk Movement	Status
			Q1	Q2	Q3					
3		projects due to international trade restrictions.	L	L		under privileged beneficiaries City wide.		developed and submitted to EXCO for consideration and approval. Implementation to commence with upcoming projects.		
4	None	Inadequate customer relationship management.	L	L	M	% Customer satisfaction rating.	<ul style="list-style-type: none"> Establishment of the Customer Relation Management (CRM) system to improve enquiries/complaints turnaround time. Undertake business process re-engineering to improve efficiency in the leasing and allocation functions. 	<ul style="list-style-type: none"> Interviews for the position of CRM's were conducted in February 2021, two (2) candidates went for Psychometric tests on 17 March 2021. The two successful call centre agents resumed their duties on 1 April 2021. The department is working closely with the Budget office to come up with the funding model. This was after 		0/2

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating			KPI linked to the risk	Action(s) to improve management of risk.	Progress on each action item as at end of the quarter.	Residual Risk Movement	Status
			Q1	Q2	Q3					
								additional operational funds were not provided to JOSHCO. Different funding models are explored and the target date for commencement of the project was moved to the last quarter subject to availability of funds		
5	None	Poor public relationship with Communities.	M	M	M		<ul style="list-style-type: none"> Appointment of a Manager in the office of the CEO to assist with management of stakeholder relations. Development of a comprehensive stakeholder engagement plan that takes into account all organisational 	<ul style="list-style-type: none"> 1. The process of appointing Stakeholder Relations Manager was finalised in January 2021. The stakeholder relations Manager Joined JOSHCO on 1 March 2021. The Stakeholder Relations Manager is in the process of 		1/2

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating			KPI linked to the risk	Action(s) to improve management of risk.	Progress on each action item as at end of the quarter.	Residual Risk Movement	Status
			Q1	Q2	Q3					
							stakeholders.	developing a Stakeholder Relations Strategy and engagement Plan, it is envisaged that the plan will be finalised in Q4.		
6	None	Consumption of utilities that contribute to the carbon footprint giving rise to JOSHCO projects not contributing positively to climate change	M	M	M	Number of SMART eco-friendly projects.	<ul style="list-style-type: none"> 9 projects to be installed with prepaid water and electricity systems inclusive of solar panels (two buildings per quarter). 	<ul style="list-style-type: none"> The Tender of the appointment of the prepaid solution service provider is currently at BAC and it is envisaged that the appointment will be concluded in Q4. Procurement and appointment of Professional team has been concluded to commence pilot project in Turffontein and Roodepoort projects. Installed water harvesting systems in Roodepoort in Q3. 		1/2

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating			KPI linked to the risk	Action(s) to improve management of risk.	Progress on each action item as at end of the quarter.	Residual Risk Movement	Status
			Q1	Q2	Q3					
7	Non-compliance to regulatory requirements.	Non-compliance to relevant regulatory and policy requirements	M	M	M	% Compliance to laws and regulations.	<ul style="list-style-type: none"> Implementation of the recommendations of the assurance provider(s). Procurement of the Exclaim license and appointment of the departmental compliance champions. 	<ul style="list-style-type: none"> Internal audit recommendations have been implemented, however there are still gaps on the completion of assessment questionnaires that the unit committed to close in the 4th quarter. The procurement of Exclaim compliance software additional licenses has been finalised and the Risk Compliance Champions will undergo Training in April 2021. 		2/2
8	Non-compliance to regulatory requirements	Occupational and health and safety risk.	M	H	M	% Compliance to laws and regulations	<ul style="list-style-type: none"> Installation of the Biometrics systems at 12 JOSHCO projects by 30 June 2021. Installation of CCTV 	<ul style="list-style-type: none"> The installation of Biometric system in Antea has been completed and It will be activated as soon as the 		1/2

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating			KPI linked to the risk	Action(s) to improve management of risk.	Progress on each action item as at end of the quarter.	Residual Risk Movement	Status
			Q1	Q2	Q3					
							cameras that will be linked to security control room at 12 JOSHCO projects by 30 June 2021.	<p>Housing Management department has completed verifications and Regularisation process.</p> <p>•Twenty(20) projects were assessed by the JOSHCO Security department and the assessment report revealed that only one (1) project Biometric system has been activated and nineteen (19) projects has infrastructure however its not activated. The department is in the process of appointing a service provider for the activation of the 12 targeted project.</p> <p>•The panel of security</p>		

Risk Ref	City Risk	JOSHCO Risk	Residual Risk Rating			KPI linked to the risk	Action(s) to improve management of risk.	Progress on each action item as at end of the quarter.	Residual Risk Movement	Status
			Q1	Q2	Q3					
								service has been appointed, and the process of installation of CCTV cameras will commence and conclude in Q4.		

Based on the above, the total percentage of actions implemented to manage the residual risk(s) around the control environment resulted in a cumulative achievement of 74% against a target of 95% . Implementation of some of the controls are dependent on the appointment of service providers. The assessment revealed that there were delays in the procurement of service providers which had influence in the achievement of certain actions that management needed to implement.

SECTION 4: ANTI-CORRUPTION AND FRAUD INVESTIGATION

The Board, Committees and management continued to subscribe to Principle 1 of the King IV report on Corporate Governance for South Africa 2016 that state “the governing body should lead ethically and effectively”. The governing body should further continue to subscribe to the Prevention and Combating of Corruption Activities Act 12 of 2004 and the Protected Disclosure Act 26 of 2000. In the quarter under review, the organisation undertook a Vuthelimpempe campaign as part of the fraud awareness strategy. The resuscitation of the campaign was also as a result of few fraudulent acts, such as fraudulent advertisement of social housing in JOSHCO letterhead, that were identified on social media and reported to GFIS for further investigations in the previous quarters. The campaign was held at Southgate Mall on 25 March 2021 where JOSHCO staff members were educating the public about JOSHCO's position in relation to fraud and corruption and the process of reporting such. Below is one of the pictures of the event.

Furthermore, fraud workshops were held with different JOSHCO business units as part of continuous awareness on how business units should conduct themselves while undertaking their day to day operations on behalf of the organisation.

The fraud hotline number is 0800 002 587

All reported fraud and corruption allegations are investigated through the GFIS unit in the city and reports that indicate progress made on the investigations are provided to JOSHCO quarterly. Four (4) fraud cases were reported in Q1 and Q2 and no case was reported in Q3. The following table serve as detail:

Table 8: Fraud and corruption cases reported for 2020/21 FY

GFIS_no	Date Registered	Allegation	Status
19/12/2020	2020/12/08	Alleged fraud and corruption into issuing of flats units at JOSHCO by JOSHCO employee.	In Progress
23/07/2020	2020/07/2	Alleged fraud and impersonation by an advert for provision of residential accommodation at JOSHCO	Case close due to insufficient evidence.
13/08/2020	2020/08/14	Alleged solicitation of a bribe from a new	Case close due to insufficient

		housing applicant to the amount of R35500.	evidence.
16/09/2020	2020/08/15	Alleged maladministration into execution of Marlboro ward 108 emergency COVID-19	Case close due to insufficient evidence.

SECTION 5: MANAGEMENT OF POTENTIAL CONFLICTS OF INTERESTS

The Board and its Committees is committed to greater ethical standards and practices and this is evident in all Board and Committee meetings where declaration of interest is undertaken prior to commencement of meetings. In the quarter under review, the Board and its Committees continued to sign off the declaration register and such information is housed in the Company Secretary's office. In the beginning of the Board term, all members are required to sign declaration of financial interest.

Furthermore, JOSHCO employees' complete declaration of interest forms on an annual basis to ensure that employees are transparent about their business interests outside of the organisation and that any close relatives or associates are identified to avoid conflicts between JOSHCO and the service providers that will be conducting business with. To date, 95% of JOSHCO staff have completed and submitted their annual declaration. Corporate Services and Supply Chain utilize the declaration of interest forms to manage any potential conflict of interest that may arise.

SECTION 6: INFORMATION AND COMMUNICATIONS TECHNOLOGY GOVERNANCE

ICT governance is about ensuring that the organisation's IT systems support and enable the achievement of the organisation's strategies and objectives. It encompasses leadership, organisational structure, business process, standards, and compliance. The Board has adopted the King IV report on Corporate Governance South African 2016 in which Principle 12 of the report states that, "the governing body (Board) should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives". JOSHCO ICT is aligned to the following Frameworks and Best Practices:

- DPSA Corporate Governance of ICT Framework
- Control Objectives for Information and Related Technologies (COBIT) version 5
- Information Technology Infrastructure Library (ITIL); and
- ISO 27001 Information Security.

During the 2020-2021 Financial Year, JOSHCO ICT seeks to improve on its governance frameworks and universe, by adopting best practice frameworks to strengthen the following areas:

- ICT Service Management
- ICT Security; and
- Business Continuity.

JOSHCO ICT KPI

As part of JOSHCO's Business Plan Scorecard for the 2020/2021 Financial Year, JOSHCO ICT is responsible for the following objective which relates to the improvement of the ICT infrastructure and governance as detailed in the table below:

- Improve ICT infrastructure, Application Management and Governance.

To achieve this objective, the JOSHCO ICT Department have developed an Annual Action Plan that includes the major projects that the ICT department is required to implement at JOSHCO.

The required projects are as follows:

- Implement Electronic Document Management System to all departments
- Implement the JOSHCO Intranet
- Provision of adequate ICT services at JOSHCO projects
- Enhance JOSHCO Website
- Training and implementation of ISO controls
- Implementation of effective COBIT Governance Framework
- Implementation of ISO 27001 Information Security Framework
- Upgrade JOSHCO Data Hosting and DR Solutions
- Upgrade JOSHCO Network Solution
- Server Room Construction
- Implement Network Monitoring System
- Implement ICT Service Delivery Management System
- ICT Asset and Service Management
- Business Continuity Site
- Implement Multichannel and App for Housing Management

Each of these projects have multiple action items that are required to be implemented in to achieve the goals set out in the ICT Strategy and Action Plan. These goals are broken down into quarterly timeframes, based on the time periods required to implement these actions.

Table 9: ICT Activities for the Quarter as at 31 March 2021

KPI	2020/21 Target	Q3 Target	Q3 Performance	Variance	Evidence and Comments
Implementation of ERP	Implement as per the CoJ programme	Implement as per the CoJ programme	Achieved		Done
ICT Service Delivery Management	4 Quarterly Reports	2 Quarterly Reports: User satisfaction at least 85% (Monthly, Quarterly & Annually in Q4)	Achieved		Done
		Monitor the JOSHCO's network and server performance to ensure 95% connectivity	Achieved		Done
		Appraise onsite and offsite storage capacity monthly and reported on	Achieved		Done
ICT Risk and Audit Management	4 ICT Operational Risks and Audit Reports	Annual assessment of the ops risk and quarterly review and reporting	Achieved		Done.
		Report on all ICT audit findings, identified risks and identified non – Compliance activities, Identified Strategic and operational risks and non-compliance findings	Achieved		Done
		Implement corrective measures on all audit findings	Partially Achieved		SLA Findings closed except for Innovo Networks and Telkom SLA: In progress, due date April 2021 DR finding: ICT submitted specifications, tender advertised and BSC and BEC completed, waiting for procurement to appoint service provider. Implementation will start in April 2021
Infrastructure and Operations Management	Implement a stable ICT infrastructure	Upgrade Host, Dr and implement the Business Continuity Site	Partially Achieved		ICT submitted specifications, tender advertised and BSC and BEC completed, waiting for procurement to appoint service provider.

					Implementation will start in April 2021
		Implement Smart boardroom solution with fully converged voice and video solution	Partially Achieved		Tender awarded, waiting for the building renovations to be completed.
		Construct Server Room	Partially Achieved		Specification for tender completed and submitted to procurement
		Upgrade IT network	Partially Achieved		Specification for tender completed and submitted to procurement
Application management	Enhance JOSHCO Website	JOSHCO Website development	Partially Archived		Joshco no longer have resource for web development in house, will have to go out on tender
	Implement Document Management and Intranet	Configure intranet and Document Management System	Partially Achieved		Specification for tender completed and submitted to procurement
	Implement ITSM System	Implement ITSM System	Not Achieved		There was lack of resource capacity, ITSM system was reprioritised since there is a manual process of sending emails in place. Specifications will be submitted to procurement in April 2021. It will be implemented in first quarter of 2021/2022
	Implement JOSHCO Mobile App	Pilot JOSHCO mobile App	Partially Achieved		ICT submitted specifications, tender advertised and BSC, BEC and BAC completed, waiting for procurement to appoint service provider. Implementation will start in April 2021

The above performance shows that the IT department has managed to achieve six (6) against the quarterly target of fifteen (15).

SECTION 7: COMPLIANCE WITH LAWS AND REGULATIONS

JOSHCO uses the EXCLAIM! Compliance software to monitor compliance with relevant legislation. A total of twenty-seven (27) Acts/ regulations are applicable to JOSHCO's operations and appear on the Regulatory Universe. The Municipal Finance Management Act - Municipal Regulations on Debt Disclosure was removed from the EXCLAIM tool following discussions with the Finance department which determined that the regulations were in fact not applicable to JOSHCO.

Twenty-Six Acts were assessed in the third quarter. One(1) remaining Act was not assessed as the questionnaire for this Act was submitted without evidence.

In the third quarter, we have seen 16 acts that have reached 100% compliance. This is an increase from 11 acts in the second quarter. The reason for the increase is largely based on the fact that departments have made efforts in keeping and submitting evidence. Only 2 Acts have regressed. This is due to change in legislation and the need for JOSHCO to update its policies to meet the evolving legislations. This information is detailed in the table below.

Table 10: Acts below 100% compliant as at 31 March 2021.

Act Name	Q1 % compliance	Q2 % Compliance	Q3 % Compliance	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
1. Basic Conditions of Employment Act, No. 75 of 1997	99.3%	100%	100%	JOSHCO complies with all the provisions of the Act.	N/A	N/A	N/A	N/A
2. Broad-Based Black Economic Empowerment Act, No. 53 of 2003 and 2014 Code	100%	100%	100%	JOSHCO complies with all the provisions of the Act.	N/A	N/A.	N/A	N/A
3. Companies Act, No. 71 of 2008	97.8%	98.9%	98.94%	The variance relates to the absence of documents/records based on previous audit findings. The Act requires documents/records to be kept for a period of 7 years.	Proper document management.	Office of the Company Secretary	Record keeping has been improved. However, non-compliance will remain until 7 years lapses	
4. Construction Industry Development Board Act, No. 38 of 2000	100%	Not assessed	Not Assessed	Compliance questionnaire submitted without supporting evidence.	Supporting evidence to be submitted	Housing Development/ SCM		Information is overdue.

Act Name	Q1 % compliance	Q2 % Compliance	Q3 % Compliance	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
5. Consumer Protection Act, No. 68 of 2008	100%	100%	100%	JOSHCO complies with all the provisions of the Act.	N/A	N/A	N/A	N/A
6. COVID-19 Occupational Health and Safety Measures in Workplaces Directive	100%	80%	100%	JOSHCO complies with all the provisions of The Act.	N/A	N/A	N/A	N/A
7. Electronic Communications and Transactions Act, No. 25 of 2002	100%	100%	92.31%	The variance relates to: JOSHCO does not have an electronic filing and issuing of document system. The process is performed manually.	Obtain electronic filing and issuing system.	ICT	Specifications for procurement of document management system have been developed. Procurement planned to be finalised in the 4 th Quarter	1 July 2021

Act Name	Q1 % compliance	Q2 % Compliance	Q3 % Compliance	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
8. Employment Equity Act, No. 55 of 1998	100%	68,9%	95.56%	The variance relates to the appointment of EE Committee which has not held meetings since appointment.	Established EE Committee to meet as mandated.	Corporate Services (HR)	1. The EE Committee did not meet in Q2 and Q3 due to COVID-19 Regulations. The committee will meet in Q4. 2. Employment Equity Plan approved and submitted to Department of Labour.	30 June 2021.
9. Housing Act, No. 107 of 1997	100%	100%	100%	JOSHCO complies with all the provisions of the Act.	N/A	N/A	N/A	N/A

Act Name	Q1 % compliance	Q2 % Compliance	Q3 % Compliance	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
10. Labour Relations Act, No. 66 of 1995	100%	95,5%	100%	JOSHCO complies with all the provisions of this Act.	N/A	N/A	N/A	N/A
11. Local Government Municipal Finance Management Act - Municipal Regulations on Minimum Competency Levels	100%	37,5%	68,75%	The variance relates to the requirement for senior managers to meet competency levels for financial and supply chain management (MFMA course).	Employer to ensure that all senior managers obtain the competency levels as required by the Act.	Corporate Services (HR)	All senior managers who do not meet the requirements in terms of the regulations have been enrolled in the Municipal Executives Financial Management Programme at Wits University.	30 June 2021.

