

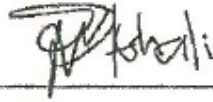
FINAL BUSINESS PLAN 2025/2026 FINANCIAL YEAR

JOHANNESBURG SOCIAL HOUSING COMPANY (SOC)



SIGN OFF

Signature of Chief Executive Officer (Acting) -



Signature of the Chairperson of the Board -



Signature of MMC Human Settlements -



Receipt & Review

Signature of GSPRC Representative: -

Date: -

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ACRONYMS AND ABBREVIATIONS

ARC	Audit and Risk Committee	PIE	Prevention of Illegal Eviction and Unlawful Occupation of Land
BI	Business Intelligence	PMU	Project Management Unit
CAPEX	Capital Expenditure	POPIA	Protection of Personal Information Act
CBD	Central Business District	PPE	Personnel Protective Equipment
CI	Corporate Identity	PWD	Person with Disabilities
COJ	City of Johannesburg	RDP	Reconstruction and Development Plan
CRM	Customer Relationship Management	SCCM	System Centre Configurations Manager
CSI	Corporate Social Investment	SCM	Supply Chain Management
EDMS	Electronic Data Management System	SCOM	System Centre Operations Manager
EMT	Executive Management Team	SDA	Service Delivery Agreement
EPWP	Expanded Public Works Programme	SDP	Service Delivery Plan
FY	Financial Year	SHI	Social Housing Institution
GBV	Gender-Based Violence	SHRA	Social Housing Regulatory Authority
GHS	Global Household Survey	SMME	Small, Medium and Micro-sized Entity
GVA	Gauteng's Gross Value Added	SOP	Standard Operating Procedure
ICT	Information and Communications Technology	SWOT	Strengths, Weaknesses, Opportunities and Threats
JOSHCO	Johannesburg Social Housing Company	TEA	Temporarily Emergency Accommodation
JPC	Johannesburg Property Company	TOD	Transit Oriented Development
KPA	Key Performance Area	VP	Value Proposition
KPI	Key Performance Indicator		
LLF	Local Labour Forum		
MFMA	Municipal Finance Management Act		
MMC	Member of the Mayoral Committee		
MOE	Municipal Owned Entity		
GLU	Government of Local Unity		
MSA	Municipal Systems Act		
MTC	Metropolitan Trading Company		
NSFAS	National Student Financial Aid Scheme		
OPEX	Operating Expenditure		
PESTEL	Political, Economic, Social, Environmental and Legal (perspective)		

1. CHAPTER 1: EXECUTIVE SUMMARY

Johannesburg Social Housing Company (JOSHCO) is a Municipal Owned Entity (MOE) established in November 2003 by the City of Johannesburg (COJ). JOSHCO's purpose is to provide affordable and well-located social housing options as part of the City's efforts to eliminate its housing backlog. The entity's mission is to offer social and affordable rental housing to different income levels, with a particular focus on those with lower incomes. JOSHCO is also responsible for refurbishing, maintaining, upgrading and managing some of the City's rental housing stock. If necessary, the entity provides municipal services.

The Census 2022 results show that the population of South Africa was 62 million in 2022, increasing from 51,7 million in 2011. This represents an average annual growth rate of 1,8% between the two periods, which is the largest since 1996. Gauteng remained the province with the highest population (15 million). On housing, the census 2022 recorded 17,8 million households in South Africa, an increase from 14 million in 2011. Gauteng and KwaZulu-Natal accounted for just under 50% of all households in the country, with 5,3 million households in Gauteng. Social Housing Institutions (SHIs) like JOSHCO play a significant role in meeting the demand for social housing. To ensure the sustainability of social housing, it is important to develop new rental stock and maintain existing rental properties effectively.

JOSHCO is accredited¹ by the Social Housing Regulatory Authority (SHRA), which allows the entity to access the SHRA subsidy and the City's Capital Expenditure (CAPEX) budget. This improves JOSHCO's ability to provide more social and affordable rental housing opportunities and implement larger projects. The 2025/26 Business Plan reflects JOSHCO's objectives, mandates, and context, aligning them with the Government of Local Unity's Eleven Strategic Priorities². The plan also provides a view of past performance and the entity's outlook. Additionally, it highlights alternative revenue streams that the entity will continue to roll out. Risk management mechanisms proposed are supported by a full Strategic Risk Register.

JOSHCO currently manages 10 156 social and affordable rental units (This includes 5460 social housing funded units and 4695 affordable rental units). An additional 867 units are under

¹ JOSHCO's accreditation status with the SHRA is currently conditional, with full accreditation offering access to additional subsidy benefits.

² These are as follows: good governance, financial sustainability, energy mix, sustainable service delivery, infrastructure development, job opportunity and creation, safer city, active and engage citizenry, sustainable economic growth; Green economy, and smart city.

work in progress and of that, 500 units will be delivered during the 2025/26 FY. JOSHCO has been given the authority by the City to provide and manage student housing. a City initiative to address the issue that most students attending higher education institutions in Johannesburg live in backyards or are victims of unregistered landlords who charge exorbitant rental rates.

The entity implemented its first student housing project in FY 2020/21 in response to the city's request through the successful conversion of the Wolmarans building in the inner-city. The organisation has a lofty goal of offering at least 10,000 beds during the next five years. The strategy for attaining the goal will be to create a precinct for student housing that offers a more secure, safe, and technologically advanced environment based on the SMART City approach.

JOSHCO's Key Performance Areas (KPAs) are detailed further within a refined Service Delivery Plan (SDP) for the 2025/26 FY, together with a Corporate Scorecard that includes Key Performance Indicators (KPIs) that reflect improved alignment with SMART principles.

From an Operating Expenditure (OPEX) and CAPEX perspective, JOSHCO has focused on revenue enhancement and cost containment measures, while also recognising that rent-setting within the social housing sector is household income-based (in line with principles of affordability), and SHRA-regulated. As such, the entity has limited room within which to shift rent levels. Service delivery commitments and resource requirements are shaped by this reality, with it being important to note that current budget allocations may result in delays in repairs, planned maintenance, building refurbishment, and ongoing social housing obligations (as set out in the Act) – with these consequences also impacting future delivery. These factors underpin the budget, which is presented alongside a set of strategies that the entity will continue pursuing to reduce financial losses and build financial sustainability.

As an SHI, JOSHCO is well-positioned to provide affordable, well-located social and rental housing opportunities that address apartheid spatial planning realities, and that promote urban regeneration and productivity via the development and effective management and maintenance of stock. JOSHCO is able to support socio-economic development and foster growth in local economies through Small, Medium and Micro-sized Enterprise (SMMEs)/Exempted Micro Enterprise support and job creation. JOSHCO contributes to both the City's and South Africa's broader goals of promoting social cohesion, economic growth, democracy and good governance.

In addition, the entity has the unique potential to make a financial contribution to the COJ by attracting large third- party capital subsidies to offset the City's capital budgeting for rental housing. This Business Plan sets out the range of factors that need to be addressed to support

and grow JOSCHO's contribution to the city and its people, and to its shareholder, the COJ, through building on opportunities identified, mitigating risks, and strengthening the foundation that has already been established to date.

2. STRATEGIC OVERVIEW

This chapter provides a strategic overview of JOSHCO.

2.1 JOSHCO's Vision

JOSHCO's vision is underpinned by the City's resolve to address the housing needs of its citizens and accordingly sees the end state wherein:

Communities live in sustainable affordable public rental housing in the city.

2.2 JOSHCO's Mission

To provide quality sustainable affordable rental housing products in convenient locations within the Johannesburg Metro.

2.3 JOSHCO's Core Values



3. CHAPTER 3: CORE MANDATE/PURPOSE

3.1 JOSHCO's Mandate

JOSHCO's Mandate is derived from the City's Memorandum of Incorporation through which the entity was established and sets out its purpose and objective and is as follows:

To provide and manage social and affordable rental housing for the lower income market on behalf of the city.

3.2 Legislative and Policy Environment

JOSHCO operates within a legislative framework that is consistent with its character as a municipal entity and now a State-Owned Company. As a municipal entity JOSHCO was established in terms of section 86C of the Local Government Municipal Systems Act 32 of 2000, together with the Companies Act and the Social Housing Act. Further to these, JOSHCO is subject to several legislations that are applicable as shown in the table below,

Table 1: Applicable legislation to JOSHCO

Basic Conditions of Employment Act, No. 75 of 1997	Occupational Health and Safety Act - Construction Regulations
Broad-Based Black Economic Empowerment Act, No. 53 of 2003 and 2014 Code	Occupational Health and Safety Act - Environmental Regulations for Workplaces, October 1987
Companies Act, No. 71 of 2008	Occupational Health and Safety Act - Facilities Regulations, August 2004
Construction Industry Development Board Act, No.38 of 2000	Occupational Health and Safety Act – General Administrative Regulations, June 2003
Consumer Protection Act, No. 68 of 2008	Occupational Health and Safety Act – General Safety Regulations, May 1986
	Occupational Health and Safety Act, No. 85 of 1993
Electronic Communications and Transactions Act, No. 25 of 2002	Preferential Procurement Policy Framework Act. No. 5 of 2000
Employment Equity Act, No. 55 of 1998	Promotion of Access to Information Act, No. 2 of 2000 - Public Bodies
Housing Act, No.107 of 1997	Protection of Personal Information Act, No. 4 of 2013
Labour Relations Act, No. 66 of 1995	Rental Housing Act, No. 50 of 1999
Local Government Municipal Finance	Social Housing Act, No.16 of 2008

Management Act - Municipal Regulations on Debt Disclosure	
Local Government Municipal Finance Management Act - Municipal Regulations on Minimum Competency Levels	Unemployment Insurance Act, No. 63 of 2001
Local Government Municipal Finance Management Act - Municipal Supply Chain Management Regulations	Value-Added Tax Act, No. 89 of 1991
Local Government Municipal Finance Management Act, No. 56 of 2003	Local Government Municipal Systems Act, No. 32 of 2000

JOSHCO also operates within policy and legislation pertaining to social housing as follows:

- The Comprehensive Plan ‘Breaking New Ground in Housing Delivery’, National Department of Housing, 2004 [Comprehensive Housing Plan]
- The Housing Code, 2009
- The National Development Plan, 2030 (2012)
- The Medium-Term Strategic Framework (2020 – 2025)
- The Integrated Urban Development Framework
- The COJ Memorandum of Incorporation for the establishment of JOSHCO

Finally, when reflecting on JOSHCO’s policy environment, it should also be noted that JOSHCO’s policies and plans are aligned to the City’s medium to long-term plans, priorities and applicable policies.

3.3 Strategic Objectives

JOSHCO’s primary and singular mission derives from its Memorandum of Incorporation with the City. Therefore, in remaining true to its purpose for establishment, the JOSHCO’s business and operating model is anchored around the following strategic objectives:

1. To be a smart & capable entity
2. Develop and manage social housing and student accommodation(regulated)
3. Develop and manage affordable rental housing (non-regulated)
4. To provide services for special projects on behalf of CoJ (Human Settlement Department).

3.4 City’s Integrated Development Plan (IDP)

The city of Johannesburg metropolitan vision is guided by four GDS outcomes with outputs and 11 strategic priorities. These outcomes and priorities guide development of the strategic planning

process that leading to the development of 2025/26 Business plan of the entity. The below table reflects the GDS outcomes with their outputs and 11 strategic priorities.

Table 2: Alignment of GDS outcomes, Outputs to City's 11 priorities.

GDS OUTCOMES	GDS OUTPUTS	CITY PRIORITIES
1. Improved quality of life and development-driven resilience for all.	<ul style="list-style-type: none"> • Reduce poverty and increase productivity. • Food security that is both improved and safeguarded • Access to knowledge and lifelong learning • A society characterised by healthy living for all. • A safe and secure city • A city characterised by social inclusivity and enhanced social cohesion 	<ul style="list-style-type: none"> - Safer city
2. Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	<ul style="list-style-type: none"> • Sustainable and integrated delivery of water • Sustainable and integrated delivery of sanitation • Sustainable and integrated delivery of energy • Sustainable and integrated delivery of waste • Improved eco-mobility. • Sustainable human settlements • Climate change resilience and environmental protection 	<ul style="list-style-type: none"> - Sustainable Service delivery. - Energy mix. - Infrastructure development & refurbishment
3. An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens	<ul style="list-style-type: none"> • Job-intensive economic growth • Promotion and support to informal and micro businesses • Increased competitiveness of the economy • A 'Smart' City of Johannesburg, that can deliver quality services to citizens in an efficient and reliable manner (cross cutting output) 	<ul style="list-style-type: none"> - Job creation. - Sustainable economic growth - Green 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	<ul style="list-style-type: none"> • Partnerships, intergovernmental & international relations • A responsive, accountable, efficient, and productive metropolitan government • Financially sustainable and resilient city • Meaningful citizen participation and empowerment <p>Guaranteed customer and citizen care and service</p>	<ul style="list-style-type: none"> - Good governance. - Financial Sustainability. - Active & engage citizenry. - Smart city

3.5 Alignment of JOSHCO strategic Objectives to the City's Priorities

South Africa in general has housing shortage, which is estimated to be growing at 178 000 annually, with over 2.4 million households registered on the National Housing Needs Register in 2023. To tackle this growing demand, the city has prioritised a comprehensive approach towards integrated human settlements, including various housing interventions and programmes. JOSHCO plays a central role in the city's response to housing and human settlements development. The focus on integrated human settlements is an implementation of Chapter 8 of the National Development Plan.

Furthermore, the city aims to undertake spatial transformation and consolidation as a key priority, which would reduce inequality and bring spatial justice to settlement patterns. The City's Spatial Development Framework incorporates this priority with the goal of building an inclusive city. The reversal of apartheid spatial planning is achieved through specific corridors of integrated development, mixed-income developments, Hostel Re-development, Gap Market Housing, and high-quality rental housing. Increased densification, as well as sustainable access to social and economic amenities, are essential to support these efforts.

As part of the inner-city revitalisation programme, the city has planned to release City-owned buildings for the development of affordable rental housing, temporary emergency accommodation, and social housing projects. A pipeline of properties has already been identified for release to JOSHCO for social housing and rental stock.