Act Name	Q1 % compliance	Q2 % Compliance	Q3 % Compliance	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
12. Local Government Municipal Finance Management Act - Municipal Supply Chain Management Regulations	100%	100%	100%	JOSHCO complies with all the provisions of the Act.	N/A	N/A	N/A	N/A
13. Local Government Municipal Finance Management Act, No. 56 of 2003	100%	97,8%	99,28%	The variance relates to the failure to place prescribed information on the JOSHCO website.	Prescribed information to be placed on the JOSHCO website.	Finance	The prescribed information in terms of the act has not been placed on JOSHCO's website.	30 June 2021.
14. Local Government Municipal Systems Act, No. 32 of 2000	100%	100%	100%	JOSHCO complies with all the provisions of the Act.	N/A	N/A	N/A	N/A
15. Occupational Health and Safety Act - Construction Regulations	100%	Not assessed	93.10%	The variance relates to missing evidence on sections marked as "compliant" on the compliance questionnaire.	Outstanding evidence to be submitted.	Housing Development	The Act has been assessed. The department provided evidence accompanying the Questionnaires.	Information is overdue

Act Name	Q1 % compliance	Q2 % Compliance	Q3 % Compliance	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
16. Occupational Health and Safety Act - Environmental Regulations for Workplaces, October 1987	100%	88,9%	100%	JOSHCO complies with all the provisions of the Act.	N/A	N/A	N/A	N/A
17. Occupational Health and Safety Act - Facilities Regulations, August 2004	100%	93,8%	100%	JOSHCO complies with all the provisions of this Act.	N/A	N/A	N/A	N/A
18. Occupational Health and Safety Act - General Administrative Regulations, June 2003	100%	100%	100%	JOSHCO complies with all the provisions of the Act.	N/A	N/A	N/A	N/A
19. Occupational Health and Safety Act - General Safety Regulations, May 1986	100%	16,7%	100%	JOSHCO complies with all the provisions of this Act.	N/A	N/A	N/A	N/A

Act Name	Q1 % compliance	Q2 % Compliance	Q3 % Compliance	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
20. Occupational Health and Safety Act, No. 85 of 1993	100%	100%	100%	JOSHCO complies with all the provisions of the Act.	N/A	N/A	N/A	N/A
21. Preferential Procurement Policy Framework Act No. 5 of 2000	100%	100%	100%	JOSHCO complies with all the provisions of this Act.	N/A	N/A	N/A	N/A

Act Name	Q1 % compliance	Q2 % Compliance	Q3 % Compliance	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
23. Protection of Personal Information Act, No. 4 of 2013	92,5%	92,5%	72.73%	<p>The variance relates to the failure to conduct a personal information impact assessment to ensure that adequate measures and standards exist in order to comply with the conditions for the lawful processing of personal information.</p> <p>The variance further relates to the non-registration of Information Officer/s with the Information Regulator.</p> <p>Joshco's Social Media Policy does not comply with POPI.</p>	<p>Information Management Officer has to be appointed.</p> <p>Update and Review Facebook and what's app Policy</p>	Office of the CEO	<p>Specifications for procurement of document management system have been developed.</p> <p>Procurement planned to be finalised in the 4th Quarter</p>	30 June 2021.

Act Name	Q1 % compliance	Q2 % Compliance	Q3 % Compliance	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
24. Rental Housing Act, No. 50 of 1999	96,3%	96.3%	96.3%	The variance relates to the subletting of units by tenants without JOSHCO's consent.	JOSHCO, through the Housing Management department has embarked on a process of regularising qualifying tenants in line with approved policies. The process will continue until all JOSHCO units are occupied only by lawful tenants.	Housing Management Dept.	Regularisation is an ongoing process and tenants who fail to qualify and refuse to vacate the units will be handed over for evictions.	

Act Name	Q1 % compliance	Q2 % Compliance	Q3 % Compliance	Comments	Remedial Action	Responsible Dept	Progress made on remedial action	Timeframe
25. Social Housing Act, No. 16 of 2008	100%	Not assessed	78.26%	The variance relates to the non-appointment of a manager responsible for the day to day management of the social housing institution and that if the position is vacant, it must be filled within 3 months of the existence of the vacancy. The variance further relates to missing evidence on section marked "compliant" on the compliance questionnaires.	Appointment of EM: Housing Management should be prioritised	Housing Development/CE	The position was advertised in March 2021	Information is overdue.
26. Unemployment Insurance Act, No. 63 of 2001	100%	Not assessed	100%	JOSHCO complies with all the provisions of this Act	N/A	N/A	N/A	N/A
27. Value-Added Tax Act, No. 89 of 1991	100%	100%	100%	JOSHCO complies with all the provisions of the Act.	N/A	N/A	N/A	N/A

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

SECTION 1: RESPONSE TO STRATEGIC DIRECTION

JOSHCO's strategic focus is aligned to that of the City and focuses on the following key Mayor's Priorities:

Table 11: Strategic Objectives Alignment To City IDP Outcomes and Strategic Priorities.

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.	• Food security that is both improved and safeguarded.	• Safer City	-	-	-
	• Increased literacy, skills and lifelong learning amongst all our Citizens.	-	-	-	• Provision of infrastructure resources for early childhood development.
	• Substantially reduce HIV prevalence and non- communicable diseases and a fit City characterised by healthy living for all	-	-	-	-
	• A safe and secure City.	• 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 	• Improve safety and security of all tenants residing in JOSHCO managed projects.	• Controlled access at all JOSHCO properties.
2. Provide a resilient, liveable, sustainable	• Sustainable/ integrated infrastructure services.	• Sustainable service delivery.	• Accelerated and visible service delivery and re-introduction of co-	-	<ul style="list-style-type: none"> • Achieve all service level standards as agreed through SDA. • Critical roles filled at all

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
urban environment underpinned by smart infrastructure supportive of low carbon economy.			production in the delivery of the basic services.		times.
	• Eco-mobility	-	-	-	-
	• Sustainable human settlement.	• 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"> Critical roles filled at all times. Number of units developed.
	• Climate change resilience and environmental protection.	• Sustainable environmental development.	-	<ul style="list-style-type: none"> Contribute to mitigating climate change impact. 	<ul style="list-style-type: none"> Installation of solar systems in all projects. Water harvesting systems. Roof top gardens in the Inner-City projects.
3. An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of Citizens.	• Job intensive economic growth.	• Job opportunity and creation.	• Job opportunity and creation.	• Contribute towards economic development through BBBEE empowerment	• Number of EPWP job opportunity created.
	• Promotion and support to small business.	• Economic development and growth.	• Development and support of the SMME's	• Contribute towards economic development through BBBEE empowerment	<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.
	• Increased	• Smart City			

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
	competitiveness of the economy.		-	-	-
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region.	• Re/effective Citizen Gauteng City Region.	-	-	-	-
	• Responsive, account, efficient Metro.	• Good governance.	-		• Actively involve the public pre and post implementation of the projects.
	• Financially and administratively sustainable and resilient City.	• Financial sustainability.	• Improve and strengthen financial position.	• Become a financial sustainable entity.	• A robust revenue collection. • Diversification of revenue stream i.e. student accommodation. • Cost containment strategy application, monitoring and reporting.
	• Citizen empowerment and participation.	• Active and engaged Citizenry.	• Community based planning and enhanced Community engagement, including Mayoral Izimbizo.		• Actively involve the public pre and post implementation of the projects.
				-	
	•	• Smart City	•		• JOSHCO App • Customer Relation Management (Call Centre) • Smart metering system • Security upgrade: Installation of CCTV cameras, Biometrics
	• Customer care and service.	• Active and engaged Citizenry.	-		• Review of all business processes.
	• Global positioning of Johannesburg.	-	-	-	-
	• Building cooperative	• Active and engaged			

2011 GDS	Outputs	COJ Strategic Priorities	GLU Programmes	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
	and intergovernmental partnerships.	Citizenry.	-	-	-
	• A responsive, corruption-free, efficient and productive metropolitan government.	• Good governance.	• Combat corruption, fraud and, maladministration	• Strengthen Governance and compliance.	• Robust internal control environment.
		• Minimising the impact of the COVID-19 Pandemic	• Comprehensive Health Response • Food Security Response • Enforcement and Compliance Measures • Economic impact and mitigation measures • Social mobilization and solidarity • Continuation of Municipal Services		• 3 buildings to be redeveloped in response to COVID-19 • Provision of PPE to site officials • Enhanced IT systems to support working from home • Continues tenant education on COVID-19 containment measures

SECTION 2: SERVICE HIGHLIGHTS AND ACHIEVEMENTS

The following are key highlights for the quarter:

- JOSHCO has completed Plein Street project and tenancing has commenced in March 2021. The building is in the inner city and has 344 units in total.
- The entity has commenced with student accommodation utilising the services of the service provider to manage on behalf of JOSHCO. To date, a total of 33 students is accommodated of which rental of 21 students is paid by NSFAS, 5 is through bursaries and 7 is own funded.

SECTION 3: SERVICE DELIVERY CHALLENGES

Below are key challenges that were encountered during the quarter under review. these are challenges that are perpetuating however measures are put in place to address them

- The entity is still experiencing low rental collection exacerbated by the effect of COVID-19
- Remote operation also has an adverse effect on the overall operation of the organisation

SECTION 4: CAPITAL PROJECTS PERFORMANCE

4.1: PROJECTS UPDATE

4.1.1 Nancefield Station Social Housing

The project was initially contracted to develop a total of 484 social housing units in Klipspruit, Ward 25 in Soweto. The project has not been able to commence due to community-protest the project. The community is demanding that a Gauteng Human Settlements RDP project commences, as it is free, compared to a social housing project, which is a rental option.

In order to re-establish the acceptable feasibility of the project, management has reached an agreement with the Board of Directors to reduce the number of units from 484 to 372 social housing units to be developed on the project. Housing Development has also proceeded and finalised the appointment of Professional team for the project, in order to commence.

The project team is planning for a site hand-over on the first week of April 2021. The main delay on the project has been re-enrol the project with NHBRC, where a change from 484 units to 372 units had to be re-submitted to the Regulator for re-assessment to enrol. JOSHCO is currently reviewing the contractual alignment with the new Professional team.

4.1.2 State of The Inner-City Programme

In terms of the Council approved Business Plan, JOSHCO had focus on the completion and delivery of 112 units in 80 Plein Street project which has since December 2020 been achieved and Housing Management has commenced with tenanting. Table 12 below reflects total project units yield upon completion, project duration in terms of start and completion dates.

Table 12: Project programme

Ref	Project Description	No Of Units	Original start date	Original completion date	Revised Completion Date	Comments on project project time-lines
1	106 Claim Street Inner City Building Conversion Region F	80	21/11/2018	27/09/2019	30/05/2021	Initial EoT awarded 128 days due to community related strikes, thus projecting completion to August 2020. An additional COVID-19 Lockdown resulted into additional delays and the main Contractor had to be awarded a further 66 days due to that. Project is planned to be complete at the end of May 2021.
2	16 Wolmarans Inner City Building Conversion Region F	89	3/4/2018	3/10/2019	15/04/2021	Additional project duration was allocated on the project due to City Power challenges to install Electrical Transformer in 2019. EoT awarded to the main Contractor estimated completion to June 2020 This has further been revised due to six months National Lockdown experienced in year 2020.
3	38 Rissik Street (NBS) Inner City Building Conversion	-300			To be determined after procurement.	No main Contractor appointed yet on the project. The completion dates are to be established once main Contractor is appointed.
4	50 Durban Street Inner City Building Conversion Region F	104	12/02/2018	11/02/2019	30/04/2021	During the financial year 2018/19, the Board of Directors suspended the project for a period of 8 months, while investigating certain issues (not to do with the main Contractor at all). When the project was allowed to proceed, the main Contractor had to be awarded the 8 months period lost, hence the project will be completed at the end of March 2021. Although the main Contractor has progressed, the main Contractor will from April 2021 be in default and penalties in line with the signed JBCC will be instituted.
5	80 Plein Street Inner City Building Conversion Region F	344	13/08/2018	11/12/2020	Project is complete.	The project is complete.
6	Abel Road Inner City Building Conversion Region F	257	16/01/2018	01/07/2020	30/05/2021	An Extension of Time had to be awarded on the project mainly, due to COVID-19 National Lockdown, which greatly affected the Construction industry.
8	Booyssens Place	-250	Not applicable	Not applicable	Not applicable.	No main Contractor appointed yet on the project.
10	Casamia	80	Not applicable	Not applicable	Not applicable.	Procurement of Professional team is currently underway. It is planned that the appointment will be made in mid-April 2021.

Ref	Project Description	No Of Units	Original start date	Original completion date	Revised Completion Date	Comments on project project time-lines
15	JOSHCO House	0		16/11/2020	30/06/2021	The project was planned for completion in November 2020. Completion of the project has been delayed due to COVID-19 and the Employer occupying the building while under construction. New completion date that was planned could not be achieved as the Employer was still occupying the building. The main Contractor has been requested to submit a revised programme to complete the project on the basis that the building will be entirely available for the contractor.

Table 13 below presents the Inner-City projects implemented by JOSHCO. In total JOSHCO will deliver 112 units at “Works Completion” stage within the Inner City, making 80 Plein Street project to be fully complete with a total of 344 Social Housing units. Further to that 30 units will reach final completion at Claim Street

Table 13: Inner City Programme To Be Implemented in the 2020/2021 Financial Year

PROJECT NAME	APPROVED NO OF UNITS	PROPOSED NO OF UNITS	Q1	Q2	Q3	Q4	ANNUAL TARGET AND VERIFICATION.
80 Plein Street	112	112	0	0	0	112	All units completed.
38 Rissik Street	0	0	0	0	0	0	Pre-planning: design development, elementary costing, feasibility and viability.
Booyens Place	0	0	0	0	0	0	Pre-planning: design development, elementary costing, feasibility and viability.
106 Claim Street	0	0	0	0	0	30	30 units entirely complete and ready for occupation (Occupation Certificate issued)
16 Abel Street	0	0	0	0	0	0	Project completion to have an Occupation Certificate and ready for occupation.
TOTAL	112	0	0	0	0	142	142

Table 14 provides an overview of activities took place during the third quarter of the financial year 2020/2021 and planned activities for the fourth quarter.

Table 14: Inner City Progress and Update on Projects as at 31 March 2021.

1	Period	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q 3 Actual	106 Claim Street	<p>The project is planned to deliver a total of 60 Transitional Emergency Accommodation units once completed. The project programme is currently underway, with the main Contractor at 90% towards completion on site.</p> <p>Below are activities implemented in Q3:</p> <ul style="list-style-type: none"> • Electrical, mechanical installation testing and commissioning. • Snagging. De-snagging inspection and handover. • Practical completion inspection and sign-off of all units.
	Q 4 Planned		<ul style="list-style-type: none"> • Finalisation of Lift installation and commissioning. • Snagging and de-snagging of the project. • Testing and commissioning of all services i.e Heat-Pumps, Lifts, Electricity ect.
2	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q3 Actual	50 Durban Street	<p>The project is planned to deliver a total of 102 affordable housing units within Inner City on completion.</p> <p>The main contractor had cash flow challenges during the 2nd quarter of this financial year and were unable to pay their service providers on time.</p> <p>The contractor only managed to fully recover towards the end of quarter 2 and picking up momentum on site.</p> <p>Assisted by the Professional team, the main contractor has revised and submitted a recovery plan with methodology that will assist to catch up on time to deliver the project at the end quarter 3 of the current financial year.</p> <p>Quarter 3 activities</p> <ol style="list-style-type: none"> 1. Roof water-proofing and CCTV installation has been completed. 2. Lift installation underway at 95%. Builder's work on the lift shaft, structural remedial works on the Lift steel runner blades are currently underway. 3. Electrical second fix relating to electrical wiring inserssion on conduits and distribution to the units and common areas. 4. Bathrooms ventilations, lighting, bathrooms for people living disabilities are underway in floor 1, 4, and 5. 5. Window Frames and panels installations 6. Tops, sinks and mixers from ground to 3rd floor 7. Snagging and de-snagging from second floor to 4th floor.
	Q4 Planned		<p>Planned quarter 4 activities:</p> <ol style="list-style-type: none"> 8. Completion of lift installation. 9. Completion ceiling, wall-cladding, tiling and service ducts on floor ground, fourth, and fifth floors. 10. Completion of switches and plugs on ground floor. 11. Completion of frame and doors installation. 12. Snagging and de-snagging on fourth to fifth floor. 13. Inspections, testing & commissioning. 14. Inspection of sinks, table tops and water mixers from fourth floor to fifth floor.
3	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
			<p>This is an old hotel building acquired by JOSHCO in the past financial years. It is planned to deliver a total of 257 units on completion.</p> <p>The contractors have progressed fairly well during Q3 of 2020/21.</p> <p>Quarter 3 activities:</p>

	Q3 Actual		<ol style="list-style-type: none"> 1. All units are at 98% completion level. 2. Windows pre-cast installation has been completed. 3. Lift installation progressing, at 94% completion. Requires City Power connection in order to testing and commissioning to take place. 4. Electrical second fix: wiring through the existing conduits. 5. Plumbing second fix at 96% completion. 6. Head pumps installation at 95%, requires power connection in order for testing and commissioning. 7. Rational fire installation on going 8. City power inspections of the transformer room 9. Installation of distribution boards in units. 10. Cold and hot water installation has been completed 100%.
	Q4 planned	Abel Street	<p>Planned quarter 4 activities:</p> <ol style="list-style-type: none"> 11. Progress and completion of lift installation. 12. Electrical second fix completion. 13. Plumbing second fix completion. 14. Completion of Transformer installation by city power. 15. Rational fire installation completion 16. Snagging and di-snagging of remedial works.
4	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q4 Planned	38 Rissik Street	<p>This is an existing building acquired by JOSHCO in financial year 2015/2016, located within the Inner City. The building has a potential to yield +300 units.</p> <p>Due to limited budget allocation the projects is currently on hold as the funds will not be enough to cover for works that need to be done.</p> <p>To avoid risk of non-payments to service providers a decision was made to move activities to the next financial year. A proposal has been made to re-allocate funds from this project to other projects that are currently active and require budget.</p> <p>JOSHCO is intending to procure a Developer that will develop and operate this project as a student accommodation facility (fully Capitalize it) for a number of years, before returning it to JOSHCO.</p> <p>The procurement specification has been submitted to commence SCM process before end of Q4 of 2020/21 financial year.</p>
	Q4 Planned	Boyseen's Place	<p>This is an existing building acquired by JOSHCO in financial year 2015/2016, located in suburban areas around Boyseen, South of the City. The building has a potential to yield +-150 units.</p> <p>Due to limited budget allocation the projects is currently on hold as the funds will not be enough to cover for works that need to be done.</p> <p>To avoid risk of non-payments to service providers a decision was made to move activities to the next financial year. The funds allocated to this projects are proposed to moved to assist on projects that are currently active and require budget.</p> <p>Procurement to appoint pre-construction service providers is to commence before end Q4 of the financial year.</p>
5	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
			The project was due to yield a total of 264 affordable rental units once