All of the above initiatives are a practical translation and realisation of national priorities outlined in the 2020-2025 Medium-Term Strategic Framework (MTSF), statement of intent, provincial priorities contained in the Growing Gauteng Together plan, as well as the City's own Growth and Development Strategy (Joburg 2040 GDS). Moreover, the City has identified eleven strategic priorities that the Government of Local Unity (GLU) is focusing on during its term of office. Entities of the City need to align their plans with these priorities as reflected in the table below. JOSHCO directly responds to the priority of "sustainable service delivery". However, the entity also responds indirectly to all other priorities as it executes its mandate.

Table 3: Alignment between GDS, GLU objectives, Mayoral Priorities, and JOSHCO's strategic objectives and outcomes

GDS Outcomes	GDS Outputs	Government of Local Unity (GLU) Objectives	Mayoral Priorities	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
Provide a resilient, livable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	<ul style="list-style-type: none"> • Sustainable human settlements 	Sustainable human settlements	Sustainable Service Delivery	To be a smart and capable entity	<ul style="list-style-type: none"> • Achievement of all Service Level Standards, as per Service Delivery Agreement • Well maintained and clean JOSHCO properties • Alignment with SHRA's requirements, as regulator
An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens	<ul style="list-style-type: none"> • Job-intensive economic growth • Promotion and support to informal and micro businesses • Increased competitiveness of the economy • A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross cutting output) 	<ul style="list-style-type: none"> • Job-intensive economic growth • Promotion and support to informal and micro businesses • Increased competitiveness of the economy 	Job Opportunity & Creation	To be a smart and capable entity	<ul style="list-style-type: none"> • Upliftment of communities through provision of financial and non-financial support to local SMMEs on construction projects • Skills development and job creation through EPWP programme

Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	<ul style="list-style-type: none"> • Sustainable human settlements 	Sustainable human settlements	Sustainable Service Delivery	<ul style="list-style-type: none"> • Develop & manage social housing and Student Accommodation • Develop & manage Affordable rental housing • Implement housing development projects for the COJ • Provide assigned municipal services(Human Settlements) 	<ul style="list-style-type: none"> • Large scale delivery of social housing and affordable housing units across the city • Development of student accommodation precinct • Preserved and well-maintained buildings that meet acceptable living conditions
A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region	<ul style="list-style-type: none"> • A responsive, accountable, efficient and productive metropolitan government • Financially sustainable and resilient city 	<ul style="list-style-type: none"> • Partnerships, intergovernmental & international relations • A responsive, accountable, efficient and productive metropolitan government • Financially sustainable and resilient city • Meaningful citizen participation and empowerment • Guaranteed customer and citizen care and service 	Financial Sustainability	<ul style="list-style-type: none"> • To be a smart and capable entity 	<ul style="list-style-type: none"> • Working towards a solvent company • Improved revenue collection • Diversification of revenue stream (outdoor advertising, management fee, other mechanisms) • An unqualified Audit Opinion • Sound reputation in terms of payment of suppliers within 30 days • Effective and efficient business

					<p>processes</p> <ul style="list-style-type: none"> • Improved tenant satisfaction, through proactive tenant education and engagement programme • Customer satisfaction targets achieved and improved • Improved visibility of JOSHCO brand
<p>An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens</p>	<ul style="list-style-type: none"> • A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross cutting output) 	<ul style="list-style-type: none"> • Smart City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner. • A responsive, accountable, efficient and productive metropolitan government • Meaningful citizen participation and empowerment • Customer satisfaction 	<p>Smart City</p>	<ul style="list-style-type: none"> • To be a smart and capable entity 	<ul style="list-style-type: none"> • Social housing projects that are smart and environmentally friendly, through design and the use of alternative building technologies • (including alternative energy solutions and rainwater harvesting) • Improved application and leasing processes, supported by automation of

					<div>processes</div> <ul style="list-style-type: none">• Seamless business continuity supported, through effective backup and disaster recovery systems
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4. CHAPTER 4: JOSHCO RESPONSE.

4.1 JOSHCO Response to IDP/CBP Community issues

JOSHCO Community Development is aimed at working together with tenants, to improve the livelihood. Its programmes are uniquely placed to assist in social and economic development. The unit will utilise organisational resources as a strategic enabler for community development, improve the quality of life and tenant participation through various community initiatives and interactions. The resource will be focused on:

JOSHCO Community-Based Programme

Each participant will receive PPE (Personal Protective Equipment) packs to utilise as useful resources during their working and for future reference. Please see the below programme structure:

Table 4: Community-Based programme.

Program Component	Objective	Key Activities	Outcomes
1. Job Creation Programme (EPWP): Cleaning and Gardening Services	To create employment opportunities for local community members while enhancing the environment.	Cleaning & waste management. Landscaping, residential garden maintenance, urban agriculture. Hygiene & cleaning, gardening skills, health & safety, soft skills training.	Increased local employment. - Empowerment through skills development. - Cleaner, more sustainable environment.
2. Food Security Intervention: Rooftop Gardening	To address food insecurity by using underutilized rooftop spaces and other spaces for urban food production in the Inner-city	Transform rooftops into vegetable and herb gardens. Urban agriculture and sustainable gardening training. Sharing harvested produce or creating small food markets.	Enhanced food security and self-sufficiency. Promotion of sustainable urban living.
3. Early Childhood Development Programmes	To ensure access to quality early education and developmental support for children within JOSHCO communities.	Establish or improve daycare and preschool facilities. Provide nutritious meals and health screenings for children.	Improved educational outcomes. - Better social skills and overall well-being for children.
4. Recreational Spaces	To create safe, accessible spaces for physical activity and social interaction.	Establish recreational spaces and playgrounds for all ages. Build sports facilities (e.g., soccer, basketball).	Enhanced physical and mental health. Stronger community cohesion. Reduced crime and improved quality of life.
5. Tenant-Based Initiatives	To address tenant-specific social issues, particularly gender-	GBV Initiatives: - GBV awareness campaigns.	GBV Initiatives: - Reduced GBV incidents.

	based violence (GBV) and youth empowerment.	Provide referrals to shelters and counselling. Collaborate with local authorities and NGOs. Youth Programmes: - Mentorship and leadership development. Skill development workshops for youth. Organize youth events (sports, debates, talent shows).	Better support for survivors. - Increased community awareness. Youth Programmes - Increased youth engagement and employability. Reduced involvement in crime or anti-social behaviour.
Overall Impact	To foster social empowerment, improved quality of living, and economic upliftment.	Empowerment through involvement in job creation and capacity building. Improved living conditions. Economic upliftment via job creation and skills development.	Thriving, resilient, and inclusive inner city. Stronger community participation and social cohesion.

4.2 Customer Satisfaction Survey.

JOSHCO is part of a City-wide satisfaction survey (poll) conducted by the City of Johannesburg through GCRO's QoL Survey 7 (2023/24). During 2023/24FY, city have conducted Quality of Life survey which indicate that the decline in satisfaction with city service delivery from 62% to 61%. Regarding access to housing, the survey indicates that 68% of respondent are to be satisfied with their dwelling which is decrease compared to 2020/21 that was at 73%. There is no doubt that delivering of housing requires special attention, therefore, the entity will continue to prioritise the provision of affordable rental units and social housing units to the communities of Johannesburg.

In 2025/2026FY, the entity will be implementing new tool that will assist the organisation in conducting CSS survey. The Microsoft online survey tool will aim at collecting accurate information from customers perception and experiences regarding the quality of services that are being delivered by JOSHCO.

4.3 Intergovernmental Relations.

JOSHCO is part of the City of Johannesburg IGR practitioners and participate in matters related to IGR in the City. JOSHCO can access services from other City departments related to services that have an impact on JOSHCO service delivery. JOSHCO is fully represented in the City of Johannesburg IGR Forum through the IGR Champion.

Collaboration with other stakeholders within the rental sector

JOSHCO's mandate is to provide social and affordable rental housing units. JOSHCO is mandated to provide strictly rental units as stipulated in terms of the Social Housing Act. JOSHCO has approached the following institutions to partner with it in educating tenants. The institutions are:

- Gauteng Department of Human Settlement
- Rental Housing Tribunal
- City of Joburg Ombudsman
- National Association of Social Housing Organization (NASHO)
- Social Housing Regulatory Authority

All the stakeholders mentioned above have a critical role within the rental housing sector and is important that JOSHCO work closely with them.

- **Gauteng Department of Human Settlement:** Gauteng Department of Human Settlement's consumer's education's role is to educate JOSHCO's tenants about other housing options that are available such as:
 - Service stands
 - First homeowners' finance
- **Rental Housing Tribunal:** The Rental Housing tribunal is the body established in terms of the Rental housing Act. This body's main function is to adjudicate all rental housing disputes. It has the power as of the magistrate court and its decision are forceable. The Rental Housing Tribunal educates tenants about the rental housing sector. Housing tribunal also define the roles and responsibilities for both the Landlords and tenants respectively. It also educates both the Landlord and tenants about the rental housing good practice as well as the requirements in terms of the Rental Housing Act.
- **City of Johannesburg Ombudsman:** It educates tenants on how to refer the matters relating to service delivery within the city of Johannesburg. It assists in always holding JOSHCO accountable to its tenants.
- **NASHO** is the national institution that represents the social housing in South Africa. NASHO negotiates with various stakeholders in various spheres of government promoting the interest of the Social Housing Sector. It also assists in developing various social housing programs related to social housing.
- **SHRA:** SHRA is the Social Housing regulator. It assists in ensuring that tenants are aware of the relationship between JOSHCO as a social housing institution and SHRA. Tenants are informed of the JOSHCO's mandate in terms of the social housing Act. The most important information is that social housing is strictly rental. JOSHCO has no authority to give ownership to tenants.

- **JOSHCO Internal Stakeholders:** JOSHCO stakeholder relations management supports the two core departments, namely the Housing Management and the Development departments. Stakeholder relations management department receives requests from the two JOSHCO core departments on issues that requires stakeholder interventions.

5. CHAPTER 5: STRATEGIC ANALYSIS

5.1 JOSHCO Current Status

5.1.1 Overview of JOSHCO's property portfolio

JOSHCO has 10 156 units within its portfolio focused on a range of tenant income levels (see figure below), and are developed as either Greenfields and Brownfields. Unit typologies include communal, bachelors, 1 bedroom and 2-bedroom units. The units service households with rentals from as low as R300.00 per household per unit per month to R5 000 per household per unit per month.

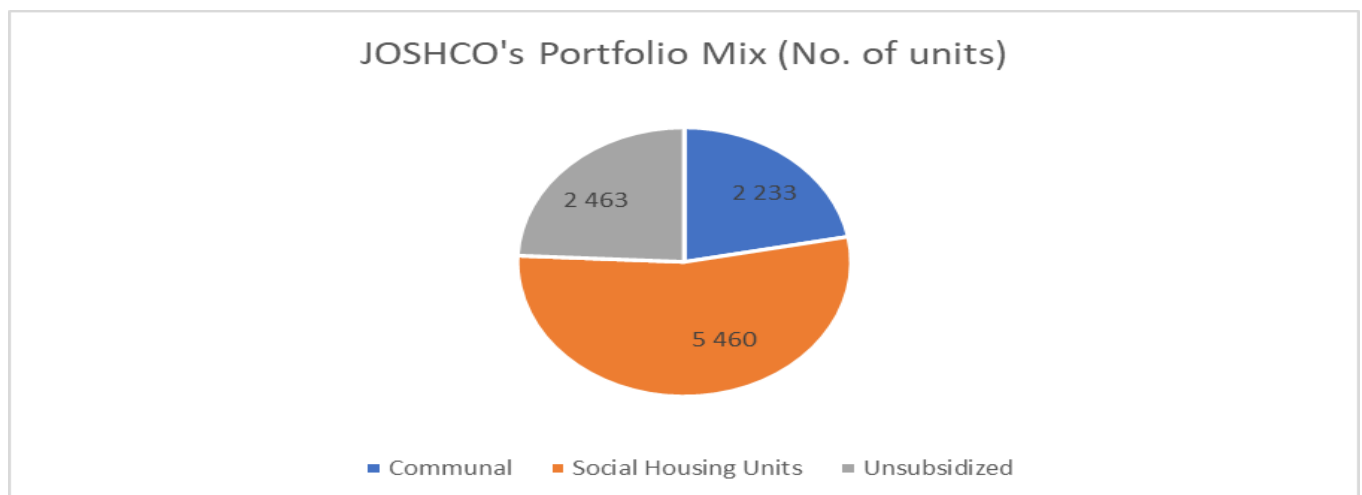
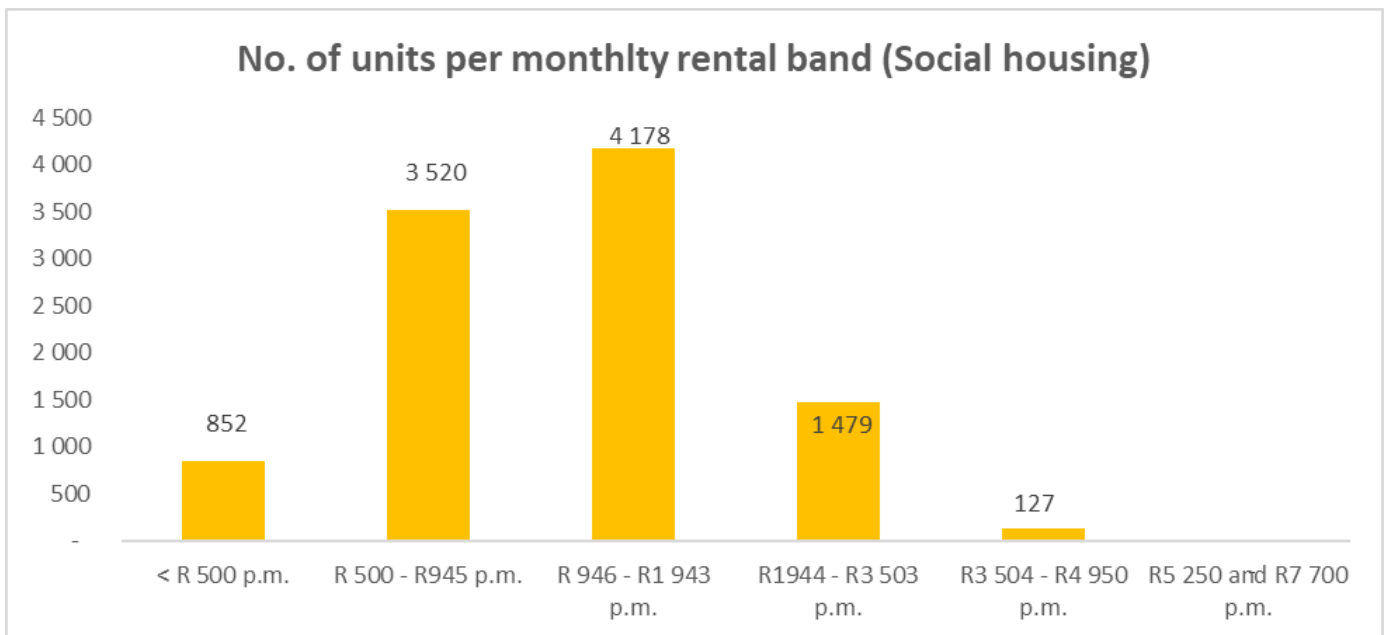




Figure 1: JOSHCO project map

JOSHCO's Housing Development function focuses on land acquisition, project packaging and construction and handover of affordable rental projects. The housing management department is responsible for the property management value chain that includes the leasing of units, tenant education, customer relations, billing, maintenance, safety and security, and community development programmes.

5.2 Past Performance

The demand for affordable housing in the city far exceeds supply. The establishment of JOSHCO has contributed towards addressing the housing challenges and improving the quality of life experienced by the city's residents. As indicated above, JOSHCO manages 10 156 rental units, delivered through both greenfield and brownfield projects.

In the year ended June 2024, JOSHCO continued to strive for delivery on the Board-approved institutional targets achieving a staggering 495 units completed with an additional 657 units developed to practical completion. The organisation's performance is driven through service delivery, compliance, finance and governance targets. The table below reflects the key metrics for the previous financial years.

Table 5: Previous financial years' performance metrics

Performance metric	30 June 2021	30 June 2022	30 June 2023	30 June 2024
Property revenue (R'000)	R171,6 million	R182 million	R 178,951 million	R152.4 million
Maximum rental excluding utilities	R5,550	R5,550	R5,550	R5,000
Capital budget (R'000)	378 million	628 million	399 million	337.5 million
Capital Expenditure	95%	94%	101%	100%
New units completed	609	210	936	495
Occupancy rate	99%	98%	98%	98%
Collection rate	58%	56%	57%	69%
Deficit	R115,9 million	R133,7 million	R373 million	R559 million
Number of rental units under management	8,825	8,825	9410	10 156

Table 6: Performance against Predetermined Objectives as at 30 June 2024

Key Performance Area	KPI No	Key Performance Indicator	Baseline 2022/23	Annual Target 2023/24	Actual	Variance	Reasons for Underachievement	Remedial Action
Financial Stability	1	Current Ratio	0.64	Current ratio 1:1	0:46		The non-performance of this target is due to continued losses being incurred largely due to high provision for bad debts and high operating costs, mainly utility, finance costs and repairs and maintenance costs.	<ul style="list-style-type: none"> • Increase in management fee income earned on projects implemented on behalf of other COJ entities • Student accommodation and commercial spaces as alternate revenue.
	2	Solvency Ratio	0.66	Solvency Ratio 1:1	0:48			
	3	% Collection in respect of current debtors	57%	100% collection in respect of current debtors	69%	-0:54	<ul style="list-style-type: none"> • Unemployment and high inflation affecting tenant's ability to fulfil their rental obligations. • Organized rental boycotts by tenants from the City Referral stock. 	<ul style="list-style-type: none"> • Appointment of Debt collection companies. • Improved credit evaluation process for new tenant applications • New payment options i.e. Debit Check, Debit order, and Stop order. • JOSHCO had obtained a total of 31 eviction orders. Seventeen of these orders have been successfully executed. • Stock transfer of City referral stock.
	4	% Of valid invoices paid within 30 days of invoice receipt	62%	100% of valid invoices paid within 30 days of invoice receipt	54%	-0:52	This is due to CoJ Treasury limiting the funds allocated to entities for supplier payments on a weekly basis.	The entity continues to engage with Group Treasury for weekly allocation of funds.
	5	% of CAPEX spent on EMEs	37%	30% of CAPEX spent on EMEs	32.42%	0%	Target Achieved	N/A
	6	% of CAPEX budget spent	101%	100% expenditure	100%	0	Target Achieved	N/A

				of approved capital budget.				
Good Governance	7	% resolution of internal audit findings	New KPI	100% resolution of Internal Audit findings (cumulative)	100%	0	Target Achieved	N/A
	8	% Resolution of external audit findings	New KPI	100% resolution of AG findings	53%	-47%	The interim financial statements took longer than anticipated to be finalised.	The finance team will continue to work with internal audit to clear the financial statement-related findings. Internal audit will review the AFS to be submitted to AG.
	9	Level of audit opinion	New KPI	Unqualified audit opinion	Unqualified audit opinion	N/A	JOSHCO'S integrated annual report and Auditor General final report	9
	10	% compliance to Laws and regulation	New KPI	% compliance to laws and regulation	98.6%	+0.6%	Target Achieved	N/A
	11	% Implementation of corrective action against identified risks	New KPI	95% Implementation of corrective action against the identified risks	100%	+5%	Target Achieved	N/A
Personnel Vacancy Rate	12	% Employee vacancy rate	New KPI	5% employee vacancy rate	11.01%	-6.01%	Moratorium. Awaiting approval to proceed with recruitment.	Submission was sent to the CEO to proceed with the recruitment and appointment as of 1 July 2024.

Employee Development	13	Number of employee development initiatives	9	4 employee development initiatives	5	+1	Target achieved	N/A
Smart City	14	Number of digitisation initiatives completed	New KPI	4 Digitisation initiatives completed	5	+1	Target Achieved	N/A
	15	Number of ICT awareness initiatives	New KPI	32 ICT awareness initiatives	41	+9	Target Achieved	N/A
Job Opportunity and Creation	16	Number of jobs created for the unemployed through EPWP programmes	970	720 Jobs	831	+111	Target Achieved	N/A
Sustainable Service Delivery	17	No. of social housing units developed without services	555	450 housing units developed	657	+207	Target Achieved -101 units Abel Phase 1. -372 units Nancefield -184 Riverside View	N/A
	18	No. of social housing units completed	936	450 housing units completed	495	+45	Target Achieved -333 Princess plots -162 Devland Phase 2	N/A
	19	% of Social Housing units occupancy rate.	New KPI	98% occupancy rate	98%	0	Target Achieved	N/A
	20	% Achievement of service standards	New KPI	100% Achievement of service standards	100%	0	Target Achieved	N/A
	21	Tenant Management initiatives implemented by community	New KPI	4	5	+1	Target achieved – the target is an accumulative target of a total of 4 Tenant Management initiatives	N/A

		development					carried out through the financial year.	
	22	% of Affordable Housing unit occupancy rate (non-regulated)	98.26%	98% occupancy rate	98%	0	Target Achieved	N/A

5.3 JOSHCO Organisational and funding status.

JOSCHO's current organisational structure was approved in July 2023. The total number of staff is approximately 500 excluding EPWP participants. In the past eight years, JOSHCO has faced significant leadership changes; a turnover of five CEOs. It has also experienced leadership changes at the COJ (shareholder) level with seven Executive Mayors and several Board changes.

A human resources capacity analysis was undertaken in 2021 based on the 2020/2021 year's organisational performance, taking into consideration the internal, external audit findings and risk of non-performance. In order to remedy this challenge, the entity has embarked on an organisational design process to ensure that there is proper streamlining of functions to improve performance.

The entity further optimised its structure in the 2023/24 FY to ensure the suitability of changes that were being implemented.

JOSHCO total expenditure exceeds total revenue resulting in a deficit over the past five years. This deficit has increased significantly over the six-year period from R55,7 million in 2019 to R 559 million in June 2024. The main drivers of the deficit are staff costs, debt impairment, finance costs, bad debts written off, security services and repairs & maintenance. This resulted in an increase in total operating expenditure from R244,2 million in 2019 to R938 million in June 2024. In the same period, administrative costs (mostly made up of the unavoidable costs for security services and repairs & maintenance) increased from R282,6 million to R455,6 million.

Over the five-year period JOSHCO's total assets decreased from R1,572 million to R1,353 billion. At the same time, total liabilities increased from R2.380 million to R2,719 billion. This is the result of high debt impairment, non-payment by COJ for work undertaken by JOSHCO and the subsidy allocation being less than what is required.

JOSHCO is in effect a combination of multiple businesses (SHI, Communal, City Services), which should be budgeted for, reported and performance managed separately. JOSHCO SHI and Communal Housing are impacted by low rental collections (67% vs Benchmark of 95%) due to poor application of revenue policy and lack of systems integration.

JOSHCO is currently underfunded based on the current rent collection rates. The deficit is primarily caused by low rental collection resulting in high bad debts. If JOSHCO collects 95% of its rental (SHI Benchmark), and everything else stays the same, the subsidy required would be significantly less.

The overall financial position of JOSHCO is the result of the following key problems:

1. Projects have been undertaken on behalf of the Department of Human Settlements of the City and had not been paid for. This has put undue pressure on JOSHCO's financial position and cash flow.
2. The low level of rental collection has placed the financial viability of JOSHCO in jeopardy. The poor application of the revenue policy and the inability to link access control to collection and payment of rental makes the management of debt collection increasingly difficult.
3. The budget allocation from the city has been insufficient for JOSHCO to continue to maintain its properties at the level that it is expected to. Obviously, the budget allocation is required at a higher level due to the low rent collection and the non-payment by the Department of Human Settlements. Addressing problems 1 and problem 2 would reduce the budget allocation required from the city.
4. Planning, forecasting, and reporting is not done on a project level therefore management has a limited view on the performance of each of their projects (i.e., properties)
5. JOSHCO does not have a view of its financial performance, budgets or forecasts based on its various Programmes.

5.4 Competitor Analysis

There is a high level of need for rental housing including social, affordable and student accommodation in the city of Johannesburg. The current housing need is estimated to be over 500 000 households comprising those households which are living in informal settlements and informal backyard rentals). In addition, if household growth and migration are taken into consideration, it is estimated that there will be approximately 1,23 million households requiring housing by 2030 in the city. This implies that approximately 88,000 households need to be housed per annum. This is far more than what is currently being delivered by the city and the affordable rental sector³.

JOSHCO is one of approximately 40 accredited SHIs and 11 Other Delivery Agents (ODAs) operating in Gauteng. In addition to this there are several private sector developers focused on both the affordable market and student housing provision. JOSHCO is therefore operating in a highly competitive and dynamic business environment. Various market players offer housing solutions that are pivoted on a diverse range of value propositions.

³ SHRA, 2020. State of the Social Housing Sector. <https://saaffordablehousing.co.za/2020-state-of-the-social-housing-report/>

JOSHCO's product offering is highly competitive in that it operates in the 'gap market' which is in between the full subsidy (BNG) offering (categorised as 'free' and allowing for the ultimate benefit of ownership) and the private developer (who offers a highly affluent housing solution catering for both rental and owned housing solutions).

The table below depicts the range of competitors in the rental housing market in the city.

Table 7: Competitor analysis

Competitor	Market segment	Services	Competitors Core VP
1.Inner-City Developers	High income segment / smaller, younger but affluent families	Develop properties for ownership or rental	Customer care, superior turnaround time, well designed community, and personal services such as security, entertainment, conveniently located
2.Small Scale Affordable Rental Developers (both homeowners and rentals)	Low, medium, and high-income segments	Rental and tenancing	Developed on existing residential properties and can be both formal and informal, unregulated (hence price flexibility), no red tape
3.SHIs - New Entrants	Low-income segment	Development and rental services	<ul style="list-style-type: none"> • Fully funded • Flexibility of regulatory compliance • No political interference
4.SHIs - Existing Players	Low-income segment	Development and rental services	<ul style="list-style-type: none"> • Fully funded • Flexibility of regulatory compliance • No political interference
5.Student Accommodation	Tertiary education students	Rental accommodation	<ul style="list-style-type: none"> • Market sector experience • Most have full accreditation • Quality of Units
6.Inclusionary Housing (BNG)	Low-income group (BNG)	Giveaway housing (R1500 - R3500)	Free housing for ownership
7.Other Development Agents (ODAs)	Low-income group	Development and rental	<ul style="list-style-type: none"> • Fully funded • Flexibility of regulatory compliance • No political interference

5.5 Future Outlook

Under the leadership of the Board and the revised strategic approach, JOSHCO anticipates that its results will reflect reinvigorated operational focus and a hands-on, proactive approach to property management while protecting the balance sheet through active risk management.

It is anticipated that the South African economy will continue to face economic challenges, exacerbated by load shedding and the after-effects of the Covid-19 pandemic.

While the macro-fundamentals remain a concern, JOSHCO views social housing as a viable sector, with demand outstripping supply. Reference to the competitor analysis above is evidence that JOSHCO's business operating model remains relevant.

Various additional revenue streams were identified and implemented from the 2021/22 FY, with the intention of enhancing revenue generation including tenant regularisation, digitisation of tenant management processes, the development and management of student accommodation, outdoor advertising on buildings and reduction in consumption, recovery of utilities, and billing accuracy. The entity will continue implementing these streams, while modifying the approach where needed. This is outlined in the strategic response section that follows.

5.6. Environmental Analysis

5.6.1. Population Dynamics

Johannesburg is home to 38% of Gauteng's households and is projected to grow to between 7 million and 10 million residents by 2040. The city's youthful demographic, with nearly half of its residents under 35, and a significant proportion of women-headed households (38%), underscores the urgent need for gender-sensitive housing solutions.

5.6.2 Urbanization Trends

As South Africa's urbanization accelerates, with 63% of the population currently living in urban areas and projections of 80% by 2050, Johannesburg stands as a pivotal migration hub. The city anticipates an influx of approximately 1.4 million migrants from 2021 to 2026, significantly heightening the demand for housing.

5.6.3 Economic Landscape

Johannesburg contributes 40% to Gauteng's Gross Value Added (GVA), predominantly from the finance and real estate sectors. However, the city grapples with high unemployment rates, which reached 30.8% pre-COVID and have been exacerbated by the pandemic. The GCRO Quality of Life

Survey (2021) indicates that 20% of respondents experienced job losses, intensifying housing affordability challenges.

5.6.4 Poverty and Food Insecurity

Currently, about 2.35 million residents live below the poverty line—a 23.2% increase since 2008. Food insecurity affects 50% to 75% of individuals in poorer neighbourhoods, translating to roughly 2.2 million affected residents.