	Q3 Actual	280 Smit Street	<p>constructed.</p> <p>However, JOSHCO will no longer be going to tender with the current design due to the high projected costs. The project has thus been closed out.</p> <p>Assessment of the building is underway to determine whether or not JOSHCO should not dispose the building. Management is current preparing a business case to be presented to the Board of Directors to consider asset disposal of this building.</p>
	Q4 Planned		Commence with the process of implementing asset disposal in line with MFMA once the Board of Directors has considered and approved the disposal business case.
6	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q3 Actual	80 Plein Street	<p>The project entailed refurbishment of an existing office block into social housing rental accommodation in the City Centre of Johannesburg. In total, the building consists of 344 units.</p> <p>Current Progress: All the units have been developed to 100% completion, including commissioning of various services such as gas installation, plumbing, electrical etc. on the project. The professional team and the Contractor are busy carrying out hand-over inspections of all work done on site.</p> <p>An Occupation Certificate was issued in December 2020.</p>
	Q4 Planned		<p>The following items need be implemented in Q4:</p> <ul style="list-style-type: none"> • Installation of curtain rails to all 344 units • Registration of pre-paid meters by City Power for all units. <p>Completion date: Anticipate completion of the above work items is end of March 2021.</p>
7	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q3 Actual	Selby Hostel	<p>This is an in-situ project in one of existing JOSHCO tenanted projects (Selby Hostel). An opportunity to further develop additional 90 units was realized in 2018/19 financial year.</p> <p>Challenges: The main challenge on the project was Town Planning matters, taking longer to get approval from city council.</p> <p>The Surveyor General Diagram for the property was approved by Council in November 2019. The Town Planner has now proceeded with the process of amending the Title Deed of the property in line with the new amendments of the scheme.</p> <p>The new rates for this design change would have to be negotiated with the appointed main Contractor before commencement with the project.</p>
			<p>The following activities will be implemented in quarter 4 period:</p> <ul style="list-style-type: none"> • The reinstatement application for subdivision and consolidation has been circulated to relevant service departments and submitted to CoJ and is currently being

	Q4 Planned		<p>assessed.</p> <ul style="list-style-type: none"> The submission of SDP and Building plans will be done once the newly created erven have been registered at Deeds Office. The relocation of the illegal occupants in the area identified for construction that has been a challenge. JOSHCO together with the ward councilor have agreed to move the qualifying tenants to one of its inner-city project (133 Albert Street).
8	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q3 Actual	Casa Mia	<p>Current status:</p> <p>Project is currently terminated (no Contractor on site) and on hold (from pre-construction planning aspect) due to lack of Professional fees payment. JOSHCO will commence with procurement of Professional team to start with project re-packaging and specification for tendering purposes.</p>
	Q4 Planned		<p>The following activities will be done in Q4:</p> <ul style="list-style-type: none"> Finalise a procurement process to appointment of a Professional team to re-package the project for re-tendering purposes. The Professional team will include: Project Manager, Quantity Surveyor, Electrical Engineer, Civil Engineer, Architect, Structural Engineer, Health & Safety consultant. Elementary design, Elementary costing, Design development & Viability, Specification & Documentation. Procurement processes through Public advertisement of the bids in line with JOSHCO SCM Policy.

Table 15 below reflects the programme JOSHCO is managing on its various greenfield project in terms of the number of units to be delivered and the duration of project implementation.

Table 15: Greenfield Programme

Ref	Project Description	No Of Units	Original start date	Original completion date	Revised Completion Date	Comments on project time-lines
17	Lufhereng Social Housing Project	407	01/09/2019	30/08/2021	30/08/2022	The project is on track and ahead of schedule.
19	Nancefield Social Housing Project	372	20/01/2008	30/01/2023	27/02/2023	The project is at initiation stages.
20	Princess Plots Social Housing Project	333	01/09/2019	31/10/2021	30/11/2023	The project is delayed due to local SMME challenges relating to work-packages. The issues have since been resolved as at end of Q2 and the project is expected to proceed without major challenges in Q3 and Q4.

21	Randburg Selkirk Social Housing Project	145	20/11/2020	19/11/2021	30/11/2022	The project is at initiation stages. The project is however delayed due to incomplete trans-transfer conclusion between JPC and JOSHCO.
22	Roodepoort Social Housing Upgrade	92	2/8/2019	2/9/2020	30/03/2021	Main challenge of the project has been local SMME's on work-packages and recent COVID-19 National Lockdown.
13	Golden Highway Social Housing Project	333	11/10/2019	10/09/2021	10/12/2021	The project is on track. Additional duration has been allocated to the project due to COVID-19 National Lockdown delays that occurred.
27	Jeppetown Social Housing	1336	20/01/2021	21/02/2023	No revised date	Project review consultants have been appointed. The Developers have submitted to Local Authority, building Plans and Engineering services designs for assessment.
28	Riverside Social Housing	1108	28/01/2021	22/02/2023	No revised date	Project review consultants have been appointed. The Developers have submitted to Local Authority, building Plans and Engineering services designs for assessment.
29	Edenburg Social Housing	1031	21/01/2021	22/02/2023	No revised date	Project review consultants have been appointed. The Developers have submitted to Local Authority, building Plans and Engineering services designs for assessment.

Table 16 below reflects the number of greenfield projects that are currently implemented by JOSHCO during this financial year.

Table 16: GREENFIELD PROJECTS

PROJECT NAME	APPROVED NO OF UNITS	Q1	Q2	Q3	Q4	PROPOSED ANNUAL TARGET	MEANS OF VERIFICATION
Golden Highway	60	0	0	0	273	273	Independent professional progress report confirming wall-plate level construction. The wall-plate will consist of: 1. Foundation: earthworks excavation, Steel fixing, Shuttering, where required, concrete pouring and curing for a specified period to reach a designed MPa concrete strength. Depending of the

							<p>foundation type, raft or strip foundation.</p> <p>2. Brickwork: bricklaying from foundation up to wall-plate level.</p> <p>3. Services: electrical conduits installation, plumbing pipework and sewer connection pipes to be laid.</p>
Lufherheng Social	56	0	0	0	155	155	<p>Independent professional progress report confirming wall-plate level construction. The wall-plate will consist of:</p> <p>1. Foundation: earthworks excavation, Steel fixing, Shuttering, where required, concrete pouring and curing for a specified period to reach a designed MPa concrete strength. Depending of the foundation type, raft or strip foundation.</p> <p>2. Brickwork: bricklaying from foundation up to wall-plate level.</p> <p>Services: electrical conduits installation, plumbing pipework and sewer connection pipes to be laid.</p>
Nancefield Station	30	0	0	0	0	0	<p>Independent professional progress report:</p> <p>1. Engineering services: internal water reticulation, electricity supply into the site-boundary and excavation and laying of sewer networks internally, within the site.</p> <p>2. Foundation: this will be consisting of excavation (depending on whether Raft or Strip foundation), Steel fixing, shuttering and casting of concrete, including curing period for the require MPA strength.</p>
Roodepoort Social	92	0	0	0	92	92	<p>Practical Completion Certificate in line with Clause 24 of the Joint Building Contract Committee (JBCC).</p>
Randburg Social	73	0	0	0	0	0	<p>Independent professional progress report:</p> <p>1. Engineering services: internal water reticulation, electricity supply into the site-boundary and excavation and laying of sewer networks internally, within the site.</p> <p>2. Foundation: this will be consisting of excavation (depending on whether Raft or Strip foundation), Steel fixing, shuttering and casting of concrete, including curing period for the require MPA strength.</p>
Princess Plot	70	0	0	0	0	0	<p>Independent professional progress report:</p> <p>1. Engineering services: internal water reticulation, electricity supply into the site-boundary and excavation and laying of sewer networks internally, within the site.</p> <p>2. Foundation: this will be consisting of excavation (depending on</p>

							whether Raft or Strip foundation), Steel fixing, shuttering and casting of concrete, including curing period for the require MPA strength.
Turn-Key 1:	47	0	0	0	0	0	Independent review consultants progress report: site establishment, engineering services installation (internal reticulation).
Turn-Key 2	36	0	0	0	0	0	Independent review consultants report: site establishment, engineering services installation (internal reticulation).
Turn-Key 3	36	0	0	0	0	0	Independent review consultants report: site establishment, engineering services installation (internal reticulation).
Turn-Key 4	36	0	0	0	0	0	Independent review consultants report: site establishment, engineering services installation (internal reticulation).
TOTAL	536	0	0	0	520	520	

Table 17: GREENFIELD PROJECTS UPDATE as at 31 March 2021.

NO	Period	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
1	Q 3 Actual	Golden Highway Social Housing	<p>Phase 2: this phase of the project will at completion yield a total of 333 social housing units.</p> <p>The project is planned to deliver 273 units without services in June 2021. The balance of 60 units to be delivered at the end of December 2021.</p> <p>Current progress at Quarter 3:</p> <ul style="list-style-type: none"> • Brickwork on various blocks completed. • Plastering works on internal walls completed • Screeding of floors on the units completed. Completion of blocks for the first 110 units is at 75%. Construction of Guardhouse. • Earthworks foundation excavations, concrete pouring, brickwork for walls, internal plastering, electrical 1st fix installation, plumbing 1st fix installation, ironmongery installation and structural work for the roof almost completed. • Carpentry and joinery. • Plumbing and drainage lying. • Glazing. • Electrical works on various blocks as 1st fix. <p>Work to phase 2.2 blocks cannot start until land transfer is concluded, as this is hindering some town planning approvals.</p>
	Q4 Planned		<p>Phase 2 planned activities for Q 4:</p> <ul style="list-style-type: none"> • Continuation of Brickwork on various new blocks. • Plastering works on internal walls on newly constructed units. • Screeding of floors on the units completed. • The report for ratification of land ownership was been finalised by JOSHCO and sent to the City Manager's office in order to meet the Council Meeting in February 2021. • Once the Council resolution has been obtained, JOSHCO will send it to JPC in order to allow JPC to sign documents for the Opening of Township Register for Devland Extension 33 (Phase 2 of development) and the subsequent approval of other outstanding statutory approvals such as Site Development Plan and the Building Plans

			<ul style="list-style-type: none"> JOSHCO is still waiting for the council resolution.
2	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q3 Actual	Lufherheng Social Housing	<p>This is a mixed-housing development project of the City of Johannesburg. JOSHCO is implementing the rental portion of the development. The project will yield a total of 407 social housing units once complete.</p> <p>Current status:</p> <p>The contractor has managed to progress on site without hindrance during Q3. . The project is planned to deliver a total of 155 units at the end of June 2021.</p> <ul style="list-style-type: none"> Foundation platforms. This includes, setting up and fixing reinforcement steel for foundations, in line with Engineer's designs. Civil works, in relation to installation of internal units services like electricity, plumbing and sewer. Municipal services installation Blocks foundations construction. Commencement of construction: brick-laying on top of foundation casted. Installation of water-proofing. Pouring of concrete slabs to later receive screed and floor covering. Roof covering on ready blocks. This will include installation of roof-trusses, roof insulation and roof-covering as per Engineer and Architect specifications. Windows installation: the window frames would have been installed during the brick-wall construction, once the roof covering is installed, the contractor will proceed to install window panes. <p>Planned Quarter 4 Activities</p>
	Q4 Planned		<ul style="list-style-type: none"> Continuation of electrical 2nd fix: electrical conduits laying and fitting. Continuation of plumbing 2nd fix: pipelaying and connections vertically to upper floors. Continuation builder's works: brick-laying, ironmongery to ready units, plastering of internal walls. Services installations Roof covering continuation Tiling on ready blocks Painting on ready blocks Doors and glazing fitting on ready blocks
3	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
			<p>The project has been re-packaged in line with what would be viable. The number of units that can be delivered on the project have been decreased in line with budget availability and as well as the appointment value. The original unit number was 484 and it is now 372 units.</p> <p>Status update: Commencement of the project has received support from the local community. JOSHCO has finalised the appointment of a Project Manager, a lead-consultant for the Professional team in order to start seeing site activities in the third quarter of 2020/21.</p> <ul style="list-style-type: none"> Re-submission for project enrolment at NHBRC had to be re-done. Although the project had been enrolled in the past, due to change on the number of units to be developed, NHBRC

	Q3 Actual		<p>required that a new submission be made and be re-assessed. This has been done and awaiting for the Regulator to conclude on their process.</p> <ul style="list-style-type: none"> The process will include all Professional issuing working drawings to main Contractor, identification of pegs on site and Servitudes identification. <p>Planned activities for next quarter:</p> <ul style="list-style-type: none"> Project site hand-over could not be implemented as planned for Q2 and is now going to be implemented in mid-April 2021, once NHBRC concludes on project enrolment processes. The professional team of consultants appointment was finalized at the beginning of December 2020. The site hand-over will take place once the main Contractor has signed the JBCC contract with JOSHCO and the Professional team has signed a PROCSA Agreement with JOSHCO as well. Site Clearance and general earthworks. Setting and procurement of local SMME's and appointment thereof. Setting and excavation for foundations and other services required on site.
4	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q3 Actual		<p>This project will once complete yield a total of 333 social housing units. ENZA Construction is the main Contractor and is currently on site.</p> <p>Current status:</p> <ul style="list-style-type: none"> Site clearing has been completed. Ground works and layering work has commenced. Compacting test are being done as work progresses Permanent perimeter fence construction is underway. JOSHCO has had a number of engagements with local labour and business forums. Set up of local labour and SMME data base is in place. Earthworks and foundations commenced during Q3 of the financial year.
	Q4 Planned	Princess Plot	<p>Planned Activities for next quarter:</p> <p>The following activities will be implemented during the fourth quarter of financial year 2020/21:</p> <ul style="list-style-type: none"> Commencement of construction (Builder's Works) of Top-structure. Civil works sewer storm water and water reticulation Building of Guard House. Excavation for of reticulation pond and storm water control. Civil works sewer storm water and water reticulation Completion of Boundary wall construction and guard gate house. Relocation of fence at Clinic.
4	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q 3 Actual	Randburg/Selkirk	<p>Phase 1 will yield a total of 145 Social Housing Units once construction is completed.</p> <p>Current status:</p> <p>Phase 1 will yield a total of 145 Social Housing Units once construction is completed.</p> <p>Current status:</p>

	Q4 Planned		<p>The contractor moved onto site and commenced works. The site cleared ready for building operations. However, the actual site permanent site works could not commence as the development needed a piece of land that was in the hands of another developer. This process of land transfer took long to resolve and thus delayed the actual commencement of building operations. A contract addendum had to be drawn to cover the delays caused by late project start</p> <ul style="list-style-type: none"> • Site clearance completed. • JOSHCO signed a Permission to Build and Occupy agreement and issued it to JPC for final signature. <p>Planned Activities for next quarter:</p> <ul style="list-style-type: none"> • Follow-up on the submitted Section 7(6) application with Building Control, awaiting approval pending signature of land availability agreement. • Resume construction on site. • JOSHCO to get a revised Permission to Build and Occupy (formerly known as land use and maintenance agreement) from JPC which includes the 8 meter wide strip of land from ATTCO5. <p>Challenges: Due to the current changes in management at JPC it is difficult to obtain documents previously sent for signatures or follow up as "new" people are handling such matters. However, progress has been made and constant engagement with the current management is crucial</p> <p>Commence with construction activities on site</p>
	Q3 Actual	Roodepoort Phase 2	<p>The project is planned to yield a total of 92 units, once completed.</p> <p>Supply of tiling was a challenge on this project, the supplier was unable to meet the demand following the lockdown restriction.</p> <p>The contractor re-considered the option of changing the supplier but it was discovered that most reliable suppliers face the same backlog.</p> <p>The following activities were implemented in the 3rd quarter of 2020/21 financial year:</p> <ul style="list-style-type: none"> • Block A-overall completion is at 95% • Block B-overall completion is at 95% • Block C-overall completion is at 96% • Guardhouse-overall completion is at 95% • Refus yard-overall completion is at 96% • External works (Parking and Paving works)-75% • Stormwater installations-overall completion is at 98% • Bulk sewer installations-overall completion is at 98% • Bulk water installation-overall completion is at 98%. • Electrical second fix is currently at 95%: installation of fittings and wiring underway. • Installation of heat pumps installation. • Continuation of balustrades installation. • Completion of the Palisade fence erection. • Preparation for paving. • Electrical final fix.
	Q4 Planned		<p>Planned Activities</p> <p>15. Paving works on progress. This includes ground level soil compaction to compaction level required by the Engineer.</p> <p>16. Snagging and de-snagging.</p> <p>17. Inspections, testing & commissioning.</p> <p>Preparation for Practical completion inspection and sign-off of all units.</p>
5	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
			<p>This project will yield a total of 1336 social housing units once completion.</p> <p>The Developer has submitted to the Local Authority the Engineering</p>

	Q 3 Actual	Region F: Jeppestown Social Housing	Services designs, Building Plans and SDP for approvals. This will be followed by NHBRC project enrolment application.
	Q4 Planned		The following activities are planned for quarter 4 of the current financial year: <ul style="list-style-type: none"> Contractual Site hand-over to Developers. Commencement of construction. Follow up on project funding application submission to Social Housing Regulatory Authority (SHRA).
6	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q3 Actual	Region E: Edenburg Social Housing	This project will yield a total of 1031 social housing units once completion. The Developer has submitted to the Local Authority the Engineering Services designs, Building Plans and SDP for approvals. This will be followed by NHBRC project enrolment application.
	Q4 Planned		<ul style="list-style-type: none"> Introduction of Developer to Ward Councillor. Site hand-over to Developers. Commencement of construction. Project funding application submission to Social Housing Regulatory Authority (SHRA).
7	PERIOD	PROJECT	PROGRESS, PLANNED ACTIVITIES AND UPDATE
	Q 3 Actual	Key 2: Region A: Riverside Social Housing	This project will yield a total of more than 1108 social housing units once completion. A Developer has submitted to the Local Authority the Engineering Services designs, Building Plans and SDP for approvals. This will be followed by NHBRC project enrolment application.
	Q4 Planned		Activities planned for quarter 4 of current financial year: <ul style="list-style-type: none"> Introduction of the Developer to Ward Councillors. Site hand-over to Developers. Commencement of construction. Follow-up on the project funding application to Social Housing Regulatory Authority (SHRA).

4.2 JOB CREATION AND SMME EXPENDITURE

Table 18: SMME Expenditure as at 31 March 2021

Project	SMME Expenditure
Roodepoort Ph2	R 630,972.49
Abel Street	R 201,799.06
Lufherheng	R 1,812,162.12
Golden Highway	R 549,352.35
TOTAL	R 3,194,286.02

4.3 CAPITAL PROJECTS AND EXPENDITURE

For 2020/21 financial year, JOSHCO had been allocated a total budget of R 378 000 million. The Entity managed to spend 53% against a cumulative target of 80% by end of third quarter. The under-achievement is mainly attributed to projects that did not perform as expected, including projects like:

- **Princess Plot:** although the dispute between SMME's and main Contractor have been resolved, the project has had a slow start during quarter 3 of the financial year.
- **Golden Highway:** due to SMME's dispute with the Developer on amounts to be paid to SMME's as extra bonuses. The Developer is undertaking Legal steps to prevent further stoppages on the project, including increased security on site.
- **Randburg/Selkirk Social Housing:** there are delays on the project due to lack of land-transfer agreement conclusion between JOSHCO and JPC.

Table 19: Cumulative Expenditure Report as at 31 March 2021.

EXPENDITURE REPORT (Cumulative expenditure, as at 3rd Quarter): CAPITAL PROJECTS 2020-2021					
CORRIDOR OR NODE	PROJECT	BUSINESS PLAN BUDGET	CERTIFIED CLAIMS	%	VARIANCE
	Nancefield Station	R 14,000,000.00	R 5,186,948.16	37%	R 8,813,051.84
	Lufhereng Social Housing	R 59,000,000.00	R 47,010,032.87	80%	R 11,989,967.13
	Golden Highway Social Housing-Devland	R 61,000,000.00	R 44,351,427.67	73%	R 16,648,572.33
	SUB-TOTAL A	R 134,000,000.00	R 96,548,408.70	72%	R 37,451,591.30
CORRIDOR OR NODE	PROJECT	BUSINESS PLAN BUDGET	CERTIFIED CLAIMS	%	VARIANCE
	80 Plein Street	R 13,000,000.00	R 6,114,505.38	47%	R 6,885,494.62
	Casa Mia (Phase 1&2)	R 2,000,000.00	R 0.00	0%	R 2,000,000.00
	Inner City Rental Housing	R 12,500,000.00	R 4,865,670.31	39%	R 7,634,329.69
	Joshco House	R 3,500,000.00	R 4,224,489.83	121%	R -724,489.83
	Joshco House	R 26,500,000.00	R 15,403,810.31	58%	R 11,096,189.69
	38 Rissik Street	R 550,000.00	R 0.00	0%	R 550,000.00
	Booyens Place	R 500,000.00	R 0.00	0%	R 500,000.00
	106 Claim Street	R 5,000,000.00	R 0.00	0%	R 5,000,000.00
	8-16 Abel Street	R 20,000,000.00	R 19,950,185	100%	R 49,815.06
	SUB-TOTAL B	R 83,550,000.00	R 50,558,660.77	0%	R 32,991,339.23
CORRIDOR OR NODE	PROJECT	BUSINESS PLAN BUDGET	CERTIFIED CLAIMS	%	VARIANCE
	Randburg Selkirk	R 22,942,000.00	R 5,767,008.45	25%	R 17,174,991.55
	SUB-TOTAL C	R 22,942,000.00	R 5,767,008.45	25%	R 17,174,991.55
MINING	Roodepoort Phase 2	R 16,000,000.00	R 15,055,122.24	94%	R 944,877.76

BELT	Princess Plot	R 20,000,000.00	R 1,715,502.57	9%	R 18,284,497.43
	SUB-TOTAL D	R 36,000,000.00	R 16,770,624.81	0%	R 19,229,375.19
TURN KEYS	PROJECT	BUSINESS PLAN BUDGET	CERTIFIED CLAIMS	%	VARIANCE
	Special Projects Programme	R 40,558,000.00	R 3,168,468.42	8%	R 37,389,531.58
	Region F: Jeppestown	R 20,950,000.00	R 8,240,000.00	39%	R 12,710,000.00
	Region E: Edenburg	R 20,000,000.00	R 9,860,313.60	49%	R 10,139,686.40
	Region D	R 20,000,000.00	R 9,447,581.27	47%	R 10,552,418.73
	SUB-TOTALE	R 101,508,000.00	R 30,716,363.29	30%	R 70,791,636.71
	TOTAL (A+B+C+D+E)	R 378,000,000.00	R 200,361,066.02	53%	R 177,638,933.98

SECTION 5: PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The organisation has 19 key performance indicators resulting in 21 annual targets in the 2020/21 business plan. In the quarter, 16 targets were due for reporting with 4 targets achieved, whilst 12 were not achieved. Though the scorecard performance is still concerning, comparison of past quarters performance shows that the entity is slowly recovering. The recorded performance reflects improvement in the number of KPIs achieved and each KPIs analysis show improved performance trend. Most of the KPIs, though underachieved, are slightly below the target.

Performance Targets	Targets
Total Annual Targets	21
Applicable targets in Q3	16
Targets achieved	4
Targets not achieved	12
Not due for reporting	5

Legend:

	Target achieved or substantially achieved
	Target not achieved, but there is progress
	Target not achieved and there is significant risk of non-achievement
	KPI measured at the end of the financial year and / not due for reporting in the quarter

Table 20: Performance against Predetermined Objectives as at 31 March 2021

Key Performance areas	Key Performance Indicator	Total target for the year 2020/21	Q3 Target	Q3 Actual	Variance	Mitigation Actions
1. Financial Sustainability.	Achievement of selected profitability and liquidity ratios.	Current Ratio: 1:1	1:1	0.75:1	-0.25	<p>The non-performance of this target is due to continued losses being incurred largely due to a high provision for bad debts as a result of a low rental collection rate and high operating costs.</p> <p>The entity has drafted a 5-year strategy document with a key focus on revenue enhancement activities in order to improve our financial sustainability.</p> <p>Plans are in place for implementation of the strategies (student accommodation, outdoor advertising, implementation of projects on behalf of other government institutions). These initiatives are ongoing and will be implemented throughout the year.</p> <p>A debt collection company has been appointed to assist with collections. Eviction orders to be execute with the assistance of the recently appointed panel for tactical security.</p>
		Solvency Ratio: 1:1	1:1	0.81:1	-0.19	
		50 days cost coverage	50 days coverage	-77 days	-127 days	
						<p>Non-performance is due to low cash balances and a negative sweeping account balance as a result of settlement of suppliers prior to receiving claims from the Department of Housing (Housing) and the Corporate Asset Management (CAM) department.</p> <p>JOSHCO is meeting with CoJ Housing weekly to track the payment of invoices from Housing and CAM to improve our cash balances.</p>

Key Performance areas	Key Performance Indicator	Total target for the year 2020/21	Q3 Target	Q3 Actual	Variance	Mitigation Actions
	% Collection in respect of current debtors.	85% collection in respect of debtors	85%	56%	-29%	<p>Non-achievement of this target is due to continued low rental collection across all projects. We are still seeing the effects of the national lockdown as many tenants have requested an extension to the payment holiday as they are still not getting their full salaries.</p> <p>The appointed debt collecting company collected R5.5m since the first month of operation in August 2020, of which R2.6m relates to 3rd quarter. The second phase of the handover is all tenants who have defaulted on acknowledgement of debt agreements entered into and those who have not entered into any payment arrangement for amounts over 90 days in arrears. These will be done across all projects.</p> <p>We are continuing with implementing our collection processes. Eviction orders will be executed now that we are in Level 1 and have appointed a tactical security panel.</p>
	% Occupancy rate	98% occupancy rate	98%	99.54 %	+1,54 %	
	Number of properties installed with electricity systems	9 properties installed with electricity systems	3 properties installed with electricity systems	0	-3	Procurement process for the service provider to install pre-paid meters to be concluded on first week of April 2021.
2. Economic Development	Number of jobs created for the unemployed through the EPWP programme.	910 number of jobs created through the EPWP programme .	683	342	341	Budget constraints, internally, and the rest depends on how many the construction companies will need. Effort into SMME programme to increase an intake will be developed. Because of COVID-19 regulations, Housing management could not hire as

Key Performance areas	Key Performance Indicator	Total target for the year 2020/21	Q3 Target	Q3 Actual	Variance	Mitigation Actions
						much as needed as most projects were done online.
	% Of capex spent on SMME.	30% spent of capex on SMME	30%	16%	14%	Less number of SMME's were involve on JOSHCO projects during Q3 due to the project stage and on others project blockages caused by SMME disputes. Projects that were concluding pre-construction planning will commence with execution in Q4 and SMME challenges in Princess Plot have been resolved, while the challenges in Devland have been partially resolved by the Developer. More enhance performance on SMME expenditure is expected in Q4.
	% Of valid invoices paid within 30 days of invoice receipt.	100% valid invoices paid within 30 days of invoice receipt.	100%	^100%		
3. Social Housing Development	No of social and affordable housing units developed for under privileged beneficiary's City wide.	662 no of social and affordable housing developed for the disadvantaged beneficiaries	-	-	-	Annual target, progress is provided per project on the quarterly report.
	% Capital budget spent on rental social housing infrastructure.	95% capital budget spent on rental of social housing infrastructure.	80%	53%	27%	Matters causing delays in the implementation of Capital Budget related to the following projects: Randburg/Selkirk: JOSHCO and JPC will at latest, second week of April 2021 finalise signing of the Use and Maintenance agreement between the two entities for the land on which the project will be developed. This will then allow main Contractor to proceed and fully resource the project. Nancefield Station: Although, the project was

Key Performance areas	Key Performance Indicator	Total target for the year 2020/21	Q3 Target	Q3 Actual	Variance	Mitigation Actions
						<p>approved on time to commence, because of the change in number of units, NHBRC enrolment for Nancefield Station project had to be entirely re-submitted to the Regulator before commencing on site. Consequently, as part of the process, this included the re-assessment of the project's Building Plans of the project. Construction will commence around mid-April 2021.</p> <p>Princess Plot: the project had SMME's and main Contractor had disputes on work-package allocations up to Q3. These have since been resolved; however, the project is facing a slow-start with actual activities on site. There are special projects.</p> <p>Special Projects: The service provider for JOSHCO APP has been appointed, project commencement is planned for first week of April 2021. Installation of Solar systems energy will commence in mid-April 2021, after conclusion of procurement process. Major delays were due to feasibility assessment outcome on the identified projects i.e Dobsonville Turfontein and Roodepoort.</p>
4. SMART and eco-friendly projects.	Number of properties installed with rainwater systems	2 properties installed with rainwater system.	1 property installed with rainwater system.	1		Installation of Rainwater harvesting has been completed in Roodepoort phase 2 project during Q3.
	Number of properties installed with solar panels.	1 property installed with solar panels.	-	-	-	Due in the next quarter
5. Adherence to corporate	Unqualified audit opinion.	Unqualified audit opinion	-	-	-	This is based on the outcomes of the audit by end of financial year.

Key Performance areas	Key Performance Indicator	Total target for the year 2020/21	Q3 Target	Q3 Actual	Variance	Mitigation Actions
governance principles.	% Compliance to laws and regulations.	95% compliance to laws and regulations.	95%	59%	-36%	Slight improvement has been recorded as compared to the previous quarter where compliance was at 41%. underachievement is attributed to lack of commitment in addressing identified non-compliance gaps. The slight improvement was due to the involvement of compliance champions and we are confident that the compliance status will improve in the next two quarters after they have been given full access of the exclaim tool.
	% Implementation of corrective actions against identified risks.	95% implementation of corrective action against identified risks.	95%	74%	-21	underachievement of the target is due to that Implementation of some of the controls are dependent on the appointment of service providers. The assessment revealed that there were delays in the procurement of service providers which had an influence in the achievement of certain actions that management needed to implement. Management has committed to planning procurement of services well in advance to prevent delays going forward.
	% Implementation of corrective action against audit findings.	100% implementation of corrective action against internal audit findings	100%	62%	-38%	Management has made great strides in closing of audit findings. 27 out of 28 AG findings for the previous FY were closed while 48 of 66 internal audit findings were closed. Underperformance is due to some weaknesses in some of the implemented controls resulting in repeat findings. To address this challenge, Internal Audit, CEO and affected EMs will have monthly meetings to address the identified shortcomings and ensure that implemented controls are effective and adequate.
		100% implementation of corrective action against external audit findings	100%	96%	-4%	

Key Performance areas	Key Performance Indicator	Total target for the year 2020/21	Q3 Target	Q3 Actual	Variance	Mitigation Actions
	% Filling of vacancies from middle management to Executive Management.	100% filling of vacancies from middle management to Executive Management.	100%	100%	-	
6.Stakeholder Centric.	% Customer satisfaction rating	85% customer satisfaction rating	-	-	-	Progress report: Bid specification committee will seat on the 13th April 2021 to finalise the specification that will go out for tender.
	% Employee satisfaction rating	85% employee satisfaction rating	-	-	-	It is an annual target; however, the procurement of the service provider has been initiated and will conduct the surveys immediately on appointment.

**Ratios are calculated per MFMA Circular No. 71*

^This does not include invoices for the Temporary Relocation Units (TRU) programme which were not paid due to a recommendation from the Special Investigative Unit (SIU) to halt payment during their investigation. We have since received another letter allowing us to continue with payments.

SECTION 6: CIRCULAR 88 KPI

JOSHCO contribute to one annual circular 88 key performance indicator that is currently not due for reporting.

Table 21: Performance against Institutional SDBIP as at 31 March 2021

No	National Treasury Proposed Indicators	Ref No	2018/19 Baseline	2020/21 Targets	Quarterly Targets				Total Budget R 000		Quarterly budget R 000				Lead Department/Entity
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2	Q3	Q4	
126	New subsidized units developed in Brownfields developments as a percentage of all new subsidized units city-wide	IC1.	297	112	-	-	-	112	R85,550	-	15%	50%	80%	95%	JOSHCO

SECTION 7: PERFORMANCE AGAINST SERVICE DELIVERY STANDARDS

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. JOSHCO has achieved all of its service standards in Quarter 3. The agreed service standards with the City covers the following:

- 98% accurate bills of all active customers
- 96% of maintenance request attended within 7 working days of the logged call (revised to 14 working days through midyear deviation)
- Routine building maintenance once per year and as when required
- Outcome of enquiry to be sent to application within 5 days
- Outcome of the application communicated within 7 days (revised to 10 working days through midyear deviation)
- Acknowledgement and response within 24 hours of complaint being logged and
- Resolution within 5 working days of logged call.

Below is the entity’s performance for Quarter ending 31 March 2021 related to the service level standards:

Table 22: Service Level Standard Performance as at 31 March 2021.

Core Service	Service Level Standard Target	January	February	March	Quarter 3 Actual	Evidence	Variance	Variance explanation	Mitigations
Billing of customers	98% accurate bills of all active	98.8 % (8207	98% (8131 of	98% (8113 of	98,0%	Dated and signed prebilling	None	None	None

	customers	of 8302)	8297)	8279)		monthly report for each project; and tariffs schedule			
Attending to request to maintenance	96% of maintenance request attended within 7 working days of the logged call	97.64% (579 of 593)	96.51% (526 of 545)	95.73% (336 of 351)	96.64% (1438 of 1488)	MDA/Jobs report	None	None	None
Routine building maintenance	Once per year and as and when required	100% (2 of 2)	100% (1 of 1)	100% (1 of 1)	100% (4 of 4)	Service Plan for 2019/20 submitted once during quarter 1 or when reviewed; and MDA/ jobs report	None	None	None
Application of rental housing	Outcome of enquiry to be sent to application within 5 days	1 day (341 of 341)	3 days (262 of 319)	0,1 day (272 of 272)	1 day	Emails database and emails	None	None	None
Applicant of rental housing	Outcome of the application communicated within 7 days	2 days (112 of 115)	1 day (41 of 41)	1 day (259 of 265)	1 day	Dated and signed tracking document; and SMS report	None	None	None
Resolution of complaints	Acknowledgement and response within 24 hours of complaint being logged	24 hours (390 of 390)	24 hours (331 of 331)	24 hours (296 of 296)	24 hours	Automated emails	None	None	None
Resolution of complaints	Resolution within 5 working days of logged call	0,16 days (49 of 49)	2 days (12 of 12)	3 days (22 of 24)	2 days	Monthly spreadsheet with a summary of all queries attended to for the reportable month; and Emails.	None	None	None

7.1 PERFORMANCE AGAINST SERVICE STANDARDS (DETAILED)

7.1.1 Maintenance Function

Maintenance is a component of Property Management, which is a strategy for retaining and growing the value of the building as an asset. Maintenance is therefore pivotal to the management of the entire investment in the building. Maintenance falls into the following categories:

- Common area and grounds maintenance
- Vacancy re-instatement maintenance
- Planned maintenance
- Reactive maintenance

The total maintenance cost incurred for the quarter amounted to **R7 205 528**. A total of **1488** reactive jobs were logged between January 2021 and March 2021 at a cost of **R 4 892 325**, and **R 2 313 203** was spent on planned maintenance programmes. The SDA key performance indicator of 96% relating to the number of maintenance cases closed within turnaround of fourteen (14) days was achieved with **96.64%** being reached. The KPI target was achieved after revising the SLS target from 7 working days to 14 days.