5.6 SWOT Analysis

A SWOT analysis is an analytical tool used to assess the internal and external factors that may have an impact on the performance of an organisation. The table below highlights both internal considerations ('strengths' and 'weaknesses'), and external considerations ('opportunities' and 'threats') that JOSHCO needs to consider when determining its priorities and targets, and the requirements for implementation. Importantly, the value in identifying strengths and weaknesses lies in the fact that these highlight, respectively, aspects to be further enhanced, and aspects to be addressed/ countered. In identifying opportunities and threats, JOSHCO is better positioned to understand and build on/exploit the opportunities in its forward-planning process – while mitigating against the threats.

Table 8: JOSHCO SWOT Analysis

Strengths	Weaknesses
<i>Capabilities and Skills</i>	<i>Operational Inefficiencies</i>
Proven expertise in housing development and management.	Over-reliance on manual processes; need for digital lease management and operational efficiencies.
Direct access to City-owned land and properties for new developments.	Limited capacity in tenant management, digital adoption, and in-house technical expertise.
Capable Human Resources	Compliance and Governance Challenges
Skilled and committed workforce, with a strong institutional memory.	Gaps in compliance with SHRA regulations (tenant satisfaction surveys, audits, KPIs).
Well-established brand fostering trust with tenants and stakeholders.	Weak governance frameworks, including political and City-JOSHCO leadership relations.
Service Delivery	Leadership and Organizational Stability
Strong track record in managing a large portfolio of rental housing.	Frequent leadership changes destabilize strategic direction.

Access to City's capital budget facilitates funding for projects.	Strained relations with tenants, leading to dissatisfaction and reduced retention.
	Financial Viability
	Financial distress, reliance on external funding with limited revenue diversification.
Opportunities	Threats
<i>Development Opportunities</i>	<i>Operational and Management Risks</i>
Leveraging City-owned properties for new housing developments (mixed-use, student accommodation).	Ineffective monitoring and evaluation systems hinder operational effectiveness.
Exploring Public-Private Partnerships (PPPs) to increase housing stock and revenue streams.	Lease agreement enforcement challenges, including rental defaults and tenant evictions.
Digital and Technological Advancements	Regulatory and Compliance Risks
Digital tools for lease management, maintenance tracking, and tenant communication.	Non-compliance with SHRA regulations could impact accreditation and funding.
Enhancing data collection, reporting, and monitoring frameworks to improve decision-making.	Unfavourable audit outcomes could damage credibility and hinder funding access.
Capacity Building and Skill Development	Economic and Social Challenges
Upskilling staff to reduce reliance on external consultants and improve internal capacity.	Rising rental defaults, exacerbated by high unemployment and economic instability, threaten financial sustainability.
Building in-house expertise in property management, construction, and tenant relations.	Aging infrastructure and maintenance backlogs increase costs and affect tenant satisfaction.
Corporate Governance and Transparency	Political and Governance Risks
Strengthening governance frameworks to improve transparency and accountability.	Political interference in housing allocation and management could destabilize operations.
Improving intergovernmental relations for better collaboration and support.	Leadership instability in JOSHCO and the City can create strategic uncertainty.
Revenue Diversification	Reputation Risks

Exploring new revenue streams such as property management services and student accommodation.	Negative public perception due to poor tenant relations, non-compliance, and maintenance backlogs.
Diversifying income through partnerships and expanding housing offerings.	Tenant boycotts and dissatisfaction could damage JOSHCO's reputation and reduce tenant retention.

5.8 PESTEL Analysis

A PESTEL analysis serves as a valuable tool through which to assess the macro-environment and external factors which may have an impact on an organisation, its performance and the strategic choices it makes. The acronym 'PESTEL' refers to the Political, Economic, Social, Technological, Environmental, and Legal factors that may impact on an organisation's performance and its ability to meet its mandate. Each area of analysis is reflected below, followed by a reflection on the implications for JOSHCO, a review of key trends affecting the Social Housing Industry, and an overview of the implications thereof for JOSHCO.

The PESTEL analysis is undertaken to identify, isolate and understand factors in the environment within which JOSHCO exists and operates, to better adapt and respond appropriately to the extent possible.

a). Political.

- *Governance Instability*: Coalition governance in Johannesburg has led to frequent leadership changes, impacting policy continuity and service delivery, which in turn affects JOSHCO's operational environment.
- *Public Dissatisfaction*: The GCRO Quality of Life Survey (2023) shows rising dissatisfaction with local governance, necessitating proactive engagement with tenant groups to address concerns.
- *Increased Tenant Activism*: A rise in organized tenant movements calls for transparent and responsive management practices.

b). Economic

- *Stagnant Economy*: A slow economic growth leads to a high level of poverty and unemployment which are key negative factors for social housing institutions such as JOSHCO.
- *Inflation and Cost Pressures*: Economic inflation has escalated costs for maintenance and service delivery, further straining JOSHCO's budget.

c). Social

- *Gender-Based Violence (GBV)*: GBV significantly impacts housing design and management; creating safe living environments is essential.
- *Social Discontent*: Growing public awareness of rights and dissatisfaction with service delivery necessitate enhanced communication and transparency.
- *Changing Demographics*: A shift towards younger households, particularly single-parent

families, demands tailored housing solutions.

d). Technology

- *Digital Connectivity*: Advances in technology present opportunities for improved service delivery and tenant experiences through smart housing solutions.
- *Alternative Building Technologies*: The rise of alternative construction methods offers pathways for cost-effective and sustainable housing development.

e). Legal

- *Eviction Procedures*: Compliance with legal standards regarding eviction is crucial to avoid litigation risks.
- *Building Security*: Increasing incidents of building hijacking require robust legal strategies and security measures.

f). Environment

- *Demand for Sustainable Housing*: Climate change concerns necessitate the incorporation of sustainable practices in housing development.
- *Green Building Initiatives*: There is increasing interest in green building practices, presenting funding opportunities for eco-friendly initiatives.
- *Resilience Planning*: Addressing food security and promoting resilience against climate change are critical for community engagement.

5.9 Risk Assessment

In keeping with good industry practice, JOSHCO's risk focus is not intended to identify every risk facing the organisation, but to identify those that are most significant to its ability to achieve and realise its core business strategy and objectives supporting value creation.

The risk management approach is focused on effectively managing JOSHCO's risks that could have an adverse impact on performance achievement, objectives, and stakeholders. The Board understands that risk and internal controls are an inseparable process in driving JOSHCO to the achievement of its objectives and has implemented a robust risk management process to respond appropriately to significant risks.

The Board has delegated risk oversight to its Audit & Risk Committee, chaired by an independent non-executive director that reports to the Board on a quarterly basis. The Committee considers the assessment of strategic and operational risks, implementation of mitigating strategies against residual risks and the adequacy of the control environment against the achievement of objectives.

The Executive Committee is ultimately responsible for the implementation of risk-mitigating strategies as delegated by the Board through Audit & Risk Committee. The delegation ensures that risk-mitigating strategies are implemented timeously to address the weakness within the control

environment.

The risk framework provides guidance on which risks should be escalated to the various governance JOSHCO Committees. The Audit & Risk Committee assesses, evaluates, monitors and advises the Board on the adequacy of the organisation's risk responses and how best management should deal with risk for the achievement of objectives. The Audit & Risk Committee Chairperson escalates the assessment results to the Board of Directors and the Group Risk Committee at the City for oversight.

JOSHCO has identified the following strategic risks and mitigation measures

Table 9: Strategic Risk and Mitigation Measures

Risk Description	Mitigation
Aging Infrastructure	<ol style="list-style-type: none"> 1. Prioritization of the CAPEX budget for major upgrades to reduce frequent unplanned maintenance costs 2. Conduction of the Multiyear Building Conditional Assessment subject to budget approval
Loss of stakeholder confidence	<ol style="list-style-type: none"> 1. Monitor and track the implementation of the Stakeholder Engagement Plan on quarterly basis 2. Intervention of Social facilitators where there is an unrest 3. Investigate alternative ways to automate responses for rejected applicants 4. Investigate the possibility of utilizing COGTA Hotline services for reporting of fraudulent activities 5. Ad-hoc stakeholder engagement meetings or round table discussions with the affected stakeholders 6. Conduct a survey on public perception 7. Implementation of ethics program 8. Proactively notify applicants once a project has been fully tenanted e.g., Issue communication on all social media platforms 9. Integration between Housing Management Department and Customer Relations Office
Inability to deliver projects on time	<ol style="list-style-type: none"> 1. Submit request for additional funding during budget adjustment period (Bi-annually) 2. Backlisting of non-performing contractors 3. Implementation and monitoring of the Stakeholder Engagement Plan upon new developments 4. Persuading/Petitioning with statutory bodies

Inability to continue as a going concern.	<ol style="list-style-type: none"> 1. Develop and implement an accelerated stakeholder engagement program targeted at problematic projects 2. Develop a plan to acquire buildings (affordable and student accommodation) from the inner city (Mix-use approach) 3. Develop a plan and identify Public Private Partnerships (PPPs), other grants and expression of interests 4. Initiate a request to be granted permission to execute work on behalf of other departments and entities through the City Manager 'office 5. Tap into the SHRA Trust account interest (develop a targeted plan) 6. Implementation of the Turnaround Strategy 7. Enforcement of Service Level Agreements with departments and entities 8. Continuous engagements with departments and entities to make payments 9. Escalation to Group Finance to intervene with regards to payments by departments and entities 10. Implementation of the comprehensive check list
Governance Failures	<ol style="list-style-type: none"> 1. Recruitment and appointment of vacant Executive positions 2. Development of a self-control assessment framework 3. Implementation of the Ethics Program 4. Establish and formalize the Ethics Committee 5. Implementation of the Change Management Plan
Increased safety and security incidents at JOSHCO facilities	<ol style="list-style-type: none"> 1. Dedicate CAPEX budget for major maintenance 2. Conduct a threat and vulnerability assessment on all projects, develop a plan and reprioritize the installation of biometric systems according to high-risk projects 3. Installation of CCTVs to eight projects based on the outcome of the threat and vulnerability assessment: <ul style="list-style-type: none"> • City Deep, Greenfields • Tshedzani • Fleurhof Junxion • Fleurhof Riverside • Lufhereng • Riverside view • Bellavista Infill @ Citrine Court • Orlando Ekhaya • Conduct stakeholder engagements prior to installation of biometrics

	4. Compliance Unit to conduct physical compliance assessments on some JOSHCO projects 5. Conduct a threat and security assessment on high- risk projects
Business Interruptions	1. End point protection, Firewall, and Secure Socket layer software for emails and voice over internet protocol 2. Off-side Backup and replication of critical systems. 3. POPIA Manual 4. Secondary fibre link for redundancy 5. Continuous testing of the disaster recovery plan 6. Monitor the performance of both links and switch the links respectively

5.10 Strategic analysis conclusions

1. Demand for affordable rental housing in the city is enormous and growing. This indicates that JOSHCO can continue to offer a reasonable supply of rental stock through its programmes, in line with the capital resources availed by the COJ and/or accessed from the SHRA.
2. The SWOT analysis points to JOSHCO as an entity on the threshold of robust performance and significant impact provided it can take full advantage of the available opportunities and genuinely systematically address the identified weaknesses and threats.
3. Digitisation, automation and systems integration offers JOSHCO an opportunity for a leap forward into smart operations that are efficient and effective.
4. Modifications to the funding arrangements with the COJ for projects undertaken by JOSHCO on behalf of departments will improve the financial position of JOSHCO.
5. The financial sustainability of JOSHCO depends on its ability to collect rent. It is therefore unavoidable for JOSHCO to adopt and implement a clear and compliant rental collections strategy to address rent default, rent payment arrears and optimise collection of rent that is due. Such a strategy, and the inevitable evictions, must enjoy support of the COJ in principle and operationally.
6. Assessment of competition in the affordable rental housing market points to a unique place where JOSHCO finds itself as a municipal-owned entity, thus separating JOSHCO from direct competition. Instead, as a municipal-owned entity, JOSHCO enjoys significant advantages that other actors do not have access to.

7. Given its track record and experience since establishment, JOSHCO has a unique vantage position to influence policy. This requires JOSHCO to adopt a proactive policy-advocacy and IGR programme alignment agenda to support its strategic outlook and growth aspirations.
8. It is necessary for JOSHCO to adopt a corporate strategy that is focused on programme- based performance and resource (budget) allocation. Together with portfolio operational management at individual project or property level, this will assist JOSHCO to seamlessly administer its inputs and outputs at unit level and address business costs and risks where it matters most.

6. CHAPTER 6: STRATEGIC RESPONSE - IMPLEMENTATION

6.1 Key Performance Areas

JOSHCO is committed to fulfilling its vision wherein ‘**Communities live in sustainable affordable public rental housing in the city of Johannesburg**’ and is poised, determined and unwavering in its commitment to be a smart and capable organisation focused on its mission to provide quality sustainable affordable rental housing products in convenient locations within the Johannesburg metropolitan area. Attainment will be driven by getting the basic and simple things done expertly. Accordingly, as derived from the Strategic Objectives, the following programmes shape the business of JOSHCO, as well as the budget structure and ultimately the functional organisational structure.

Table 10: JOSHCO Programmes

JOSHCO Programme	Strategic Objective	Programme purpose and focus
Programme 1: Corporate Administration	Be a smart and capable Entity	Credible, reliable and effective organisation
Programme 2: Social housing and student accommodation (units under accreditation and regulation)	Develop and manage social housing and student accommodation	Development & management of: Social housing: SHRA regulated Student accommodation: DHET regulated
Programme 3: Affordable Rental Housing (non-regulated)	Develop and manage affordable rental housing	Development and management of affordable rental housing: non-regulated
Programme 4: Special Projects services provided in line with Service Delivery Agreements (SDAs)	Implement special projects on behalf of CoJ Departments	Implement special projects for CoJ Departments to advance delivery of municipal services. Service Level Agreements concluded with CoJ Departments

Planned Performance within each programme over the next five years is outlined in the sections below. Programme Performance plans [with KPAs, KPIs and Annual targets for the MTEF period].