A total of **1488** jobs were logged during the third quarter. A total of **856** maintenance jobs had been done in the units and this aggregates to ten percent (10%) of the **8 445** units under management. The average maintenance cost is **R579** per unit for the quarter and equates to an average of **R193** per month per unit. The R193 is within SHRA benchmark of R200 maintenance cost per unit per month.



Figure 3: Complaints Logged for quarter 3

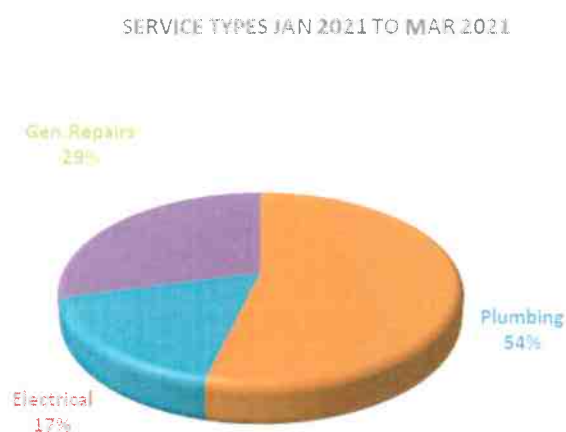


Figure 4: Types of services breakdown

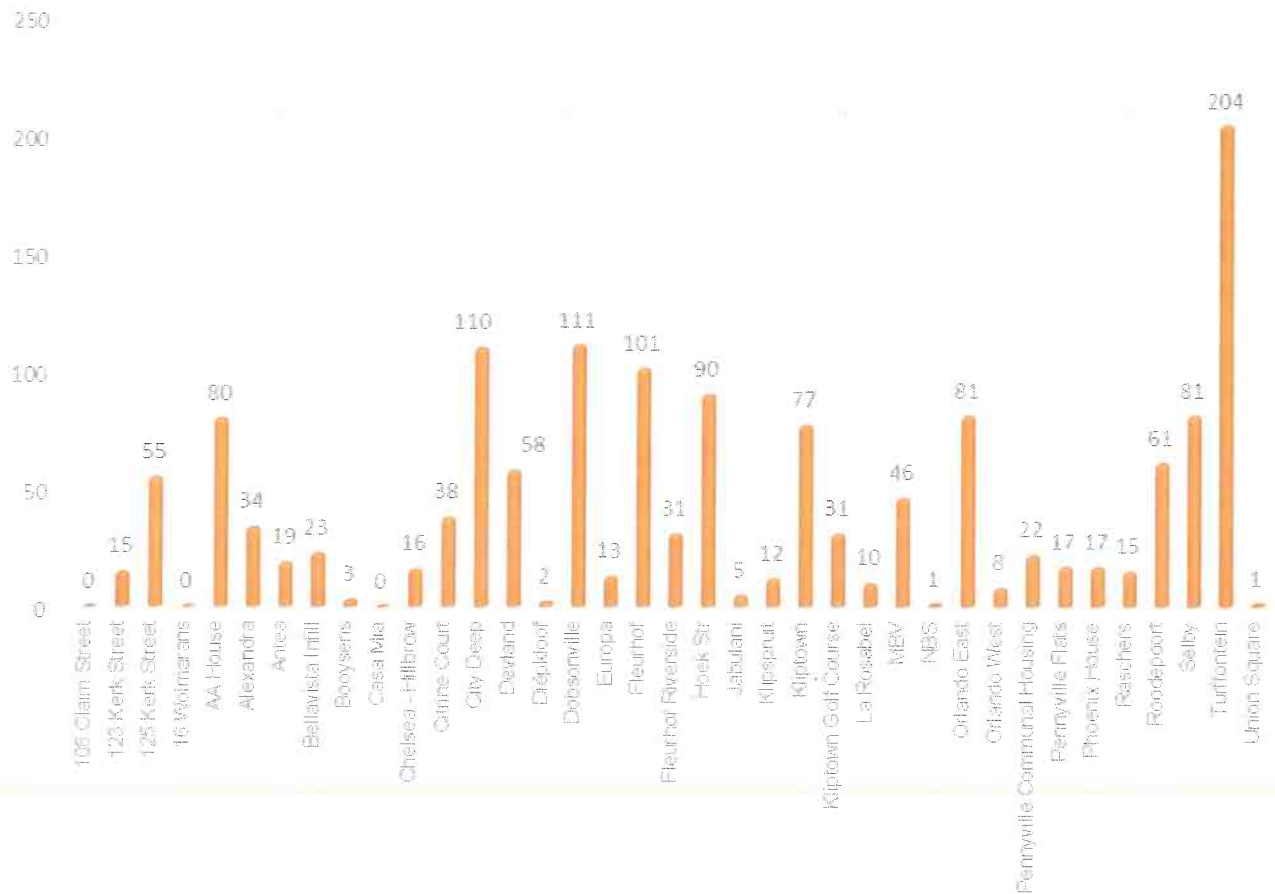


Figure 5: Total Jobs per Project



Figure 6: Jobs per project type



Figure 7: Percentage cost per project type

Table 23: Project Unplanned Maintenance Costs

Project Name	Total Cost	% of Total	Total Cost YTD	Budget YTD	% Budget YTD	Total Budget	% Budget
16 Wolmarans	-	0.00%		254 403.00	0.00%	339 204.00	0.00%
123 Kerk Street	20 240.46	0.41%	203 621.12	238 500.00	85.38%	318 000.00	64.03%
125 Kerk Street	119 019.55	2.43%	449 333.38	382 500.00	117.47%	510 000.00	88.10%
AA House	345 118.57	7.05%	914 802.61	374 826.60	244.06%	499 768.80	183.05%
Alexandra	142 620.02	2.92%	543 185.99	894 591.00	60.72%	1 192 788.00	45.54%
Antea	137 620.12	2.81%	400 139.75	580 350.00	68.95%	773 800.00	51.71%
Bellavista Infill	52 376.45	1.07%	147 773.63	118 296.00	124.92%	157 728.00	93.69%
Booyens	14 642.24	0.30%	39 810.56	278 244.00	14.31%	370 992.00	10.73%
Chelsea - Hillbrow	84 864.52	1.73%	267 668.46	229 500.00	116.63%	306 000.00	87.47%
Citrine Court	101 514.66	2.07%	276 575.79	336 148.26	82.28%	448 197.68	61.71%
City Deep	393 187.80	8.04%	1 384 257.22	1 515 570.75	91.34%	2 020 761.00	68.50%
Devland	89 371.16	1.83%	248 738.61	516 750.00	48.14%	689 000.00	36.10%
Diepkloof	2 025.34	0.04%	15 881.93	868 297.50	1.83%	1 157 730.00	1.37%
Dobsonville	306 711.57	6.27%	585 935.96	1 590 000.00	36.85%	2 120 000.00	27.64%
Europa	67 112.97	1.37%	160 448.47	92 538.00	173.39%	123 384.00	130.04%
Fleurhof	486 264.46	9.94%	1 979 970.05	1 192 432.50	166.04%	1 589 910.00	124.53%
Fleurhof Riverside	111 713.34	2.28%	352 791.25	297 675.00	118.52%	396 900.00	88.89%
Hoek Street	449 142.87	9.18%	977 132.82	95 400.00	1024.25%	127 200.00	768.19%
Jabulani	64 621.26	1.32%	106 118.57	150 750.00	70.39%	201 000.00	52.80%
Klipspruit	35 834.51	0.73%	123 769.91	179 640.00	68.90%	239 520.00	51.67%
Kliptown	159 525.60	3.26%	629 797.81	933 750.00	67.45%	1 245 000.00	50.59%
Kliptown Golf	67 668.71	1.38%	156 535.37	834 750.00	18.75%	1 113 000.00	14.06%
La Rosabel	16 121.60	0.33%	168 331.80	255 987.00	65.76%	341 316.00	49.32%
MBV	203 995.77	4.17%	487 960.40	326 250.00	149.57%	435 000.00	112.17%
NBS	23 769.20	0.49%	26 522.47	162 311.25	16.34%	216 415.00	12.26%
Orlando East	131 786.15	2.69%	487 230.65	352 987.50	138.03%	470 650.00	103.52%
Orlando West	25 471.36	0.52%	50 771.89	336 159.00	15.10%	448 212.00	11.33%
Pennyville	75 386.79	1.54%	244 652.65	150 000.00	163.10%	200 000.00	122.33%
Pennyville Flats	37 663.96	0.77%	335 849.59	337 500.00	99.51%	450 000.00	74.63%
Phoenix House	82 912.56	1.69%	190 698.23	170 400.00	111.91%	227 200.00	83.93%
Raschers	149 153.77	3.05%	253 198.87	147 000.00	172.24%	196 000.00	129.18%
Rodepoort	262 507.65	5.37%	728 182.16	579 020.25	125.76%	772 027.00	94.32%
Selby	266 214.52	5.44%	653 406.27	675 747.00	96.69%	900 996.00	72.52%
Turffontein	359 627.61	7.35%	1 047 570.06	675 600.00	155.06%	900 800.00	116.29%

Union Square	6 518.35	0.13%	6 518.35	-	16 243 124.61	-	21 657 499.48	-
Grand Total	4 892 325.47	100.00%	14 645 182.65	-	16 243 124.61	-	21 657 499.48	67.62%
The following table provides and analysis of maintenance costs per project for the 3 rd quarter of 2020-2021.								

7.2 UNPLANNED MAINTENANCE COSTS

Table 24: Maintenance costs per project per quarter for the 2020-2021 FY

Quarter	Cost YTD	Cost Per Quarter	Total Units	Cost Unit /	Cost Per Unit YTD
1 st	R 4 161 723	R 4 161 723	8445	R492	R 492
2 nd	R 9 752 857	R5 591 134	8445	R661	R 1 154
3 rd	R14 645 183	R 4 892 325	8445	R579	R 1 734
4 th	-	-	-	-	-

The jobs per service type deviated slightly from their normal band with twenty nine percent (29%) of jobs relating to general repairs and maintenance, fifty four percent (54%) to plumbing, and seventeen (17%) to electrical. Plumbing remain the majority of the jobs due to blockages to drainage systems, aging infrastructure in converted hostel projects, replacement of geysers that burst due to the end of their life span and are out of warranty, repair and replacement of leaking water supply piping, replacement of sanitary fittings such as baths, basins and toilet that have failed due to the end of their life span, replacement of taps that have failed due to the end of their life span.

The following chart provides an analysis of the service type trends per quarter for the financial year 2020-2021.

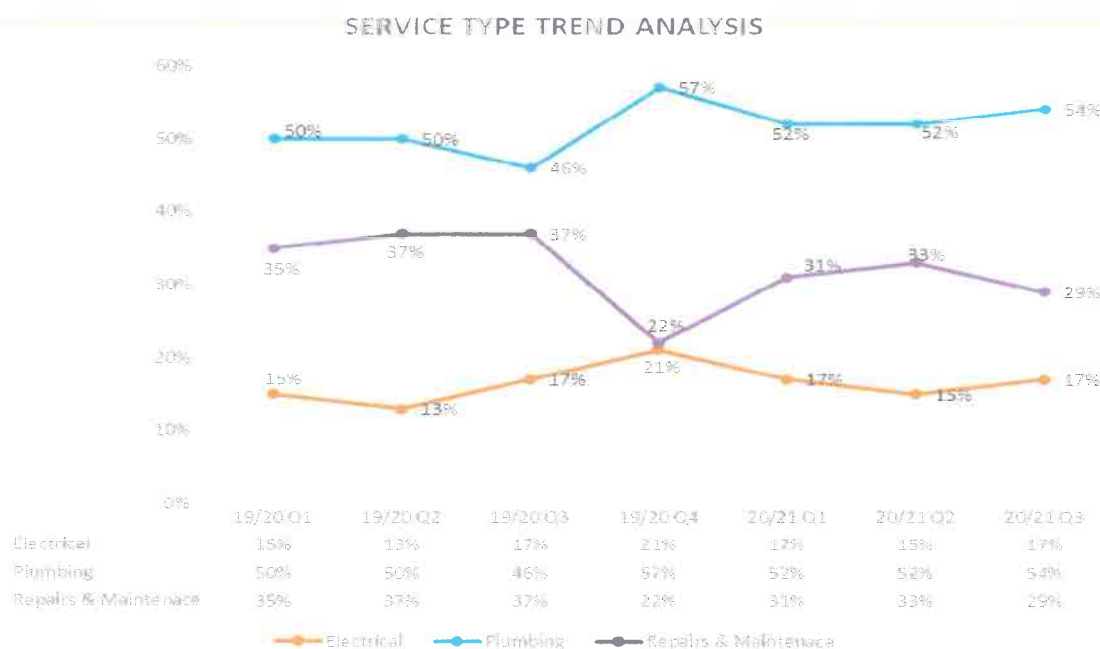


Figure 8: Service type trend analysis

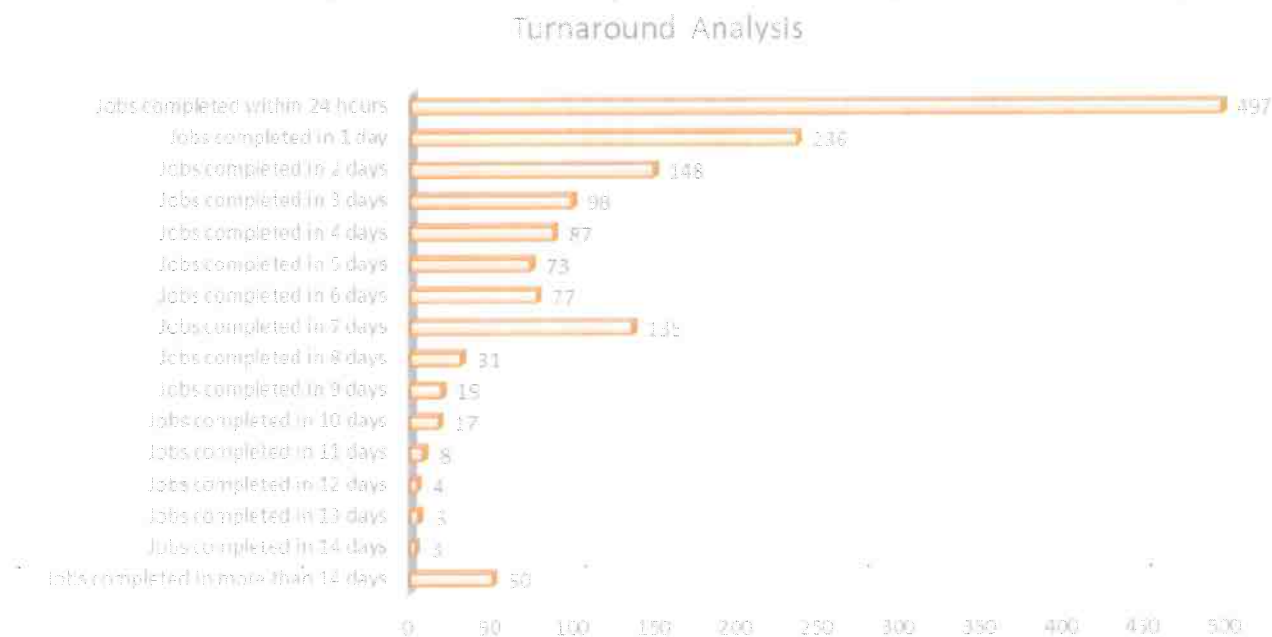
7.3 TURNAROUND TIMES

Table 25: The following table provide a breakdown of maintenance turnaround achieved per project.

Project Name	Total Jobs	Jobs Within Turnaround	Jobs Outside Turnaround	14 Day Turnaround Achieved
123 Kerk Street	15	15	-	100.00%
125 Kerk Street	55	51	4	92.73%
AA House	80	77	3	96.25%
Alexandra	34	34	-	100.00%
Antea	19	18	1	94.74%
Bellavista Infill	23	23	-	100.00%
Booysens	3	3	-	100.00%
Casa Mia	-	-	-	-
Chelsea	16	12	4	75.00%
Citrine Court	38	35	3	92.11%
City Deep	110	103	7	93.64%
Devland	58	57	1	98.28%
Dobsonville	111	111	-	100.00%
Diepkloof	2	2	-	100.00%
Europa	13	13	-	100.00%
Fleurhof	101	100	1	99.01%
Fleurhof Riverside	31	28	3	90.32%
Hoek Street	90	90	-	100.00%
Jabulani	5	5	-	100.00%
Klipspruit	12	12	-	100.00%
Kliptown	77	74	3	96.10%
Kliptown Golf Course	31	30	1	96.77%
La Rosabel	10	10	-	100.00%
MBV	46	43	3	93.48%
NBS	1	-	1	0.00%
Orlando East	81	81	-	100.00%
Orlando West	8	8	-	100.00%
Pennyville Communal	22	22	-	100.00%
Pennyville Flats	17	17	-	100.00%
Phoenix House	17	15	2	88.24%
Raschers	15	14	1	93.33%
Roodepoort	61	59	2	96.72%
Selby	81	79	2	97.53%
Turffontein	204	197	7	96.57%
Union Square	1	-	1	0.00%

Grand Total	1 488	1 438	50	96.64%
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Figure 9: The following chart provides a breakdown of maintenance turnaround in days.



7.4. PLANNED MAINTENANCE SCHEDULE

The following report provides a breakdown of planned maintenance executed during the 2020-2021 financial year.

Table 26: Planned maintenance schedule

PLANNED MAINTENANCE: 2020-2021	Quarter 1	Quarter 2	Quarter 3
OHSa			
OHSa Remedial Work	10 609.01	65 010.56	12 719.44
Service fire equipment	151 192.14	681 081.68	242 702.64
AA House			
Installation of backup generator		350 130.00	
Service of sump pumps		3 005.28	
Service of communal kitchen & bathroom extraction fans		25 368.48	
Painting of basement areas		99 742.50	
Maintenance of laundry washing lines		21 070.82	
Antea			

Internal painting of units	194 153.00		
Service of gate motors		2 405.28	
Securing of Eskom Substation		20 038.08	
Securing of all passage DB Boxes		62 017.60	
Securing of security guardhouse		25 488.98	
Repair of boundary wall		82 482.41	
Maintenance of laundry washing lines		43 691.00	
Repaint of traffic & parking lines		68 876.00	
Repair of all passage lights		21 320.30	
Alteration of project main entrance & access control		54 291.99	
Bellavista Infill			
Repainting of traffic & parking lines		14 136.40	
Booysens			
Waterproofing of commercial roof area			41 531.70
Bothlabela			
Reinstatement of damaged boundary fence	62 734.30		
Chelsea			
Repair to fire staircase		10 098.80	
Repaint of traffic & parking lines		8 998.80	
Citrine Court			
Waterproofing maintenance			19 712.00
City Deep			
Repaint of traffic & parking lines		32 254.32	
Painting of entrance gates & turnstiles		18 910.67	
Clear out all gutters & downpipes		39 299.13	
Service of heat pumps		162 855.00	
Install gate for Pikitup refuse area		29 272.54	
Repair of entrance gates of all phases		72 429.40	
Maintenance of common area lights			25 691.36
Maintenance of gutter down pipes			5 248.50
Maintenance of tiled staircases			25 722.20
Exterior painting of Block B			24 117.11
Dobsonville			
Servicing of heat pumps	85 360.00		
Marking of refuse bins		25 088.00	
Installation of additional area lights		18 234.84	
Repaint of traffic & parking lines		25 931.28	
Repair of snags to new units		42 876.83	
Europa House			

Placement of communal shower curtains	16 460.50		
Servicing of heat pump	124 412.00		
Repainting of wash line structures			3 159.09
Fleurhof Junction			
Setup of site storage facility	12 772.26		
Repair & service of heat pump systems	201 732.86		48 373.95
Replacement of Phase 1 guardhouse		24 502.12	
Service of heat pumps		24 809.40	
Marking of refuse bins		5 323.95	
Waterproofing of staircases Phase 1		20 858.94	
Repairs to phase 1 guardhouse			21 875.20
Fleurhof Riverside			
Repair of structural defects	61 156.90		
Repaint of traffic & parking lines Phase 2		11 542.88	
Repaint of traffic & parking lines Phase 1			13 897.02
Waterproofing of staircases Phase 2			20 858.94
Hoek Street			
Installation of backup generator	229 856.00		
Repair to drainage system at building entrance			35 728.94
Service of backup generator			21 615.00
Replace site office carpets with ceramic tiles			16 937.20
Service of lifts			25 336.02
Jabulani			
Installation of palisade fence	40 058.00		
Klipspruit			
Waterproofing to the roof at Block 3			101 533.50
La Rosabel			
Reposition of communal bathroom geysers		20 818.65	
Refurbishment of communal bathrooms			54 875.82
MBV			
Revamp of communal kitchen areas	28 295.68		
Repair and service of water booster pump system	91 186.06		
Repair and service of basement submersible pumps	62 168.04		
Orlando Ekhaya			
Service of heat pumps		40 865.00	
Upgrade of water reticulation system			56 333.84
Installation of stormwater grids			11 430.10
Pennyville			

Installation of additional security lighting	59 285.18		
Phoenix House			
Installation of boundary fence		46 353.54	
Selby			
Creation of new site office space	19 266.00		
Repaint of traffic & parking lines		25 816.73	
Tshedzani Flats			
Internal painting & tiling of units		315 928.33	1 457 331.40
Clean out of gutters & downpipes		47 403.10	
Turffontein			
Servicing of heat pump systems	49 000.00		
Installation of gutters & downpipes		56 961.27	
Replacement of defective door locks		492 754.50	
Repair of biometric access control		79 440.00	
Service of heat pumps		52 205.21	
Refurbishment of burnt unit			26 471.63
Total Planned Maintenance Expenditure	1 499 698.04	3 391 990.59	2 313 202.60

7.5 MAINTENANCE ANALYSIS PER PROJECT

The following report provides an analysis of maintenance costs per project, per service type, and distinction of maintenance conducted within tenant's residential units and common areas.

Table 27: Maintenance analysis per project

Project Name	Service Type	Unit No.	Common Area	Total Jobs	Amount
123 Kerk Street	Electrical	4	2	6	9 959.65
	Plumbing	3	-	3	1 619.19
	Repairs & Maintenance	2	4	6	8 661.62
123 Kerk Street		9	6	15	20 240.46
125 Kerk Street	Electrical	10	3	13	43 630.98
	Plumbing	18	6	24	39 458.18
	Repairs & Maintenance	14	4	18	35 930.39
125 Kerk Street		42	13	55	119 019.55
AA House	Electrical	2	11	13	31 911.34
	Plumbing	12	18	30	27 960.43
	Re-instatement	16	2	18	153 183.89
	Repairs & Maintenance	1	18	19	132 062.91
AA House Total		31	49	80	345 118.57
Bothlabela	Electrical	1	2	3	7 047.47
	Plumbing	-	29	29	116 224.11
	Repairs & Maintenance	-	2	2	19 348.44
Bothlabela Total		1	33	34	142 620.02
Antea	Electrical	4	-	4	19 753.01

	Plumbing	2	4	6	34 030.60
	Repairs & Maintenance	4	5	9	83 836.51
Antea Total		10	9	19	137 620.12
Bellavista Infill	Electrical	1	1	2	2 750.55
	Plumbing	7	2	9	14 942.95
	Re-instatement	2	-	2	17 826.68
	Repairs & Maintenance	7	3	10	16 856.27
Bellavista Infill		17	6	23	52 376.45
Booyens	Electrical	-	1	1	13 475.00
	Plumbing	-	1	1	306.37
	Repairs & Maintenance	-	1	1	860.87
Booyens Total		-	3	3	14 642.24
Chelsea	Electrical	-	1	1	22 614.04
	Plumbing	1	10	11	43 019.03
	Repairs & Maintenance	-	4	4	19 231.45
Chelsea Total		1	15	16	84 864.52
Citrine Court	Electrical	5	1	6	4 093.03
	Plumbing	12	2	14	44 633.45
	Re-instatement	5	-	5	38 958.18
	Repairs & Maintenance	7	6	13	13 830.00
Citrine Court Total		29	9	38	101 514.66
City Deep	Electrical	12	4	16	60 397.63
	Plumbing	39	25	64	240 006.48
	Repairs & Maintenance	22	8	30	92 783.69
City Deep Total		73	37	110	393 187.80
Devland	Electrical	5	11	16	38 020.98
	Plumbing	9	7	16	15 557.73
	Repairs & Maintenance	16	9	25	32 792.45
	Fire Equipment	-	1	1	3 000.00
Devland Total		30	28	58	89 371.16
Diepkloof	Plumbing	2	-	2	2 025.34
Diepkloof Total		2	-	2	2 025.34
Dobsonville	Electrical	8	4	12	28 765.29
	Plumbing	63	8	71	200 405.93
	Re-instatement	2	-	2	13 366.10
	Repairs & Maintenance	22	4	26	64 174.25
Dobsonville Total		95	16	111	306 711.57
Europa	Electrical	-	2	2	22 044.22
	Plumbing	1	8	9	38 402.89
	Repairs & Maintenance	-	2	2	6 665.86
Europa Total		1	12	13	67 112.97
Fleurhof	Electrical	5	16	21	110 303.87
	Plumbing	34	43	77	286 363.90
	Re-instatement	6	1	7	71 359.51
	Repairs & Maintenance	10	17	27	129 950.52
Fleurhof Total		55	77	132	597 977.80

Hoek Street	Electrical	4	7	11	158 546.14
	Plumbing	1	65	66	221 804.36
	Re-instatement	1	-	1	4 027.10
	Repairs & Maintenance	6	6	12	64 765.27
Hoek Street Total		12	78	90	449 142.87
Jabulani	Electrical	1	-	1	5 967.35
	Plumbing	2	2	4	58 653.91
Jabulani Total		3	2	5	64 621.26
Klipspruit	Electrical	2	2	4	15 811.94
	Plumbing	-	5	5	18 072.41
	Repairs & Maintenance	1	2	3	1 950.16
Klipspruit Total		3	9	12	35 834.51
Kliptown	Electrical	6	2	8	32 337.01
	Plumbing	29	17	46	43 384.16
	Re-instatement	4	-	4	47 870.03
	Repairs & Maintenance	10	9	19	35 934.40
Kliptown Total		49	28	77	159 525.60
Kliptown Golf	Plumbing	15	8	23	46 119.24
	Repairs & Maintenance	3	5	8	21 549.47
Kliptown Golf		18	13	31	67 668.71
La Rosabel	Electrical	-	3	3	8 673.99
	Plumbing	1	3	4	5 378.10
	Repairs & Maintenance	2	1	3	2 069.51
La Rosabel Total		3	7	10	16 121.60
MBV	Electrical	-	5	5	54 456.50
	Plumbing	1	37	38	127 690.72
	Repairs & Maintenance	-	3	3	21 848.55
MBV Total		1	45	46	203 995.77
NBS	Electrical	-	1	1	23 769.20
NBS Total		-	1	1	23 769.20
Orlando East	Electrical	13	5	18	40 783.45
	Plumbing	36	7	43	57 590.44
	Re-instatement	1	-	1	8 876.04
	Repairs & Maintenance	12	7	19	24 536.22
Orlando East Total		62	19	81	131 786.15
Orlando West	Plumbing	1	4	5	11 206.77
	Repairs & Maintenance	1	2	3	14 264.59
Orlando West Total		2	6	8	25 471.36
Pennyville	Electrical	-	1	1	3 953.08
	Plumbing	13	16	29	89 440.23
	Repairs & Maintenance	7	2	9	19 657.44
Pennyville Total		20	19	39	113 050.75
Phoenix House	Electrical	2	1	3	2 846.28
	Plumbing	2	4	6	28 712.67
	Repairs & Maintenance	3	5	8	51 353.61
Phoenix House		7	10	17	82 912.56

Raschers	Electrical	3	3	6	33 133.12
	Plumbing	-	8	8	90 745.95
	Repairs & Maintenance	-	1	1	25 274.70
Raschers Total		3	12	15	149 153.77
Roodepoot	Electrical	7	4	11	42 655.17
	Plumbing	14	17	31	62 813.85
	Re-instatement	3	1	4	89 183.70
	Repairs & Maintenance	5	10	15	67 854.93
Roodepoot Total		29	32	61	262 507.65
Selby	Electrical	9	2	11	19 199.78
	Plumbing	42	11	53	180 422.29
	Repairs & Maintenance	15	2	17	66 592.45
Selby Total		66	15	81	266 214.52
Turffontein	Electrical	49	5	54	85 782.03
	Plumbing	58	16	74	100 132.79
	Re-instatement	5	-	5	41 334.15
	Repairs & Maintenance	70	1	71	132 378.64
Turffontein Total		182	22	204	359 627.61
Union Square	Repairs & Maintenance	-	1	1	6 518.35
Union Square Total		-	1	1	6 518.35
Grand Total		856	632	1 488	4 892 325.47

7.6 ANALYSIS OF OCCUPANCY LEVELS PER PROJECT

A full analysis of occupancy levels is provided in the table below shows occupancy levels against SHRA required target of 97% and JOSHCO target of 98%.

Table 28: OCCUPANCY LEVELS PER PROJECT

No.	Project Name	Units No.	Untenantable Units	Tenantable Units	Vacant Units	Occupied	Occupancy Rate
1.	AA House	253	0	253	0	253	100%
2.	African Diamond	61	0	61	2	59	96.67%
3.	Antea	302	0	302	0	302	100%
4.	Bellavista Infill	36	0	36	3	33	91.67%
5.	Bothlabela	520	0	520	0	520	100%
6.	Chelsea	80	0	80	0	80	100%
7.	Citrine Court	79	0	79	4	75	94.93%
8.	City Deep New	329	0	329	0	329	100%
9.	City Deep Old	380	0	380	0	380	100%
10.	Devland	255	0	255	0	255	100%

11.	Dobsonville	502	0	502	16	486	96.68%
12.	Diepkloof	216	70	146	0	146	100%
13.	Europa House	167	0	167	2	165	98.80%
14.	Fleurhof Ph. 1	452	0	452	4	448	99.12%
15.	Fleurhof Ph. 2	252	0	252	1	251	99.60%
16.	Hoek Street	265	0	265	0	265	100%
17.	Jabulani	54	0	54	0	54	100%
18.	Klipspruit (Beds)		40 beds	40 Beds	0	40 Beds	100%
19.	Kliptown Golf C	934	0	934	1	933	99.89%
20.	Kliptown Square	478	0	478	2	476	98.87%
21.	La Rosabel	50	0	50	0	50	100%
22.	MBV	188	0	188	0	188	96.28%
23.	Orlando Ekhasa 2	190	0	190	1	189	99.47%
24.	Orlando Ekhasa 1	102	0	102	0	102	100%
25.	Orlando West	44	0	44	0	44	100%
26.	Pennyville (Flats)	198	0	198	0	198	100%
27.	Pennyville Rooms	492	0	492	2	490	99.59%
28.	Phoenix House	134	0	134	0	134	100%
29.	Rashers' Building	96	0	96	1	95	98.96%
30.	Roodepoort	432	0	432	3	429	99.31%
31.	Selby Rooms	19	0	19	0	19	100%
32.	Selby Units	268	0	268	0	268	100%
33.	Textile Building	162	0	162	9	153	95.68%
34.	Turffontein	525	0	525	0	525	100%
	Totals	8515	70	8445	39	8404	99.54%

7.7 THE PROGRESS REPORT ON REGULARIZATION PROCESS IN MARCH 2021

The table below indicates the progress made in March 2021. The total number of 117 families were visited for the purpose of regularisation from the 356 identified illegal occupants within JOSHCO Portfolios. An illegal occupant is anyone who is occupying JOSHCO unit without a signed lease agreement and in some instances the lease holder left dependents in the unit.

Table 29: Progress report on regularization process in March 2021

Project Name	No. of illegals consulted	No. illegals processed	No. Illegals Approved	No. of outstanding cases
AA House	8	8	8	None
Antea Hostel	32	32	29	Not working (3)
Chelsea	8	8	0	Refused (8)
Citrine Court	2	2	1	Waiting documents (1)
City Deep	16	16	7	Waiting documents (9)
Fleurhof	3	3	1	Waiting documents (2)
Hoek Street	1	1	1	None
Selby	47	47	20	Waiting documents (27)
TOTAL	117	117	67	50

7.8 STAKEHOLDER ENGAGEMENT PROGRESS

Due to coronavirus second wave towards the end of second quarter of the year under review, Housing Management was forced to revise its approach in addressing the stakeholder engagement process. Housing Management had partnered with Marketing and Communication to develop tenant educational booklet which is due for publication on the fourth quarter. The booklet contains valuable information that will assist tenants to understand JOSHCO operations in more simplified way. Stakeholder Manager started on the 1 March 2021 and he is working with Housing Management to develop a comprehensive program that will see JOSHCO moving to another level as far as the stakeholder is concerned.

7.9 CUSTOMER SATISFACTION SURVEY TARGET OF 86% (Block representative)

Customer satisfaction survey is an annual target. Housing Management has taken an initiative of conducting quarterly survey with a view of gauging the satisfaction level and do corrective measures where necessary. The results are analysed, and corrective measure developed and implemented.

Table 30: Customer satisfaction survey targets of 86%

PROPERTY	Handling queries	Cleaning	Building maintenance	Professionalism	Property Supervisor	Listened to	Rental statement	Overall satisfaction % total
Devland	60%	75%	65%	80%	50%	55%	70%	65%
La Rosabel	30%	60%	30%	40%	50%	15%	60%	40%
MBV	20%	38%	66%	39%	40%	23%	38%	34%
Botlhabele	40%	55%	45%	42%	55%	35%	55%	53%

Textile	55%	75%	65%	58%	45%	45%	75%	53%
Roodepoort	65%	70%	75%	55%	45%	35%	70%	59%
Antea	45%	55%	68%	38%	47%	45%	35%	47 %
African Diamond	60%	75%	70%	35%	38%	55%	75%	58%
Total %	46.88%	62.88%	60.50%	48.38%	46.25%	38.50%	59.75%	51.13%

CHAPTER FOUR: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT



SECTION 1: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

This section provides the total employee remuneration against the budgeted quarterly remuneration, including the Executives as summarised in the table below.