Programme 1: Corporate Administration

The strategic objective for this programme is that JOSHCO becomes a smart and capable entity. This programme focuses on the corporate administration functions of JOSHCO including:

- Finance
- Governance
- Corporate services
- Strategic Planning and Monitoring & Evaluation.
- IGR and stakeholder relations
- Research and knowledge management
- ICT

The emphasis is to enable JOSHCO to become financially sustainable over the strategic planning period and to improve operational efficiency. To this end there is a strong emphasis on building JOSHCO's technological efficiency including tenant screening, billing, management of rental collection and maintenance of buildings.

The deliverables for this programme are:

- Financial sustainability achieved
- Implementation of work on behalf Human Settlements department
- ICT and digital systems enabled
- Good governance
- Human resource management to enable a capable workforce
- Research and knowledge management undertaken to support implementation of strategies and operational plans based on learning and evidence
- Effective intergovernmental and stakeholder relations
- High performance standards maintained
- Of all expenditure, 30% is procured from SMMEs and designated groups
- Public employment programmes implemented to contribute towards job creation.

The resources required and outputs for this programme are shown in the table below.

Table 11: Programme 1: Corporate Administration: Deliverables and Outputs.

Key Performance Area	Deliverable	Resources	Output
Be a smart and capable entity	Financial sustainability achieved	Personnel with skills, expertise and competence	Financially sound operations Going-concern status Diverse revenue streams
	Implementation of work on behalf Human Settlements department	Personnel with skills, expertise and competence Budget	Diverse revenue stream Accelerated delivery of projects delivered
	ICT and digital systems enablement	Operating budget Personnel with skills, expertise and competence	Operation service efficiencies Cost and error reduction Improved communication
	Good governance	Board and Personnel with skills, expertise & competence	Compliance maintained Unqualified audit outcomes Minimal losses
	Effective human resource management	Operating budget	Capable workforce
	Research and knowledge management undertaken	Personnel with skills, expertise and competence	Learning and evidence-based strategies and operational plans
	Effective inter-governmental and stakeholder relations	Personnel with skills, expertise and competence	Leverage IGR and Stakeholder relation for partnerships
	High performance standards maintained	Personnel	High-performing organisation
	30% spent on SMMEs and designated groups	Capital budget Operational budget	SMME participation in procurement
	Public employment programmes to create jobs	Operational budgets	Short term job-creation

6.1.2. Programme 2: Social housing and student accommodation (units under accreditation and regulation)

The strategic objective for this programme is to develop and manage social rental housing and student accommodation.

This programme is focused on the development and management of social rental housing student accommodation as accredited. Each of these will be managed and reported on as separate and distinct portfolios. A key emphasis will be to put in place effective digitised systems that will ensure an understanding of the status of each portfolio, building and tenant on a periodic basis.

The programme comprises the following sub-programmes:

- Programme management of each niche rental housing portfolio (social housing, and student housing)
- Ensuring that all accreditation requirements are met in respect of social and student housing
- Plans to be piloting of student accommodation through Joint Venture initiatives.
- Development of new stock
- Skills development centre to be established in Jeppestown in partnership with SETA
- Effective property management of existing stock
- Effective tenant relations

The deliverables for this programme are:

- Effective programme management undertaken.
- Accreditation status with the SHRA and the Department of Higher Education and Training maintained.
- Advocate for enabling Policy.
- New rental housing units developed.
- Effective property management undertaken.
- Student accommodation is managed effectively.
- SHRA accredited stock managed effectively.
- Effective management of tenants in all rental housing stock

The resources required and outputs for this programme are shown in the table below.

Table 12: Programme 2: Social and Student Accommodation: Deliverables and Outputs

Key Performance Area	Deliverable	Resources	Output
Develop and manage social and student accommodation	Effective programme management undertaken	Personnel with specialised skills and competence Appropriate systems and procedures	Reduced maintenance and operational costs Increased percentage in rental collections
	Accreditation status with SHRA maintained	Personnel with specialised skills and competence	Policy adherence and compliance Accreditation sustained
	Advocate for enabling Policy	Research and evidence developed	Policy shift
	Additional rental units developed	Capital budget	More rental stock delivered
	Effective property management undertaken: Student Accommodation managed effectively SHRA accredited stock managed effectively	Operating budget Enhanced ICT	Reduced maintenance and operational costs Adequate living conditions
	Effective management of tenants in all rental housing stock	Operating budget Personnel with specialised skills and competence	Rent-paying tenants Harmony in properties Satisfied tenants Compliant leases in place Occupancy levels above 95%

6.1.3 Programme 3: Affordable Rental Housing (non-regulated)

The strategic objective for this Programme is to provide and manage affordable rental housing stock. This programme will focus on the provision of affordable rental housing. Each of the properties will be managed and reported on as separate and distinct portfolios. A key emphasis will be to put in place effective digitised systems that will ensure an understanding of the status of each building and tenant on a periodic basis.

The programme comprises the following sub-programmes:

- Programme management of the portfolio
- Policy advocacy and compliance
- Development of new affordable rental housing units
- Building of affordable rental stock through conversion methods within the City Centre
- Effective property management of existing stock
- Effective tenant relations

The deliverables for this programme are:

- Advocate for an enabling policy and manage compliance
- New affordable rental housing units developed
- Effective property management services for all units
- Effective tenant management services for all units

The resources required and outputs for this programme are shown in the table below.

Table 13: Programme 3: Affordable Rental Housing: Deliverables and Outputs

Key Performance Area	Deliverable	Resources	Output
Affordable rental housing stock	Advocate for an enabling Policy and manage compliance	Personnel with specialised skills and competence	Policy adherence and compliance Policy shift
	New affordable rental housing stock developed	Capital budget	Safe living environments
	Effective Property Management services for all units	Operating budget Enhanced ICT	Adequate living conditions in all affordable housing units
	Effective Tenant Management services for all units	Operating budget Personnel with specialised skills and competence	Rent-paying tenants. Harmony in rented properties & environments Satisfied tenants

			Compliant leases in place
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6.1.4 Programme 4: Special Projects service provided in line with Service Delivery Agreements (SDAs)

The strategic objective for this Programme is to provide assigned municipal services.

This programme will focus on providing municipal services as requested and agreed by the city. Each service will be reported on as a separate cost centre and in a manner that covers JOSHCO's costs.

The programme comprises the following sub-programmes:

Programme management of each portfolio (hostels, transitional housing, staff rental housing)

- Policy advocacy and compliance
- Municipal Services provision in relation
- Procurement services
- Utilities management services
- Programmes and projects management services

The deliverables for this programme are:

- Effective programme management
- Policy and by-laws compliance
- Municipal services provided in line with service delivery agreements

The resources required and outputs for this programme are shown in the table below.

Table 14: Programme 4: Special Projects services provided in line with Service Delivery Agreements (SDAs): Deliverables and Outputs

Key Performance Area	Deliverable	Resources	Output
Provide assigned municipal services	Programme Management	Personnel with specialised skills and competence Appropriate systems and procedures	Project delivered within time frame and budget

	Provide municipal services in line with the Service Delivery Agreements related to: Procurement services Programmes and projects management services Utilities management services	Operating budget Capacity assembly and contracting strategy for: specific skills, expert knowledge competence systems and equipment	Municipal services delivered according to set standards Satisfied customers Procurement services Programmes and projects management services Utilities management services
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6.1.5 Objective-based Budget Structure – aligning resources to priorities

In line with the National Treasury's *framework for Objective-based budget structure & programmes*, the approach is applied within JOSHCO in order to bring clarity, predictability and proper alignment between limited resources and specific programmes and sub- programmes. The resourced programmes are a clear indication of commitment to priorities.

A major shift in budget arrangement in this business plan is that **financial management and control should be exercised at programme and at a project level**. Furthermore, the medium-term forecasting for JOSHCO as well as the annual budgeting is to be undertaken at a programme, sub-programme and at project level. This is enabled through a financial model that ensures budget, expenditure and revenue is reconciled and controlled at unit level and built up towards composite organisational level indicators and measurements. The sub-programmes to be implemented per programme are shown in the table below.

Furthermore, this business plan recognises that the financial viability and sustainability of JOSHCO must be pursued with the necessary robustness. Most significantly, the following areas are the priorities for remedial interventions:

1. JOSHCO is in effect a combination of multiple, albeit related, business (SHI, Communal, City Services), which should be budgeted for, reported and performance managed separately. Further, JOSHCO's unit cost structure to be managed for different business activities in relation to operation, maintenance and refurbishments.
2. JOSHCO's balance sheet is impacted by related party transactions not settled when due. This requires that modifications be effected to the funding arrangements with the COJ for projects undertaken by JOSHCO on behalf of departments. This will improve the financial position of

JOSHCO. Options include drawdown funding arrangements to ensure liquidity and cash-flow for projects. A standard operating procedure must serve to clarify these arrangements.

3. Sustained and/or recurring operating budget deficits related to JOSHCO's current rent collection rates must be addressed.

Table 15: Sub-programmes

Sub- programme	Programme 1 Corporate Administration	Programme 2 Social housing and student accommodation (units under accreditation and regulation)	Programme 3 Affordable Rental Housing (non-regulated)
Sub-programme	Finance	Programme Management	Programme Management
Sub-programme	Governance	Accreditation & Policy Advocacy	Policy advocacy and compliance
Sub-programme	Corporate Services	New Developments	New Developments
Sub-programme	Corporate Planning & Performance; Research & KM	Property Management	Property Management
Sub-programme	IGR & Stakeholder Relations	Tenant Management	Tenant Management
Sub-programme	ICT and digitisation enablement		
Sub-programme	Implementation of work on behalf of Human Settlements department		

Key arrangements in respect of each sub-programme are outlined below:

a) Programme Management

JOSHCO has adopted a programme-based strategy. Key principles of programme management are geared towards ensuring that:

- Each portfolio is managed separately and in terms of the unique requirements of the portfolio.

- The governance (policy, by-laws and regulations) requirements are satisfied at any given point of the programme management cycle.
- Resource inputs (planning, budgets, capacity, operational arrangements) required to achieve programme objectives are appropriately committed and deployed.

b) Developments

Project developments by nature require specific contracting arrangements between parties. Similarly, JOSHCO will introduce a standard operating procedure to inform and guide the conclusion of project and development agreements with the COJ Departments. This will also give effect to the programme and sub-programme approach adopted in this business plan.

The simple focus is to ensure that each programme, and thus projects and developments therein, are managed separately in terms of the unique and peculiar attributes and requirements for each programme and projects portfolio. In the main JOSHCO projects and development portfolio will fall in one of the following:

- Social housing as accredited by the SHRA
- Affordable rental housing (non-regulated stock)
- Student accommodation
- Refurbishment, maintenance and upgrade of COJ rental stock (hostels)
- Human Settlements Programmes and/or Projects

c) Property Management

JOSHCO has implemented a strategy of managing each property within the portfolio separately in terms of the unique requirements applicable to the portfolio. In effect, portfolio operational management at individual project or property level serves to assist JOSHCO to seamlessly administer its inputs and outputs at unit level and address business costs and risks where it matters most.

Ultimately, the cost of operation and maintenance, the structural and aesthetic condition is best managed specifically. Accordingly, the financial and other records and reporting is maintained per property. Quality management is enhanced through dedicated focus on each property throughout its lifespan.

d) Tenant Management

The tenant management function is geared to manage the full life cycle of all families and individuals renting any one of JOSHCO's properties. This includes recruitment, onboarding, community living, termination and eventual off-boarding.

In this cycle, the tenant must be appropriately billed for the rent that is due and, in turn, the tenant must pay the rent as it becomes due. In addition, the tenant must be in a position to communicate with JOSHCO on any

matter that affects them during their stay in the leased property. JOSHCO employs a variety of systems and procedures to maintain the relationship with the tenants within the ambit of the applicable legislation and regulations. As such, a comprehensive tenant-management strategy is in place to ensure JOSHCO discharges its obligations as a landlord.

Innovative means of collecting rentals must be explored and applied to support the drive to collect rent that is due. These include debit order facilities and, in instances where City employees are tenants, we continually collect rentals via payroll deductions.

A programme of tenant mobility towards other housing options (e.g., home ownership, access to non-regulated rental housing, etc.) must support tenant empowerment to avoid stagnation.

e) Management arrangements

The focus is comprehensive and responsive tenant management arrangements, within a policy supported by innovative solutions for improved management of JOSHCO rental stock and tenant relations directed towards:

- Clear and equitable criteria for determining suitability of tenants for leasing
- A compliant framework for the determination of rentals
- Explicit rules and guidelines to ensure fair and consistent lease management
- Simple channels of communication between tenants and JOSHCO

Specifically, tenant management arrangements seek to set clear and specific procedures for

- Marketing of available units
- Application, registration and screening of potential tenants
- Take-on of tenants (and eventual tenant exit or off boarding)
- Allocation of units for letting, billing and rent collection
- Letting contracting and enforcement of lease agreement breaches
- Tenant communication and liaison, engagements, consultation and empowerment
- Complaints management, conflict and dispute resolution
- Tenant Satisfaction Survey
- Periodic unit inspections

f) Customer Relations Management

In order to manage and analyze customer interactions and data across the customer lifecycle, JOSHCO employs a combination of practices, strategies, and technologies encompassed within customer relationship management (CRM). The objective is to strengthen interactions with customers to promote

client retention and increase sales. In the entity, we have a strong interface with both our clients and stakeholders. This is driven through various methods with our Customer Care and Administration unit which oversees the function of effectively handling JOSHCO customers, through the provision of day-to-day responses to customer queries.

The role of Information and Communication Technology (ICT) in JOSHCO's operations is pivotal for enabling efficient and effective business processes. With the rapid pace of technological advancements, JOSHCO is committed to leveraging digitization, automation, and systems integration to drive business success and enhance operational effectiveness. The ICT strategy supports the organization's goal of achieving smarter operations that are data-driven, automated, and responsive to both internal and external demands.

JOSHCO's customers fall into three categories, each with specific and differentiated requirements, as well as aspirations, expectations and interests:

1. **Tenants in JOSHCO residential properties:** These are JOSHCO's primary customers and the going concern status of JOSCHO is significantly reliant on this category of customers. JOSHCO's robust tenant management strategy and plan must continuously be adapted and updated to ensure effective recruitment, screening and selection, contracting, on-boarding and ongoing liaison for the duration of the lease, including the eventual exiting.
2. **Tenants in JOSHCO's commercial properties:** These tenants lease and occupy JOSHCO's commercial properties which are integrated into JOSHCO's housing developments to provide diversity and convenient access to services within the properties. They enjoy the support of JOSHCO's residential tenants primarily and the surrounding communities, where access permits.

g) ICT Contribution to Business Success

Digitization, automation, and systems integration are core enablers of JOSHCO's goal to achieve smarter, more efficient operations. By optimizing its ICT infrastructure and systems, JOSHCO can enhance its ability to serve tenants, streamline internal processes, and improve overall organizational performance.