Table 31: Personnel Cost by Occupational Level as at 31 March 2021:

Occupational Level	No. of 'ees	Q1 FY21 (R'000) Personnel Expenditure	No. of 'ees	Q2 FY21 (R'000) Personnel Exp	No. of 'ees	Q3 FY21 (R'000) Personnel Exp	Costs to Date
Top Management	2	852514	2	852514	2	852514	2 557 542,00
Executive Managers	3	1261816,63	3	1261816,63	3	1261816,63	3 785 449,89
Mid Man	34	5641810,05	34	5641810,05	36	5960510	17 244 130,10
Skilled, Technicians	93	7524866,03	97	7719719,19	97	7945719,19	23 190 304,41
Semi-Skilled	1	43407,18	1	43407,18	2	64513,18	151 327,54
Internship	5	110556,35	5	110556,35	5	110556,35	331 669,05
EPWP	78	835500	78	835500	78	278500,00	1 671 000,00
Unskilled	366	9677482,86	364	9660824,86	364	9598094,86	28 936 402,58
Total	582	R 25 947 953,10	584	R 26 126 148,26	587	R 26 072 224,21	R 77 867 825,57

Note: The salary costs below exclude board fees and any capitalization of the Housing Development team

The quarter has seen 8 positions vacated due to four retirees, two deaths, one end of contract and one resignation.

SECTION 2: KEY VACANCIES

This section provides reporting on key vacancies, active and non-active, that have an impact on the business. The key performance area is ensuring that the structural positions that are funded and approved are filled within 90 days of advertisement.

Table 32: Key Vacancies/ Acting Appointments

Designation	Current	From
Portfolio Manager	Exec Manager: Housing Management	26 th March 2020 to date

The above position is in the advertisement stage of recruitment, having been activated beginning of March.

2.1 RECRUITMENT

Table 33: Staff Movement

Position	# Vacancies	New Position/ Replacement	Status
IT Technician	1	New appointment	Appointed 1 January 2021
Security Supervisor	2	New appointment	1x Appointed 1 Jan and 1x March
Driver/Courier	1	New appointment	Appointed 1 February 2021
Stakeholder Relations Man	1	Replacement	Appointed 1 March 2021
Supply Chain Man (FTC)	1	Replacement	Appointed 15 February 2021
HR Officer	1	New appointment	Appointed 08 March 2021
Total	7		

Table 34: Recruitment progress

Position	# Vacancies	New Position/ Replacement	Status
Communications Officer	1	Replacement	Shortlisting Stage
Exec Man: Housing Management	1	Replacement	Advert Stage
Contact Centre Agents	4	New Positions	Offer Stage
Programme Manager	1	Replacement	Offer Stage
Property Supervisors	6	Replacements	Offer Stage
Project Manager	1	Replacement	Offer Stage

Learning & Dev Specialist	1	New Position	Interview Stage
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SECTION 3: EMPLOYMENT EQUITY

This section provides information on how the entity has performed and responded to the requirements of employment equity against the plan, for the quarter under review.

Table 35: Employee equity statistics

Employment Equity Profile													G/ Ttl	Racial % Achievement	Female Gender % Achievement
Occupational Level	Male				Female				Foreign Nat.		Local				
	A	C	I	W	A	C	I	W	M	F	M	F			
Top Management	1	0	0	0	1	0	0	0	0	0	1	1	2	100%	50%
Senior Management	1	0	0	0	2	0	0	0	0	0	1	2	3	100%	67%
Professionally Qualified / Middle Management	17	0	0	3	13	0	1	0	1	1	20	14	36	91%	38%
Skilled Technically and Academically Qualified	41	2	0	0	48	4	1	1	0	1	43	54	97	98%	54%
Semi-Skilled	2	0	0	0	0	0	0	0	0	0	2	0	2	100%	0%
Unskilled	166	2	0	0	190	3	0	0	0	0	169	195	364	100%	54%
Total	228	4	0	3	254	7	2	1	1	2	236	266	504	100%	54%

SECTION 4: SKILLS DEVELOPMENT AND TRAINING

4.1 Bursaries for 2020/2021

New and continuation bursaries were awarded during this reporting period. A total of 46 applications were received. Twelve were those continuing with their studies, thirty-four were all new applications. Thirty-two were approved and the 2 were diverted to skills programmes. An amount of R 1,369 818 was disbursed for academic studies.

4.2 Training Interventions

- MFMA - 2 Executive members and 2 Middle Managers have been enrolled for the course during this reporting period
- 4 employees (middle managers), attended the Facilities Management training online
- 4 HR Personnel attended SAP training provided by the CoJ

SECTION 5: PERFORMANCE MANAGEMENT

- No performance contracts were signed for the reporting period. Reviews are due in the fourth quarter.

SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

6.1 Labour Relations matters

- Two employees were suspended during the reporting period
- Seven suspensions are the continuation of the previous reporting period
- All disciplinary hearings are underway

6.2 External referrals

- One matter was set down for arbitration. The referral is in relation to an unfair labour practice (non-appointment to a position).
- 53 EPWP's referred a matter for conciliation for alleged unfair dismissal. The matter remained unresolved
- One employee referred a matter for conciliation for alleged unfair suspension

6.3 Grievances

There were no grievances in this reporting period.

SECTION 7: MARKETING AND COMMUNICATION

This section of the report highlights JOSHCO's performance on Marketing and Communication objectives for the 3rd quarter of the 2020/2021 financial year. Communication during COVID-19 alert level 3 was maximized through the digital channels.

The organisation still managed to deliver a total of Four (4) events/ activations for the quarter under the lockdown regulations.

7.1 VIRTUAL PUBLIC PARTICIPATION WORKSHOP:

The opening of applications for Union Square at 80 Plein Street was delivered differently. The ward participation was delivered virtually to adhere to Covid-19 regulations. The workshop was attended by over 100 residents and was hosted by the Ward Cllr Francinah Mashau.



Fig: 1 The invite for public participation at Plein Street

7.2 REGION C SITE VISITS (x2):

On the 17th of March 2021 MMC for Housing: Cllr Mlungisi Mabaso visited two of JOSHCO's developments in Region C. The MMC visited Legae Social Housing Project located at corner of Nefdt & Lambert Street in Roodepoort to check the development's readiness to tenant. He proceeded to Princess Plots, Cnr Harry Rd and South Rd Roodepoort as a follow-up from the ground-breaking event that took place last year, May 2020. The MMC alongside the Board of JOSHCO, delivered a symbolic bricklaying in 7 Princess Plots.



Figure 2: Region C MMC Mabaso's site visits

7.3 ANTI FRAUD & CORRUPTION AWARENESS

On the 26th of March the organisation will be at South gate Mall to raise awareness on Fraud and Corruption. This campaign is aimed at influencing residents to blow the whistle against people that are posing as JOSHCO agents, subletting and illegal occupation of units.

7.4 COMMUNICATION PRODUCTS

This quarter has seen an increase in the distribution of two communication products more than the previous quarter, especially to our external stakeholders. Our digital interface with clients and the public has received more focus especially on our social media platforms.



Fig 3: Examples of communication material produced

7.5 MEDIA LIAISON AND MONITORING

There was a 15% decrease in the volume of coverage received for JOSHCO during January 2021 in comparison to December 2020. Positive coverage contributed 45% towards the overall coverage received for JOSHCO during the period. 40% of this coverage derived from reports that JOSHCO launched Princess Plot, the first social housing project which is expected to be completed by mid-2022 due to delays caused by the COVID-19 pandemic in 2020.

The City of Joburg reported that JOSHCO was set to invest R1,3 billion in order to develop 3475 social and affordable rental units throughout the CoJ in three sites located in Rivonia, Northriding, Diepsloot/Steyn City, and Jeppestown. The publication further noted that JOSHCO was due to launch its first student accommodation project in January 2021 in order to develop 193 beds as the entity aimed to “bridge the gap in the student accommodation sector in Joburg”.

Issued Press Releases/ Statements:

- JOSHCO’s 17th Anniversary milestone.
- 2 x Site visit to Region C

Media Interviews:

- Africa Outlook Publication
- Soweto TV
- SABC News
- Mzansi Insider

Media Enquiries and Responses:

- Roodepoort Record – Re: Status update on Princess Plots post ground-breaking in 2020 and SMME related issues
- SABC News – Re: SMME payments at Alexandra TRAs
- Southern Courier -Re: Turffontein Tenants issues
- Sunday Times – Re: Student Accommodation

Table 36: Summary Media Coverage/ Articles: January 2021 - March 2021

Source & Date	Summary of enquiry/ query	Article Brief
News24 11 February 2021	PPE procurement is tricky business, but we're up to probing it, watchdog tells Parly	JOSHCO was mentioned as a government departments that are deemed as big spenders on PPE, with expenditure of 486 million

Alberton Record February 2021	Mayor Makhubo welcomes the appointment of the City's board of directors	<p>Mayor Makhubo noted that some of the City's entities have been having issues that impacted service delivery and he has no doubt that the appointed board of directors will restore the functions of the respective entities.</p> <p>The newly appointed chairpersons are:</p> <ul style="list-style-type: none"> • City Power – Lindiwe Maseko • Joburg Market – Dr Murunwa Makwarela (Rotation) • Johannesburg Development Agency – Kevin Phaahla • Metropolitan Trading Company – Tshikani Colleen Makhubele <p>Retained chairpersons:</p> <ul style="list-style-type: none"> • Johannesburg Property Company – Moeketsi Rabodila • Johannesburg Social Housing Company – Zithulele Dlamini • Johannesburg Roads Agency – Dr Albert Mokoena • Metrobus – Busisiwe Sibisi • Johannesburg Water – Sibusiso Buthelezi • Pikitup – William Mathamela (Rotation) • Joburg City Theatres – Desmond Ndzipho • Johannesburg City Parks and Zoo – Mahlubi Madela • Johannesburg Tourism Company- Adv Cawekazi Mahlati.
16 March 2021 IOL news	Residents burn three cars to ashes during protest for electricity in Soweto	<p>Johannesburg - Residents protesting over lack of electricity in some parts of Soweto burnt cars, damaged some others and also left a man fighting for his life after he was hit on the head with a rock.</p> <p>Three people have since been arrested. It's believed that the chaos started around 11pm on Monday. According to Wayne Minnaar of the Johannesburg Metro Police, protesters believed to be from the Nancefield Hostel, took to the streets to complain about the lack of electricity.</p> <p>Then around 6am on Tuesday, Fihla said, another protest erupted in Dobsonville. He said metro police officers were in the area to attend to a complaint when they found that the main road had been blocked with tyres. "We were told that the residents had done that to protest over lack of electricity.</p> <p>"It was explained to them that it was just load shedding and that electricity would be back around 8.30. The Speaker of the Joburg Council was also there as she lives in the and explained to the residents as to what was happening.</p> <p>"The protesting residents were not satisfied with the answers. They went on a rampage. They entered the nearby block of flats belonging to the Johannesburg Social Housing Company (Joshco). "They damaged the cars in the parking lot and a resident sustained a head injury after he was hit on the head with a rock." "Three people were arrested and charged with public violence and malicious damage to property."</p>

<p>Alex News 10 March 2021 Update 18 March 2021</p>	<p>Chaos breaks out at the Rotary Grounds housing project</p>	<p>Tensions that have been simmering for some time at the Rotary Grounds housing project between sub-contracting SMMEs and the main contractor turned to chaos on 10 March. The dispute is over alleged unpaid dues by the company to the SMMEs. Workers of the SMMEs and their bosses downed tools and blocked off Alfred Nzo Street between 8th and 4th avenues, burning tyres and singing struggle songs with placard messages directed at Joshco (Johannesburg Social Housing Company)), an entity of the City of Johannesburg which is spearheading the project.</p> <p>Spokesperson of the eight SMME contractors Sarah Modiba of SMD Trading and Projects, an Alex-based SMME company, said tensions have been simmering for sometime over many issues which the SMME contractors have raised with the contractor over alleged late payments which have now escalated to non-payment since January.</p> <p>“Each time we raised the issues of late payments and now non-payments, [the contractor] said the reasons for the delayed payments were due to non-payment by Joshco. [The contractor] claimed they were paying us from their petty cash and hence the delay and now that money has since run out,” Modiba said in an interview with Alex News.</p> <p>Workers and their SMME bosses at the Rotary Grounds Housing Project in Alexandra are back at work following what was described as ‘a cordial meeting’ to resolve demands made by the sub-contracted SMMEs on the project. The return to work on 18 March was confirmed by the spokesperson for the eight SMME contractors on the site, Sarah Modiba, who said they decided to give the management of Joshco [Johannesburg Social Housing Company] the benefit of the doubt and to make good on their promises given at the meeting.</p> <p>At the meeting on 17 March, Modiba said Joshco management said they could only take the concerns raised by the SMMEs back to their superiors and then report back on 25 March.</p> <p>“If they do not come back with feedback that resolves or addresses our concerns, we will immediately down tools and embark on yet another protest action. We decided to give them the benefit of the doubt to see if they will be able to keep their word of finding an amicable solution to our grievances,” Modiba telephonically told Alex News. Modiba said they had suspended the strike in good faith but would not hesitate to call on the workers to down their tools if ‘we are not satisfied with the kind of feedback they will bring back to us’.</p> <p>UPDATE: 16 March, 10am The outstanding SMME contractor payments at Rotary Grounds Housing Project in Alexandra have been settled and workers have been paid but the site remains closed.</p> <p>This was confirmed by the spokesperson for the eight SMME contractors on site Sarah Modiba of SMD Trading and Projects, who said the outstanding payments were made late on 11 March and workers were paid the following day. Modiba said the site would remain closed until project owners came to the negotiation table to discuss some of the outstanding issues which were part of the package of grievances that ultimately led to the downing of tools.</p> <p>Modiba said the main contractor on the site, SKS Business Solutions and project owners Joshco [Johannesburg Social Housing Company], which is an entity of City of Johannesburg, promised to hold discussions with the SMME contractors on 17 March.</p>
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CoJ Online 18 March 2021	MMC Mabaso assesses social housing development in Roodepoort	<p>I visited two sites to assess the progress of projects meant for social housing development in the form of affordable rental units in Roodepoort yesterday.</p> <p>I was joined by Department of Housing officials, the CEO and board chairperson of Johannesburg Social Housing Company, Mr Victor Rambau and Theodore Dhlamini among other Joshco officials.</p> <p>These rental units are targeted for residents in Region C with a gross income ranging from R1 500 to R15 000 per household a month.</p> <p>The purpose of these units is to ensure that the City provides affordable rental housing for the residents of the City, which are close to amenities while contributing to the economy. Social housing projects are developed within areas that contribute to spatial, economic, and social development.</p> <p>My first visit was at Legae Social Housing Project, which is in Ward 53 on the corner Nefdt & Lambert streets in Roodepoort, where I was taken through a walkabout and shown the two typologies, which are single- and two-bedroom units.</p> <p>The completion of the rental units is at an advanced stage, which came at a cost of over R35 million for the Legae project. It will yield 92 rental units, comprising of 28 x one-bedroom units, and 64 x two-bedroom units with a kitchen, dining room and bathroom.</p> <p>I then proceeded to Princess Plots Development, which is on the corner of Harry and South roads, in Ward 73 to also access the progress. Although there is slow progress due to COVID-19 and other development-related issues, it is expected the project will be completed by 2022.</p> <p>My visit to the Princess Plots development is a follow-up from the ground-breaking event that took place last year, May 2020.</p> <p>Once complete, Princess Plots, which costs over R120 million, will yield a total of 333 units comprising 1- and 2-bedroom walk-up units with a small central community hall.</p> <p>The beneficiaries of both projects will enjoy the benefit of living in a safe and secure environment conducive for singles and families.</p> <p>JOSCHO will communicate over the next few weeks when the applications process will be open for interested parties to apply.</p>
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SECTION 8: HEALTH AND SAFETY

Table 37: JOSHCO staff Incidents (COVID -19 Cases) – Between March 2020 to March 2021

Total COVID -19 positive cases	Total recoveries	Total not yet recovered (active cases)	Total fatalities	Total direct contacts sent for testing
51	50	00	01	210
In Q3 of FY21 11 new cases were recorded, 10 recoveries, with 1 fatality and 92 close contacts who were then referred for COVID -19 testing.				

8.1 JOSHCO staff Incidents statistics IOD (Claudine Phillips Bokamoso Project)

- On 06 January 2021 at approximately 11h00 an employee tripped and fell while she was mopping at Bokamoso project, she sustained an injury on her lower back. She got assisted at Milpark hospital.

8.2 COVID – 19 measures implemented (In Q3 the following COVID – 19 measures have been conducted).

- COVID – 19 Risk Assessment.
- Cleaning Safe Operating Procedures were developed and workshopped with the cleaners
- Office disinfections have been dispensed
- Department of Employment and Labour (DOEL) COVID – 19 inspection. There were no contraventions raised against JOSHCO by the DOEL inspector following the inspection
- The Health and Safety meeting was held, as per the regulations
- Occupational Health and Safety Act 85 of 1993, Section 7, Policy Statement revised and displayed in accordance with the COVID – 19 Regulation.

8.3 Health and Safety training updates and appointment letters

- Cleaning Safe Operating Procedure training conducted (25 attendees at City Deep project).
- Health and Safety appointment letters were developed and signed by Safety Representatives (32), Fire Marshalls (31), First Aiders (29)

8.4 Maintenance of Firefighting equipment

- Head Office Firefighting extinguisher certificate received and available in a safety file
- JOSHCO Sites extinguisher certificates available at Maintenance office

CHAPTER FIVE: FINANCIAL PERFORMANCE



SECTION 1: STATEMENT OF FINANCIAL POSITION AND HIGH-LEVEL NOTES

An analysis of the financial position as at 31 March 2021 is reflected below and in Table 42.

Table 38: Statement of Financial Position for the Quarter ended 31 March 2021

Description	31 March 2021	31 December 2020	Variance	Variance
	R'000	R'000	R'000	%
Assets				
Current Assets				
Inventories	807	806	1	0%
Loans to shareholders	5 958	5 958	-	0%
Current tax receivable	50	50	-	100%
Receivables from exchange transactions	486 059	509 379	(23 320)	-5%
VAT receivable	1 460	1 482	(22)	-2%
Cash and cash equivalents	170 479	169 171	1 308	1%
	664 814	686 847	(22 033)	-3%
Non-current assets				
Property, plant and equipment	5 740	5 908	(168)	-3%
Intangible assets	430	457	(28)	-6%
Investment in joint venture	23 762	23 762	-	0%
Deferred tax	25 449	25 449	-	0%
Total Non-current assets	55 380	55 575	(195)	0%

Description	31 March 2021	31 December 2020	Variance	Variance
Total Assets	720 193	742 421	(22 228)	-3%
Liabilities				
Current Liabilities				
Loans to shareholder	186 210	251 801	(65 591)	-26%
Borrowings - DBSA	2 132	2 132	-	0%
Finance lease obligation	498	498	(0)	0%
Payables from exchange transactions	693 396	600 765	92 631	15%
	882 236	855 196	27 039	3%
Non-Current Liabilities				
Borrowings - DBSA	8 992	10 064	(1 072)	-11%
Finance lease obligation	388	491	(103)	-21%
Deferred Income from non-exchange transactions	178	178	-	0%
	9 558	10 733	(1 175)	-11%
Total Liabilities	891 794	865 929	25 864	3%
Net Assets	(171 601)	(123 508)	(48 092)	39%
Share Capital	0,120	0,120	-	0%
Accumulated deficit	(171 601)	(123 509)	(48 092)	39%
Total Net Assets	(171 601)	(123 508)	(48 092)	-100%

1.1 Assets

Current assets have decreased by R22 million (from R686.8 million to R664 million). The significant change is a 5% decrease in receivables from exchange transactions because of settlement by CoJ Housing for projects executed on behalf of the Department of Housing (Housing). Our loans to shareholder credit balance (sweeping account) has improved by 26% from R251.8 million to R186.2 million following the settlement of invoices by CoJ Housing. JOSHCO is meeting with the CoJ Housing team weekly to track the invoices and outstanding information to enable CoJ Housing to pay JOSHCO timeously. There has been no material change in the composition of non-current assets.

1.2 Liabilities

Included in current liabilities is the current portion of the long-term loan from the DBSA. Current liabilities decreased by 3% as a result of reduction of loans to shareholder credit balance (sweeping account) by 26%.

SECTION 2: CASH FLOW STATEMENT

Cash and cash equivalents balance for the quarter ended 31 March 2021 is R170.4 million. The tenant deposit account has a balance of R15.6 million. The SHRA account has a balance of R154.8 million.

SECTION 3: CAPITAL PROJECTS AND EXPENDITURE

The organisation has been allocated a budget of R378 million funded from the External Funding Sources (EFF) and Capital Reserves (CRR). In the current financial year, we have the following programmes:

- i. Greenfields projects;
- ii. The Inner-City re-generation programme; and
- iii. Special projects programme.

As at 31 March 2021 JOSHCO's verified spent was 53% against a target of 80% per the table below.

Table 39: Capex Spend

PROGRAMME	BUDGET ALLOCATION R'000	SPEND TO DATE R'000	BALANCE R'000	% PERFORMANCE AGAINST SPEND
Greenfields - Economic Hubs	72 942	26 793	46 149	37%
Greenfields - Turnkey developments	180 950	118 909	62 041	66%
Inner City	83 550	50 863	32 687	61%
Special Projects Programme	40 558	3 168	37 390	8%
TOTAL	378 000	199 733	178 267	53%

SECTION 4: STATEMENT OF FINANCIAL PERFORMANCE AND HIGH-LEVEL NOTES

Table 40: Statement of financial performance for the quarter ended 31 March 2021

Description	Actual	Budget	Variance	Variance %
	R'000	R'000	R'000	
Rentals Received	127 105	131 895	(4 790)	-4%
Subsidies	14 925	14 925	(0)	0%
Management Fees	41 612	32 122	9 490	30%
Interest Received	4 435	5 745	(1 310)	-23%
Utilities	480	530	(50)	-9%
Other Income	1 774	1 810	(36)	-2%
Dividend received	1 100			100%
Share of surplus from joint venture	-	-	-	0%
Total Revenue	191 430	187 027	3 303	2%
Governance and Staff Costs	(107 159)	(97 122)	(10 037)	10%
Other Project Related Costs	(49 611)	(21 080)	(28 531)	135%
Depreciation and Amortisation	(835)	(1 073)	238	-22%
Finance Costs	(826)	(1 152)	326	-28%
Repairs and Maintenance	(23 439)	(35 690)	12 251	-34%
Cleaning and Gardening	(1 806)	(3 132)	1 326	-42%
Security	(14 376)	(2 786)	(11 591)	416%

Description	Actual	Budget	Variance	Variance
Administrative	(63 130)	(24 992)	(38 138)	153%
Total Expenditure	(261 182)	(187 026)	(74 156)	40%
Operating (Deficit)/Surplus before tax	(69 752)	0	(69 752)	-100%
Taxation	-	-	-	-
Operating (Deficit)/Surplus after tax	(69 752)	0	(69 752)	-100%

4.1 Revenue

The following table shows how the entity's revenue was made up for the quarter ended 31 March 2021:

Table 41: Composition of revenue

Revenue	Actual	Budget	Weighting %
	R'000	R'000	
Rentals Received	127 105	131 895	66%
Subsidies	14 925	14 925	8%
Management Fees	41 612	32 122	22%
Interest Received	4 435	5 745	2%
Utilities	480	530	0,3%
Other Income	1 774	1 810	1%
Dividend received	1 100	-	1%
Total Revenue	191 430	187 027	100%

JOSHCO's rental facilities contributed 66% towards total revenue. Total revenue is 2% (R4.6 million) above budget. The main reason is due to a 30% management fees projects undertaken on behalf of CoJ. being more than budgeted for year to date. Rental received in 4% below budget for rentals received due to a lower than anticipated occupancy rate for some of our projects year to date. JOSHCO has collected 56% of current rentals against a collection target for the 2020/21 financial year of 85% as at 31 March 2021.

A debt collecting company appointed in August 2020 contributed positively to the collection of outstanding debt over 90 days. The company has collected a cumulative balance of R5.5 million, of which R2.6 million relates to the 3rd quarter.

Table 42: Revenue Collection

PORTFOLIO	% COLLECTION	REASONS FOR UNDER PERFORMANCE
Brownfields	65%	Increasing campaigns for non-payments by tenants' committees. COVID-19 payment holiday, job & income losses
Greenfields	44%	Majority of defaulters handed over to debt collections company & legal evictions. COVID-19

PORTFOLIO	% COLLECTION	REASONS FOR UNDER PERFORMANCE
		payment holiday, job & income losses
Former Hostels	82%	Project collectable, communal beds are not replaced, remaining tenants on salary deductions
City Referral Stock	-25%	Demand for ownership on the rise, claims to have stopped paying rent after 4 years & take ownership
Retail Space	94%	Projects are collectable and few shops still struggling with trading due to limitations. Requested 40% rent cut for the period of lockdown. Offered 30% on >90 days balances
OVERALL COLLECTION	56%	

4.2 Expenditure

Analysis of significant variances between actual and budget:

a) Governance and Staff costs

- 10% above budget (R10 million) due to a higher wage bill than budgeted as a result of mainly unbudgeted overtime of insourced security guards and a high leave pay provision. In the adjustment budget we requested an adjustment of R39 million but was only approved R26 million this was to allow us to cater for critical positions and the additional fixed term contract staff which are assist with executing work on behalf of Housing and to manage any other special projects.

b) Other project related costs

- 135% above budget (R28.5 million) due to a low rental collection rate for the quarter leading to a higher provision for bad debts. Our collections rate for the quarter is 56% which is still significantly influenced by the effects of the COVID-19 pandemic on the economy.

c) Repairs and maintenance

- 34% below budget (R12 million) due to a slow implementation of the maintenance programme for the quarter under review. The bulk of this variance is due to upgrade of the biometric system which was waiting for finalising of the security tender. The funds are expected to be utilised in quarter 4.

d) Cleaning and Gardening

- 42% below budget (R1.3 million) due to a delay in finalising the tender for garden tools where budget was allocated for the operational costs of the tools from this quarter. These funds will be directed where there is a shortage of budget.

e) Security

- 416% over budget (R11.5 million) due to actual security spending year to date being significantly high due to additional security requirements

f) Administrative

- 153% over budget (R38 million) due to inadequate budget being available to allocate to municipal charges due to constraints on the budget. A tender for a prepaid vending solution is in the evaluation stage to assist with recouping of utilities from tenants.

SECTION 5: SUPPLY CHAIN MANAGEMENT AND BLACK ECONOMIC EMPOWERMENT

5.1 ANALYSIS OF EXPENDITURE FOR THE QUARTER

This section provides reporting on the nature of expenditure per category (i.e. CAPEX and OPEX), ownership and BBBEE levels of contributions. This expenditure includes expenditure done on behalf of Housing.

Table 43: Expenditure by sourcing process (Nature):

a) Total Expenditure		
Nature of expenditure	Quarter 3 R'000	% of total expenditure
Capital Expenditure	123 385	71%
Operational Expenditure	50 151	29%
Total Expenditure	173 536	100%

b) Capital Expenditure		
Nature of expenditure	Quarter 3 R'000	% of Capex expenditure
Professional Consultants	2 315	2%
Contractor Payments	121 070	98%
Total Expenditure	123 385	100%

c) Operational Expenditure		
Nature of expenditure	Quarter 3	%

	R'000	Spend
Procurement <R200 000	1 727	3%
Cleaning and Gardening	1 092	2%
Directors Remuneration-Board and Comm	974	2%
Operational Expenditure	4 373	9%
Security Services	6 287	13%
Repairs and Maintenance	35 698	71%
Total	50 151	100%

5.2 DEVIATIONS ON SCM

The table below details approved deviations in the period under review:

Table 44: Approved deviations for the quarter

Name of tender	User Department	Reason	Supplier Name	Approval date	Original PO Amount	Adjusted PO Amount
No Tender number	Business Planning and Risk	Compliance license	EXCLAIM INNOVATION	10-Mar-2021	None	R87 400.00

5.3 VARIATIONS FROM ORIGINAL APPROVED PURCHASE ORDERS

The table below details approved variation orders for the period under review:

Table 45: Approved variation orders for the quarter

Name of Tender	User Department	Reason	Supplier name	Approval Date	Original PO Amount	Variation Amount	Variation %
FH/001/2016	Housing Development	City Power Installation	Motheo	16- Nov-20	R37 154 969.43	R 1 575 000.00	4.2%

5.4 TENDERS AWARDED

The following tenders were awarded year to date

Table 46: Tenders awarded to date

Tender Number	Tender Description	Awarded To	Date awarded	B-BBEE Level	Amount -VAT Inclusive
SA/004/2020	Tender for retrofitting, furnishing, and managing JOSHCO's student Accommodation	Kwatloe projects JV Pro-power	15-Jul-20	Level 1	R 9 756 607.23
Annul/001/2020	Content Editing of the 2019/2020 Financial Year Annual Report for JOSHCO	Ideas Wise and Wonderful	01-Dec-20	Level 1	R225 137.80
ICT/005/2020	SUPPLY, DELIVER AND INSTALL VOICE OVER INTERNET PROTOCOL (VOIP) SYSTEM AND SMART BOARDROOM SOLUTION AT JOSHCO HEAD OFFICE	Mbuvumela Cooperation PTY LTD / MBV I	01-Dec-20	Level 1	R3193550.00
JA/002/2020	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROPERTY MANAGEMENT SYSTEM ENHANCEMENT AND MOBILE APPLICATION SOLUTION FOR JOHANNESBURG SOCIAL HOUSING COMPANY FOR THE PERIOD NOT EXCEEDING 60 MONTHS	QUICKPROP SYSTEM PTY LTD	11- Mar-21	Level 1	R12 815 140.00

Tender Number	Tender Description	Awarded To	Date awarded	B-BBEE Level	Amount -VAT Inclusive
EOI/001/2020	INVITATION TO SUBMIT TURNKEY PROPOSAL FOR THE SOCIAL HOUSING FOR THE SOCIAL HOUSING FOR JOSHCO PHASE 3	THLOKOMELO MANAGEMENT PTY LTD	5-Nov -20		R 454 306.00 Average per units at 1031 units
EOI/001/2020	INVITATION TO SUBMIT TURNKEY PROPOSAL FOR THE SOCIAL HOUSING FOR THE SOCIAL HOUSING FOR JOSHCO PHASE 3	MIKVAH PROJECTS	5-Nov -20		R 480 000.00 Average per units at 1336 units
EOI/001/2020	INVITATION TO SUBMIT TURNKEY PROPOSAL FOR THE SOCIAL HOUSING FOR THE SOCIAL HOUSING FOR JOSHCO PHASE 3	VALUMAX NORTHERN FARMS PTY LTD	5-Nov -20		R 480 000.00 Average per units at 1108 units
EOI/001/2020	INVITATION TO SUBMIT TURNKEY PROPOSAL FOR THE SOCIAL HOUSING FOR THE SOCIAL HOUSING FOR JOSHCO PHASE 3	EVERAST CONSTRUCTION DEVELOPMENT	5-Nov -20		R 480 000.00 Average per units at 1108 units

5.5 ACHIEVEMENT ON BBBEE

JOSHCO promotes black economic empowerment by spending on at least 51% black owned companies as detailed in Table 52 below.

Table 47: Summary of spent to at least 51% black owned companies:

Period	Total OPEX from procurement	OPEX to at least 51% black owned companies	% Spend for the period
Quarter 1	27 933	26 153	94%
Quarter 2	33 534	30 896	92%
Quarter 3	50 151	40 622	81%
Total year to date	111 618	97 671	88%
Period	CAPEX	CAPEX to at least 51% black owned companies	% Spend for the period
Quarter 1	302 633	255 297	84%
Quarter 2	225 377	165 549	73%
Quarter 3	123 385	119 683	97%
Total year to date	651 395	540 529	83%

5.6 REPORT IN IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

There were no instances of irregular, fruitless and wasteful expenditure for the quarter under review.

SECTION 6: STATEMENT ON AMOUNTS OWED BY AND TO GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

Table 48: Government departments' accounts

Name of department	Amounts owed/(owing) R'000		Account status
	QUARTER 2	QUARTER 3	
City of Johannesburg: Sweeping account	(263,833.11)	(186 210,00)	90 days overdue
City of Johannesburg: Housing	419,721.47	316 962,99	90 days overdue
City of Johannesburg: CAM	46,006.25	107 547,28	60 days overdue
Gauteng Department of Human Settlements	15,969.76	15,968.76	180 days overdue
City of Johannesburg: Health	132.83	132.83	90 days
City of Johannesburg: GEF Project	-	1 069,50	30 days
Total	217,997.20	239 369,77	

CHAPTER SIX: INTERNAL AUDIT AND EXTERNAL AUDIT FINDINGS

SECTION 1: AUDIT OBJECTIVES

The following audit objectives were identified during the preliminary survey stage of the audit:

- To determine the extent to which management has implemented corrective action to address the previously reported deficiencies and associated risks.
- To determine the adequacy and effectiveness of the corrective action taken by management in addressing the associated deficiencies and risks.
- To agree with management, the remedial action required to address the outstanding and unresolved deficiencies and associated risks.

SECTION 2: AUDIT SCOPE

The follow-up audit was limited to the review and evaluation of management corrective action to address the previously identified deficiencies and associated risks, using a walkthrough, discussion, observation and audit testing.

SECTION 3: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

As of 30 March 2021, the total number of internal audit findings were 66, of which 48(73%) were resolved. The total number of internal audit findings still not resolved amount to 18 (27%).

Table 49: The Table Below Provides a Breakdown of Findings Per Department

Departments	Total Findings	Findings resolved	Findings not resolved
Finance	9	9	0
Planning and Strategy	18	13	5
Housing Management	19	11	8
Human Capital Management	5	5	0
CEO's Office	3	3	0
COSEC	1	1	0
Housing Development	11	6	5
Total	66	48	18
Percentage (%)	100%	73%	27%

SECTION 4: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS (CATEGORISE BETWEEN FINDINGS AFFECTING AND NOT AFFECTING THE AUDIT OPINION)

External Audit by AGSA was underway in the third quarter of 2020/21. Therefore, External Audit findings were not followed up.

Findings	Number	Resolved	Unresolved
Matters affecting the Auditor's opinion	6	0	0
Other Matters	5	0	0
Total	11	0	0

SECTION 5: OVERALL STATE OF INTERNAL CONTROLS (ADEQUACY AND EFFECTIVENESS)

In the third quarter of the 2020/2021 financial year, Internal Audit completed one (1) full audit and four (4) continuous audits. Based on the findings raised in these audits, Internal Audit concluded that the organisations' controls are **Inadequate and Ineffective**. Management should ensure that controls are adequately designed and monitored to provide reasonable assurance that set objective will be achieved.