- **ICT as a Central Enabler:** The optimization of ICT capabilities is central to JOSHCO's operational success. The integration of advanced software solutions, cloud-based platforms, and real-time data analytics ensures the efficiency and effectiveness of property and tenant management, financial administration, and reporting functions.

- **Key Information Systems:**

- **Sage Pastel:** Utilized for general ledger, accounting, and consolidated financial reporting, ensuring seamless financial operations.
- **MRI Property Management Software:** Initially implemented as MDA (now MRI), this real estate management solution supports all aspects of property management, including maintenance, leasing, billing, and rent collections. The cloud-based version enables remote access across various properties, ensuring real-time updates and effective portfolio management.
- **Customization of MRI Software:** Going forward, the MRI system will be further customized to align with JOSHCO's business objectives, including enhancing the program and sub-programme approach for property management. This will ensure that property portfolios are reported on individually and allow detailed tracking of tenants' rental payments and arrears.

By optimizing these systems and processes, JOSHCO aims to enhance reporting accuracy, ensure effective management of properties, and increase operational transparency.

- **The ICT Strategy**

JOSHCO's ICT strategy is designed to empower the organization with tools and capabilities that streamline operations, reduce human error, and improve decision-making. Key components of the strategy include systems integration, tenant management automation, and robust financial administration systems.

1. **Systems Integration:** Seamless integration of ICT systems across JOSHCO's operations will enable better data flow, reduce redundant tasks, and provide a unified platform for decision-making. Integration will facilitate real-time monitoring and management of property, financial, and tenant data.
2. **Comprehensive Automation:** By automating critical business processes, JOSHCO will reduce reliance on manual inputs, improve data accuracy, and speed up decision-making processes.
3. **Holistic Data Integration:** The goal is to integrate various systems, including MRI for property management, Sage Pastel for accounting, and other internal databases, to create a holistic view of operations and performance.
4. **Tenant Management:** Improving tenant management through digitization and automation will enhance tenant satisfaction, streamline internal processes, and ensure faster responses to tenant needs.
 - 4.1. **Online Applications for Student Accommodation:** Given the high volume and turnover of student accommodation, an integrated online application system is

essential. This system will link to existing platforms and ensure seamless tenant onboarding.

4.2. Integration with MRI for Tenant Management: JOSHCO will integrate its systems to allow a unified mechanism for access control, linked to rental payments. This integration will also enable automatic management of utility provisions and service cut-offs for tenants with unpaid rent.

4.3. Vacancy and Leasing Automation: An automated vacancy and leasing system will ensure efficient lease management, with early alerts for key milestones such as lease renewals or upcoming vacancies.

By streamlining tenant management processes, JOSHCO aims to improve operational efficiency and create a more responsive tenant service experience.

5. Financial Administration: Billing and rent collection are the core of JOSHCO's financial viability. The ICT strategy places significant emphasis on automating these processes to ensure consistent revenue flow and minimize operational risks.

5.1. Billing and Rent Collection Automation: JOSHCO will continue to enhance its billing systems, ensuring that rent collection is seamless, accurate, and timely. Automated systems will reduce human error, and integrated payment options will make it easier for tenants to pay their rent.

5.2. Debt Management and Payment Arrangements: For tenants who fall behind on payments, automated reminders and payment plans will be offered. These arrangements will ensure tenants can catch up on overdue rent while continuing to pay their current rental fees.

Effective rent collection and debt management are essential for JOSHCO's long-term sustainability and success.

6.2 Corporate Scorecard

The Corporate Scorecard has been populated in the circular 88 template, which outlines the performance indicator, quarterly targets and the quarterly budget – as reflected in the table below.

Table 16: JOSHCO's Corporate Scorecard for the 2025/26 Financial Year:

GDS OUTCOME: A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region														
MAYORAL PRIORITY: Financial Sustainability														
KPI No.	Key Performanc e Indicator (KPI)	Bas eline 2023 /24	2025/26 Target	2025/26 Quarterly Performance Targets				2025/26 Budget Per Projects R 000						Means of Verification
				Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				
								Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
1	Current Ratio	0:46	Current ratio 1:1	1:1	1:1	1:1	1:1	-	60	14	14	14	18	Quarterly management accounts
2	Solvency Ratio	0:48	Solve ncy Ratio 1:1	1:1	1:1	1:1	1:1	206 637	-	51 000	102 000	155 250	206 637	Quarterly management accounts
3	% Collection in respect of current debtors.	69%	80% collecti on in respect of current debtors	80%	80%	80%	80%	-	N/A	N/A	N/A	N/A	N/A	Revenue Report approved by the EXCO.
4	% Reduction of Deficit	New KPI	40%	-	10%	-	40%	-	N/A	N/A	N/A	N/A	N/A	Annual Financial Statements
5	% Of valid invoices paid within 30 days of invoice receipt	54%	100% of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of	100% of valid invoice s paid within 30 days	100% of valid invoice s paid within 30 days	100% of valid invoices paid within 30 days of invoice	-	2 766	691	692	691	692	Quarterly Management Report

GDS OUTCOME: A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region

MAYORAL PRIORITY: Financial Sustainability

KPI No.	Key Performanc e Indicator (KPI)	Bas eline 2023 /24	2025/26 Target	2025/26 Quarterly Performance Targets				2025/26 Budget Per Projects R 000						Means of Verification
				Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				
								Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
				invoice receipt	of invoice receipt	of invoice receipt	receipt							
6	Number of SMMEs Supported	New KPI	15 SMMEs supported	-	-	-	15	-	-	-	-	-	-	-List of SMMEs -Appointment letter /Signed SMME Contract or Sub-Contract. -Submitted Invoices
7	% expenditure on approved capital budget	100%	100% expendit ure on approve d capital budget	25%	50%	75%	100%	206 637	-	51 000	103 000	154 250	206 637	SDBIP Report and Invoice paid.

GDS OUTCOME: A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region

MAYORAL PRIORITY: Good Governance

8	% resolution of internal audit findings	100%	100% resolution of Internal Audit findings	30%	50%	75%	100%	-	N/A	N/A	N/A	N/A	N/A	ARC approved Internal Audit Report
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GDS OUTCOME: A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region

MAYORAL PRIORITY: Financial Sustainability

KPI No.	Key Performance Indicator (KPI)	Baseline 2023 /24	2025/26 Target	2025/26 Quarterly Performance Targets				2025/26 Budget Per Projects R 000						Means of Verification
				Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				
								Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
9	% resolution of AGSA findings	53%	100% resolution of AGSA findings	-	-	30%	100%	-	N/A	N/A	N/A	N/A	N/A	ARC approved Internal audit report
10	Level of audit opinion	Unqualified audit opinion	Unqualified audit opinion	-	-	-	Unqualified audit opinion	-	11 361	5 680	5 681	-	-	Auditor General final report
11	% compliance to laws and regulations	98.6%	100% compliance to laws and regulation	100%	100%	100%	100%	-	N/A	N/A	N/A	N/A	N/A	Board approved Compliance reports
12	% Implementation of corrective action against identified risks	100%	100% Implementation of corrective action against identified risks	100%	100%	100%	100%	-	N/A	N/A	N/A	N/A	N/A	Board-approved Risk Control Assessment Report

GDS OUTCOME: A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region

MAYORAL PRIORITY: Financial Sustainability

KPI No.	Key Performanc e Indicator (KPI)	Bas eline 2023 /24	2025/26 Target	2025/26 Quarterly Performance Targets				2025/26 Budget Per Projects R 000						Means of Verification
				Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				
								Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
13	% Employee vacancy rate	11.01 %	8% employee vacancy rate	8%	8%	8%	8%	-	2 559	639	639	643	638	Approved Organogram and SAP report on positions filled

GDS OUTCOME: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy

Mayoral Priority: Smart City

14	Number of jobs created for the unemployed through EPWP programmes or other employment initiatives.	831	1000 Jobs created	250	500	750	1000	-	20 575	5 144	10 288	15 431	20 575	EPWP Database, Signed EPWP contracts. Signed and dated Timesheet, certified copy of ID. Proof of payment.
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GDS OUTCOME: Provide a Resilient, Liveable, Sustainable Urban Environment – Underpinned by Smart Infrastructure Supportive of a Low Carbon Economy

MAYORAL PRIORITY: Infrastructure Development and Refurbishment

GDS OUTCOME: A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region

MAYORAL PRIORITY: Financial Sustainability

KPI No.	Key Performance Indicator (KPI)	Baseline 2023 /24	2025/26 Target	2025/26 Quarterly Performance Targets				2025/26 Budget Per Projects R 000						Means of Verification
				Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				
								Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
15	Number of Social housing units completed	495	500 Housing Units completed	-	-	-	500	206 637	-	51 65 9 250	103 3 18 500	154 9 77 750	206 637	Occupation certificate or practical completion certificate
16	% of Occupancy rate across all JOSHCO rental units	98%	98% occupancy rate	98%	98%	98%	98%	-	N/A	N/A	N/A	N/A	N/A	MRI reports or tenancy schedule
17	% achieved of service level standard	100%	100 % achieved of service level standard	100 % achieved of service level standard	100 % achieved of service level standard	100 % achieved of service level standard	100 % achieved of service level standard.	-	337 127	84 281	84 281	84 281	84 284	Approved service level standard report.

GDS OUTCOME 2: Provide a Resilient, Liveable, Sustainable Urban Environment – Underpinned by Smart Infrastructure Supportive of a Low Carbon Economy

MAYORAL PRIORITY: Sustainable Service Delivery

18	Number of tenants engagement	5	4	1	2	3	4	-	N/A	N/A	N/A	N/A	N/A	Event reports and attendance register.
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GDS OUTCOME: A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region															
MAYORAL PRIORITY: Financial Sustainability															
KPI No.	Key Performance Indicator (KPI)	Baseline 2023 /24	2025/26 Target	2025/26 Quarterly Performance Targets				2025/26 Budget Per Projects R 000						Means of Verification	
				Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex					
								Capex (000)	Opex (000)	Q1	Q2	Q3	Q4		
19	% of additional revenue accrued from special projects	New KPI	100% of total revenue from non-core or newly developed alternative revenue streams.	100%	100%	100%	100%	-	N/A	N/A	N/A	N/A	N/A	N/A	Quarterly Management account /annual financial statements

Circular 88 Indicator Scorecard (National Treasury's Circular 88 key performance indicators and targets)

Table 17: Circular 88 Indicators

Circular 88 Outcomes	No	IDP Performance Indicator (Outcomes)	Ref No.	Baseline (estimated Annual Performance 2021/22)	Target for (MTREF) (3 years)			Target for 2026/27 (End of Term)
					Yr1	Yr2	Y3	
HS2. Improved functionality of the residential property market	6	Percentage of households living in formal dwellings who rent	HS 2.3			98%		

6.3 Key Performance Indicator Definition

The table that follows reflects the technical indicators, their descriptions, specifics in terms of roll-out, and responsible parties.

Table 18: Technical Indicators Descriptions

KPI no.	Indicator title	Short definition	Purpose / importance	Portfolio of evidence	Method of calculation	Data limitation	Type of indicator	Calculation type	Reporting cycle	New KPI?	Desired performance	Indicator responsibility
<i>Smart and capable entity</i>												
1	Current Ratio	The indicator refers to JOSHCO's ability to pay short term obligations, or those due within a year	To measure the financial sustainability of the organisation	Quarterly Management account / annual financial statements	Current ratio Current assets divided by current liabilities	None	Quantitative	Cumulative	Quarterly	No	current ratio 1:1	Chief Financial Officer
2	Solvency ratio	The indicator refers to JOSHCO's ability to meet its long-term debt obligations. The ratio indicates whether the company's cashflow is sufficient to meet its long-term obligations	To measure the long-term financial sustainability of the organisation	Quarterly Management account /annual financial statements	Solvency ratio Total assets divided by total liabilities	None	Quantitative	Non-Cumulative	Quarterly	No	Solvency ratio 1:1	Chief Financial Officer
3	% Collection of debtors on current billing	The indicator refers to the percentage of money collected as a percentage of the	To enhance financial sustainability of the organisation	MRI (management reports incorporated) Software System or any billing system Financial Summary or	Rental collected/ total bill	Delinquent payers. Different versions of reports.	Quantitative	Non-Cumulative	Quarterly	No	80%	Chief Financial Officer/Chief Operations Officer

				final billing report								
4	% Reduction of deficit	The indicator measures the reduction of the entity's deficit through increased revenue generation and cost optimization	To enhance financial sustainability of the organisation	Quarterly Management account /annual financial statements	(Current year deficit for the reporting period - Prior year deficit for the reporting period) / Prior year deficit for the reporting period*100	None-payment	Quantitative	Non-cumulative	Annual	yes	40%	Chief Financial Officer/Chief Operation Officer
5	% Valid invoices paid within 30 days of invoice receipt	The indicator refers to the percentage of invoices paid within 30 days.	To ensure that the organisation complies with payment of service providers within the prescribed time and avoids interest and penalties. It also ensures that SMMEs providing services to JOSHCO are sustainable.	Age analysis (quarterly) with PDF audit trails or Purchase Master	Invoices paid within 30 days of receipt per quarter less invoices not due/ total valid invoices received for the same period, multiplied by 100. Note: Valid invoices have to be signed and dated. Invoices that are received from the 25th of the last month of the previous quarter are considered	None	Quantitative	Non-cumulative	Quarterly	No	100%	Chief Financial Officer

					Days: Weekend and public holidays are not counted							
6	Number of SMMEs supported	This indicator measures the number of SMMEs supported by the under local subcontracting. The definition for the number of SMMEs supported entails financial and non-financial support defined as provision of contracts or sub-contracting of SMMEs in JOSHCO capital projects	Create an enabling environment for businesses to thrive and become sustainable. The development and support of SMMEs and entrepreneurs play an important role in accelerating economic growth and job creation.	-List of SMMEs -Appointment letters or Signed SMME Contract or Sub- Contract	Simple Count of listed SMMEs	Inaccurate or inadequate information provided by main contractors.	Output	Cumulative	Quarterly	Yes	15	COO and CFO

KPI no.	Indicator title	Short definition	Purpose / importance	Portfolio of evidence	Method of calculation	Data limitation	Type of indicator	Calculation type	Reporting cycle	New KPI?	Desired performance	Indicator responsibility
7	%expenditure of approved CAPEX budget	This indicator refers to the spending of CAPEX budget.	The indicator seeks to track the expenditure on the approved CAPEX budget.	SDBIP Report Paid Invoice	Total CAPEX spent divided by total approved CAPEX budget, multiplied by 100.	None	Economy	Cumulative	Quarterly	No	100%	Chief Financial Officer

Good Governance												
8	% Resolution of Internal Audit findings	The indicator refers to the closing of audit findings that are due for implementation. It seeks to ensure that audit findings are addressed, to minimize or mitigate weaknesses within the control environment	Improve the organisation's control environment	Internal Audit reports or Internal and External Audit Findings dashboards	Total number of internal audit findings resolved/total number of internal audit findings (excluding findings that are less than 60 days) *100	Departments not resolving findings	Output	Cumulative	Quarterly	No	100%	CFO, COO and EMs
9	% Resolution of external audit findings	It measures the number of audit findings resolved against the total number of audit findings issued by the AGSA	Improve the control environment of the organisation.	Internal audit tracking reports submitted to Executive Committee (EXCO) as well as the Audit and Risk Committee. Internal audit reports or Internal and External Audit Findings dashboards	Total number of Auditor General findings resolved/total number of Auditor General findings. <i>Note: The resolution of Audit findings that relate to the annual financial statement will be calculated in quarter 4.</i>	Departments not resolving findings	Output	Cumulative	Quarterly	No	100%	CFO, COO All EMs

10	Unqualified audit opinion	This indicator refers to the achievement of an unqualified audit opinion by an independent auditor (AGSA). An unqualified audit opinion refers to an independent audit judgement that the company's financial statements are fairly and appropriately presented, without any exceptions and in compliance with accounting standards	Improve the control environment of the organisation	JOSHCO's integrated annual report and Auditor General final reports.	Simple read of the AG report	AGSA Audit Report	Output	Non-cumulative	Annually	No	Unqualified audit opinion	Chief Financial Officer
11	% Compliance to laws and regulation	The indicator refers to tracking of the extent to which JOSHCO complies with the laws and regulations that are relevant. As an MOE, JOSHCO has aligned its	Improve the organisation's control environment	Compliance registers and Regulatory Universe monitoring registers. Compliance report.	sum of all legislation % reported as assessed/2800 x100	Non submission by business units responsible for implementation of the Acts monitored for	Output	Non-cumulative	Quarterly	No	100%	EM: Planning & Strategy

		compliance function with that of the CoJ's Group Compliance and Advisory Services'										
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KPI no.	Indicator title	Short definition	Purpose / importance	Portfolio of evidence	Method of calculation	Data limitation	Type of indicator	Calculation type	Reporting cycle	New KPI?	Desired performance	Indicator responsibility
		Compliance Framework, for the purpose of integrated reporting and monitoring compliance risks on a holistic level.				compliance						
12	% Implementation of corrective action against identified risks	The indicator refers to monitoring of mitigation actions identified to address strategic risks. The aim is to effectively manage business risk to ensure that the risks facing the	Improve the control environment of the organisation.	Strategic Risk Register, and approved risk report submitted to Group Risk	Number of implemented strategic risk action plans divided by total number of strategic risk action plans	Departmental units' submission of data	Output	Non-Cumulative	Quarterly	No	100%	EM: Business Planning and Strategy; and All EMs

		organisation do not negatively affect the business objectives of the organisation			due for implementation on multiplied by 100							
13	8% employee vacancy rate	<p>Maintaining the vacancy rate of 8% and below, for all approved and funded positions.</p> <p>This is for filling of positions that are in the approved organogram and have been funded in the financial year.</p>	To ensure all departments are capacitated to support the overall delivery of the organisational objectives	The approved organogram that reflects positions, SAP report (spreadsheet) that shows positions filled, and Spreadsheet of total funded positions.	Vacant funded positions/ total funded positions X 100.	None	Output	Non-cumulative	Quarterly	No	8% employee vacancy rate	EM: Corporate Services

KPI no.	Indicator title	Short definition	Purpose / importance	Portfolio of evidence	Method of calculation	Data limitation	Type of indicator	Calculation type	Reporting cycle	New KPI?	Desired performance	Indicator responsibility
Job Opportunity and Creation												
14	Number of jobs created for the unemployed through EPWP programmes or other employment initiatives	The indicator refers to the number of jobs created through the EPWP Programme during the financial year under review. Jobs: refer to temporary jobs linked to projects by JOSHCO to develop housing units, and to deliver through repairs and maintenance or in JOSHCO offices.	To promote economic development through job creation and skills transfer.	Service provider – Register and Payroll Attendance Register/time sheet, proof of payment, ID, and employment contract.	Simple count of jobs created as defined.	Budget from DED	Output	Cumulative	Quarterly	No	1000	COO
Sustainable Service Delivery												
15	Number of Social housing units completed	The indicator refers to the number of social housing units developed to reach practical completion.	Enhanced quality of life that provides meaningful redress through pro-poor housing development.	Occupancy certificate or practical completion certificate.	Simple count of social housing units completed	Evidence not provided due to projects not being met on time.	Output	Non-Cumulative	Annually	No	500	COO

KPI no.	Indicator title	Short definition	Purpose / importance	Portfolio of evidence	Method of calculation	Data limitation	Type of indicator	Calculation type	Reporting cycle	New KPI?	Desired performance	Indicator responsibility
16	% of Social Housing units occupancy rate across all units.	The indicator refers to the percentage of units occupied across all available JOSHCO units.	The indicator seeks to improve efficiency in the management of all units and enhance financial sustainability.	MRI report with an occupancy interpretation report or Tenancy schedule or Occupancy audit schedule or any system generated report for tenant management.	Number of units occupied in active JOSHCO projects as a percentage of the total number of active units available. This excludes untenable units or spaces.	Eligible tenants	Output	Non-cumulative	Quarterly	No	98% occupancy rate	COO
17	% achieved of service level standard	The indicator refers to tracking of the service level standard agreed on with the shareholder	Meet the service level standards with the COJ. Improve customer satisfaction levels.	Approved service level standard report. Individual standard evidence as per SLS Technical indicator descriptor	The number of KPIs achieved in the Service Level Standards Agreement/ total no of Service Level	Unavailability of systems	Output	Non-cumulative	Quarterly	Yes	100%	EM: Planning and Strategy and all Executives

					Standards achieved multiplied by 100							
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KPI no.	Indicator title	Short definition	Purpose / importance	Portfolio of evidence	Method of calculation	Data limitation	Type of indicator	Calculation type	Reporting cycle	New KPI?	Desired performance	Indicator responsibility
Sustainable Service Delivery												
18	Number of Tenant engagement conducted	The indicator refers to the number of tenant initiatives .	Meet the service standards with the COJ. Improve tenants' satisfaction levels.	Event Repot. Attendance Registers.	Simple count	None.	Output	Cumulative	Quarterly	No	4	COO
19	% of additional revenue accrued from special project	The indicator measures the amount of money generated from implemented special projects.	To enhance financial sustainability of the organisation	Quarterly Management account /annual financial statements	Total contract value multiplied by percentage management fees	None-payment	Outputs	Non-cumulative	Quarterly	Yes	100%	CFO/COO

6.4 Service Standard Charter

The relationship between JOSHCO and the COJ, as its parent municipality and JOSHCO's sole shareholder, is formalised through various processes and forms of documentation, including the Service Delivery Agreement (SDA) and the Shareholder Compact. Section 93B (a) of the Municipal Systems Act stipulates conditions around "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 (SLS). The agreed SLS with the City are included below.

Table 19: Service Level Standards

#	Key Performance Indicator	Baseline 2022/23	2024/25 Target	Quarterly Performance targets				2024/25budget per projects R 000						Means of Verification
				Q1	Q2	Q 3	Q 4	Total budget		Quarterly Budget target Capex and Opex				
								Cap ex	Opex	Q1	Q2	Q3	Q4	
1	% Accurate bills of all active customers.	98.05%	98%	98%	98%	98%	98%		N/A	N/A	N/A	N/A	N/A	Dated and signed pre- billing monthly report for each project per tenant
2	% Of maintenance requests attended within 14 working days of the logged call.	99.49%	96%	96%	96%	96%	96%		8 500	2 125	2125	2 125	2 125	MDA/MRI software systems generated report
3	% Implementation of planned routine building maintenance	100%	100% cumulative	25%	50%	75%	100%		20 000	5 000	5 000	5 000	5 000	Approved routine building maintenance plan, signed maintenance forms, approved purchase orders, invoices and certificates of completion
4	Days taken to send the outcome of application enquiry.	1	5	5	5	5	5		N/A	N/A	N/A	N/A	N/A	Monthly service level standards
5	Days taken to communicate the outcome of the housing unit application for all existing JOSHCO rental units	2.5	7	7	7	7	7		N/A	N/A	N/A	N/A	N/A	SMS report
6	Acknowledgement and response within 24 hours of complaint being logged	24hr	24 hrs	24 hrs	24 hrs	24 hrs	24 hrs		N/A	N/A	N/A	N/A	N/A	Automated email or Autoreply spreadsheet.
7	Days taken to resolve lodged complaints/queries.	1	5	5	5	5	5		N/A	N/A	N/A	N/A	N/A	Monthly service level standards Emails to customers

Table 20: SLS Technical Indicators Descriptors Table.

N o	Core Service	Indicator Title	Short Definition	Purpose / Importance	Evidence / Collection Of Data	Method Of Calculation	Data Limitation	Type Of Indicator	Calculation Type	Reporting Cycle	Desired Performance	Indicator Responsibility
1.	Billing of customers	98% accurate bills of all active customers	The indicator seeks to measure the accuracy of billing sent to active customers.	To improve service delivery standards by ensuring that bills sent to active customers are close to 100% accurate. Gain trust from our tenants. To execute the billing process in a manner that optimises rental income from tenants.	Dated and signed prebilling monthly report for each project per tenant. Approved tariff report	Number of active tenants billed accurately/total number of active billed tenants multiply by 100	None	Quantitative	Non-Cumulative	Monthly/Quarterly	98%	Chief Financial Officer Revenue Manager
2.	Attending to request to maintenance	96 % of maintenance requests attended within 14 working days	The standard measures turnaround time in responding to logged maintenance by JOSHO tenants	To improve service delivery standards by ensuring that maintenance requests are attended within the 14-day turnaround time as per the Service Level Agreement for Service Delivery	MDA report on jobs logged (extracted from MDA) OR Maintenance Complaints queries report by FMA.	Monthly: Jobs completed within turnaround divided by total maintenance requests reported for the period under review multiplied by 100	None	Output	Non-cumulative	Monthly/Quarterly	96 % of maintenance requests attended within 14 working days	COO GM: Housing Management

N o	Core Service	Indicat or Title	Short Definitio n	Purpose / Importance	Evidence / Collection Of Data	Method Of Calculation	Data Limitation	Type Of Indicator	Calculati on Type	Reporti ng Cycle	Desired Performan ce	Indicator Responsibility
				Standards between CoJ and JOSHCO		Quarterly: Average of the percentage achieved for the 3 months of the quarter.						
3.	Routine Building maintenance	Once per year and as when required	The standard monitors planned maintenance for the financial year to ensure that JOSHCO's building remain user friendly and are preserved	To improve service delivery standards by ensuring that routine building maintenance for JOSHCO projects is completed once per year and/ or when required	Approved Routine Building Maintenance Plan for the financial year submitted once during quarter 1 and/or revised plan where necessary; MDA report on Routine Building Maintenance(extracted from MDA system), approved purchase orders, signed maintenance forms, invoices and certificates of completion.	Monthly: Routine building maintenance jobs completed divided by planned routine building maintenance jobs for the period under review multiplied by 100 Quarterly: Average of the percentage achieved for the 3 months of the quarter	None	Output	Non-cumulative	Monthly/Quarterly	100%	COO GM: Housing Management

N o	Core Service	Indicat or Title	Short Definitio n	Purpose / Importance	Evidence / Collection Of Data	Method Of Calculation	Data Limitation	Type Of Indicator	Calculati on Type	Reporti ng Cycle	Desired Performan ce	Indicator Responsibility
4.	Applicatio n of rental housing	Outco me of enquir y to be sent to applic ation within 5 days.	The target seeks to measur e the turnaro und time for the unit to commu nicate the outcom e of the enquiri es by applica nts to lease social housing unit. The turnaro und time measur ed is from the day an enquiry is receive d by JOSHC O to the day the	To improve service delivery standards by ensuring that outcomes of enquiries for rental housing are sent to the applicants within 5 days	Monthly spreadsheet with a summary of all queries addressed for the reportable month; and e- mails Or extract report of applications from APP/ OR Scan code	Mean average scoring NB: only working days are counted Monthly: Step 1: get difference between the day a complaint was received to the day a complaint was resolved by JOSHCO for the Month under Review for all reported complaints or queries Step 2: Add all the days it took to olve complaints or queries	None	Output	Non- cumulative	Monthly/ Quarterl y		GM: Housing Management Manager allocations and tenants management

No	Core Service	Indicator Title	Short Definition	Purpose / Importance	Evidence / Collection Of Data	Method Of Calculation	Data Limitation	Type Of Indicator	Calculation Type	Reporting Cycle	Desired Performance	Indicator Responsibility
			outcome of the enquiry is communicated to the client.			<p>for that period; and</p> <p>Step 3: Divided the answer to step 2 by the number of complaints or queries received for the period under review.</p> <p>Quarterly: Average of days for each month divided by the number of months reportable.</p> <p>e.g., Quarter 1 (July = 7 days, August = 5 days and September = 4 days).</p> <p>7+5+4 = 16/3 = 5 days (average)</p>						

N o	Core Service	Indicat or Title	Short Definitio n	Purpose / Importance	Evidence / Collection Of Data	Method Of Calculation	Data Limitation	Type Of Indicator	Calculati on Type	Reporti ng Cycle	Desired Performan ce	Indicator Responsibility
5.	Applicatio n for rental housing	Outco me of the applic ation comm unicat ed within 7 days	The target seeks to measur e the turnaro und time for the unit to commu nicate the outcom e of applicat ions receiv ed to lease social housing units The propos ed service level standar d intends to measur e the turnaro und time from the beginni	To improve service delivery standards by ensuring that complaints are resolved within the turnaround time as per the Service Level Agreement for Service Delivery Standards between CoJ and JOSHCO	Dated and signed tracking documents or App report and SMS report.	Step 1: Difference between date of outcome of application (when Leasing Manager: Housing Manageme nt approved or declined the application) and the date an SMS was sent to the client (only working days are counted) Step 2: Add all the days in step 1 for that period; and Step 3: Divided the answer to step 2 by the number of applicants received for the	Delays in allocation of units due to: Political influence. Insufficient human capacity vs number of projects to be allocate d	Output	Non- cumulative	Monthly/ Quarterl y	10 days	GM: Housing Management and manager allocations and tenants' management.

No	Core Service	Indicator Title	Short Definition	Purpose / Importance	Evidence / Collection Of Data	Method Of Calculation	Data Limitation	Type Of Indicator	Calculation Type	Reporting Cycle	Desired Performance	Indicator Responsibility
			ng to the end of the application process. The outcome of the application is communicated to the client (SMS sent out).			period under review. Quarterly: Average of days for each month divided by the number of months reportable						
6.	Resolution of complaints	Acknowledgment and response within 24 hours of complaint being logged	The target seeks to measure turnaround time of acknowledging receipt of complaints or queries sent to JOSHCO by the existing and potential	To improve service delivery standards by ensuring that complaints are acknowledged and responded to within the turnaround time as per the Service Level Agreement for Service Delivery Standards between CoJ and JOSHCO	Automated email or Autoreply spreadsheet.	Simple count of emails received that automated email was sent	Automated emails may not be retrievable to prove that acknowledgment and response was sent within 24 hours	Output	Non-cumulative	Monthly/Quarterly	Turn-around to time of 24 hours	EM; Corporate Services Customer Services Manager

No	Core Service	Indicator Title	Short Definition	Purpose / Importance	Evidence / Collection Of Data	Method Of Calculation	Data Limitation	Type Of Indicator	Calculation Type	Reporting Cycle	Desired Performance	Indicator Responsibility
			Customers									
7.	Resolution of complaints	Resolution of the complaints/queries within 5 working days.	The target seeks to measure turnaround time of resolving complaints or queries received by JOSHCO	To improve service delivery standards by ensuring that complaints or queries are resolved within the turnaround time as per the Service Level Agreement for Service Delivery Standards between CoJ and JOSHCO	Monthly spreadsheet with a summary of all queries addressed for the reportable month; and e-mails	Mean average scoring NB: Only working days are counted Monthly: Step 1: get difference between the day a complaint was received to the day a complaint was resolved by JOSHCO for the month under review for all reported complaints or queries	None	Output	Non-cumulative	Monthly/Quarterly	Turnaround time of 5 working days	EM: Corporate Services Customer Services Manager

No	Core Service	Indicator Title	Short Definition	Purpose / Importance	Evidence / Collection Of Data	Method Of Calculation	Data Limitation	Type Of Indicator	Calculation Type	Reporting Cycle	Desired Performance	Indicator Responsibility
						<p>Step 2: Add all the days it took to</p> <p>solve complaints or queries for that period; and</p> <p>Step 3: Divided the answer to step 2 by the number of complaints or queries received for the period under review.</p> <p>Quarterly: Average of days for each month divided by the number of months reportable.</p> <p>e.g., Quarter 1 (July = 7 days, August = 5 days and September = 4 days)</p>						

No	Core Service	Indicator Title	Short Definition	Purpose / Importance	Evidence / Collection Of Data	Method Of Calculation	Data Limitation	Type Of Indicator	Calculation Type	Reporting Cycle	Desired Performance	Indicator Responsibility
						$7+5+4 = 16$ $16/3 = 5$ days (average)						

CHAPTER 7: Performance Monitoring, Evaluation and Reporting

JOSHCO's performance monitoring, evaluation and reporting system serves as an essential tool for planning, monitoring and reviewing delivery against the organisational scorecard. Each of the key processes associated with this system are outlined below.

Monitoring

Across all spheres of government, performance information reported within accountability documents enables Parliament, provincial legislatures, municipal councils, and the public to track government performance, and to hold it to account. Performance information is also a critical resource used by managers at each stage of the planning, budgeting and reporting cycle – with insights allowing for a results-based approach to service delivery management. JOSHCO's performance information is structured to support monitoring of delivery against allocated inputs, identified activities and defined outputs and outcomes – with tracking of data allowing the organisation to demonstrate how available resources align with delivery on the mandate.

Evaluation

JOSHCO's evaluation process is intended to improve decision making, performance and accountability. The evaluation of long-term impact is undertaken for key programmes, such as the EPWP and Tenanting. The monitoring and evaluation unit will evaluate the departmental quarterly reports and issue evaluation reports with gaps/findings and recommendations.

Reporting

National Treasury has developed two monitoring and reporting systems, which cater for financial and non-financial information, to integrate planning with budgeting systems. In yearly monitoring of service delivery and budget use is undertaken through the quarterly performance reports and the monthly expenditure reports respectively. The quarterly performance reports provide progress on the implementation of the institution's annual performance plan with emphasis on monitoring delivery against planned quarterly targets. Monthly expenditure reports are used to monitor actual spending against planned spending. These reports are also used to alert managers where remedial action is required in-year, based on both financial and nonfinancial information. Value for money is an important objective in budgeting. In support of this, quarterly

performance targets are compared to actual expenditure, in an effort to link service delivery with spending data.

End-of-year reporting, via the Annual Report, allows for reporting on outputs against pre-determined targets, and reporting on budget allocations and use in accordance with the service delivery outputs. The Annual Report process is guided by Section 121 of the MFMA, MFMA Circular 63 and the International Reporting Framework that has been adopted by the city. The CoJ's performance reporting framework provides guidelines for all City departments and entities that support alignment with both National Treasury's requirements, and the requirements of the City, as sole shareholder. The Annual Report serves as JOSHCO's ultimate 'accountability document' for the financial year.

The relationship and alignment of the planning, budgeting, reporting, monitoring, and evaluation documents is made possible through appropriate budget programme structures, which provide the key link between objectives and detailed operational budgets. The budget programme structure at JOSHCO's disposal provides a stable platform, linking successive plans and strategic priorities to budget allocations and performance indicators that track delivery over the medium-to long term.

8. CHAPTER 8: FINANCIAL IMPACT

8.1 Budget and Sources of Funding

The CAPEX funding that JOSHCO receives from the City is based on the number of social and affordable rental units to be developed in a financial year, and the support programmes identified as necessary to implement delivery of the social housing programme. Capital funding is also received through application for capital funding from SHRA. Market demand studies and project feasibility studies are critical to this funding programme, given their role in tracking achievements and rental stock growth projections. JOSHCO's projections of OPEX is based on the number of social housing and affordable rental units under its current management and those units that will be completed mid-year. The city supports the operational budget through budget allocations and budget adjustments. Rent collection and utility recoveries from tenants supplement the operational budget.

The revised approach as proposed in this business plan of managing each portfolio separately will significantly enhance JOSHCO's ability to budget and report on expenditure to funders.

8.2 Operational Expenditure

Successful implementation of the Business Plan hinges on delivery in line with the principles of accountability and transparency, efficiency and effectiveness, commitment, time consciousness, prudent financial management and ongoing coordination and collaboration with other departments. JOSHCO is, however, in a space that is directly impacted by South Africa's harsh economic conditions. Rental collections are steadily lagging and the gap between expenses and income is widening.

The revised operating procedures as defined, outlined per sub-programme above, will significantly improve JOSHCO's ability to reduce and manage its operational expenditure.

In addition, at an operational level, JOSHCO will continue with the following strategies to reduce losses and build and maintain its financial sustainability:

Revenue drives which involve all JOSHCO departments, with particular emphasis on revenue and housing management.

- Managing expenditures closely through cost-containment measures, reconciliation, and supervisory controls – with JOSHCO's adopted policy confirmed as being aligned with National Treasury's and the City's cost-containment guidelines

- Handover of tenants to the Local Magistrates Courts for Emolument Attachment or Garnishee Orders
- Referral of defaulting tenants to the Housing Tribunal Court for mediation (this is a free service)
- Where tenants are also COJ employees, collection of arrears account balances through Garnishee Orders
- Relocation of non-qualifying tenants in collaboration with the Human Settlements departments through its various programmes offering.
- Education of tenants about social housing – and mutual responsibilities – through the stakeholder engagement programme.

8.3 Balance Sheet Optimisation

The entity has engaged the shareholder for monies due from departments for payment. The process for the money to be paid back is at an advanced stage. In 2023 the entity embarked on a process to clean up the debtors' book by writing off old outstanding debt. These initiatives would enable JOSHCO to improve its current and solvency ratios.

8.4 Budget for the 2025/26FY

Table 21: Budget for 2025/26FY

Description	Audited outcome	Tabled budget	Adjusted budget	Forecast		
	2023/24 R'000	2024/25 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000
Revenue						
Interest received - Debtors	38,428	25,474	25,474	26,474	27,872	29,126
Other income	6,891	3,982	3,982	4,165	4,357	4,553
Rendering of services	32,894	67,754	67,754	70,870	74,130	77,465
Rental of facilities and equipment	152,391	146,750	153,511	164,750	176,702	187,534
Government grants and subsidies	148,060	133,501	134,797	136,865	140,436	146,756
Operational Revenue - Inter-Co and Interest			6,000	1 821	1 903	1 989
Total Revenue	378,664	379,052	393,109	412,119	432,798	455,145
Expenditure						

Employee related costs	(220,531)	(201,212)	(215,269)	(226,163)	(238,200)	(251,799)
Debt impairment	(52,367)	(26,408)	(26,408)	(27,613)	(28,891)	(30,197)
Depreciation & amortisation	(4,893)	(1,705)	(1,705)	(1,783)	(1,865)	(1,949)
Finance costs	(113,264)	(1,005)	(1,005)	(1,051)	(1,099)	(1,148)
Bad debts written off	(90,868)	-	-	-	-	-
Impairment loss	-	-	-	-	-	-
Administrative expenses	(496,147)	(148,722)	(148,722)	(155,589)	(162,743)	(170,061)
Total Expenditure	(978,070)	(379,052)	(393,109)	(412,119)	(432,798)	(455,145)
Deficit before taxation	(599,406)	-	-	-	-	-
Taxation						
Surplus (Deficit) for the year, after tax	(599,406)	-	-	-	-	-

8.5. Revenue

JOSHCO's main revenue items are as follows:

8.5.1. Rental of facilities and equipment

8.5.2. Agency services

8.5.3. Grants and subsidies

Housing Development's 'take-on delivery of units' programme will result in the hand-over of an additional 450 units to Housing Management, for use in accommodating qualifying beneficiaries – with this further contributing towards the rental revenue forecast. The revenue forecast for the 2025/26 FY is projected at R146 750.000 million.

The operational subsidy from the city has also increased to R134,8 million. As noted previously, JOSHCO earns from 7% to 10% management fee for agency services rendered in respect of the development of projects. Revenue will be further maximised through selling advertising space on certain properties under JOSHCO management, especially in the Inner-City, and through letting of commercial space of the ground floor of all new Inner-City projects. The entity is also implementing a student accommodation programme. A second building will be operational from 2025/26 financial year.

Despite the current economic conditions, revenue collection remains a strategic imperative for the organisation and as such, debt impairment has been maintained conservatively for the medium-term, with a slight increase due to continuing low levels in collection rate. Revenue collection strategies have been put in place – including a focus on encouraging tenants to switch over to the debit order system and paying accounts through EasyPay, which is available at most retail outlets.

8.6. Expenditure

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

8.6.1. Employee-related costs: an increase to R215,3 million. Employee-related costs are an enabler. The budget increase has been revised on the basis of filling key positions in the new organisational structure. The cost associated with the increase in insourcing of key competency staff is higher than the reduction of repairs and maintenance costs, as the amount includes benefits such as pensions.

8.6.2. Repairs and maintenance: There is an increase in this line item due to aging infrastructure. Planned maintenance for some of the buildings has been included in the capital budget as stock upgrades.

8.6.3. General expenses: General expenses are also an enabler. Although JOSHCO strives to undertake its business through economies of scale, for the 2025/26 FY, these costs have increased.

8.7 Capital Expenditure

The entity has identified the need to improve its planning, delivery and organisation capabilities to become a leading and best-practice developer of good quality, innovative and cost-effective properties, in this way contributing to the creation of sustainable human settlements and improved quality of life for those within JOSHCO's target market. The achievement of the abovementioned key performance areas can only be realised through strong adherence to the Human Settlements Department's value chain.

Mixed Housing Options and Capital Management

The tables below reflect a detailed project plan (i.e., number of social housing units to be developed, and number of Inner-City projects to be upgraded) for the three financial years. Also included are details of the budget allocation for the Capex projects for the financial years.

Table 22: Capital Expenditure Budget for the 2025/26 Financial Year

Financial Year: 2025-2026				Budget		
Strategic Objective: Pro-Poor Development	Projects	Programme	Project Unit yield	WIP Units	Completed Units	Financial year budget: 2025-26
SOWETO CORRIDOR	Lufhereng Social Housing Development		552	40	0	10 000 000,00
	Nancefield Social Housing Development		372	0	200	55 000 000,00
	Golden Highway/Devland		333	0	172	10 000 000,00
SUB TOTAL			1 257	40	372	75 000 000,00
JHB CBD and Surrounds	Existing stock Redevelopment; upgrade and major maintenance	Brown Fields	0	0	0	10 000 000,00
	Inner City Rejuvination		0	0	0	-
	280 Smit Street Student Accommodation		200	100	0	-
	Abel Street Social Housing Development Ph3		103	0	0	-
	Malvern Development		150	0	0	-
	Casa Mia		218	0	0	2 000 000,00
	Park Chambers Social Housing Development		97	40	0	2 637 000,00
	Booysens		40	0	40	32 000 000,00
	Rissik Street Social Housing Development		120	0	0	1 000 000,00
SUB TOTAL			928	140	40	47 637 000,00
Empire Perth	Frank Brown/Milpark Social Housing Dev		300	0	0	-
SUB TOTAL			300	0	0	-
Alexandra - Marlboro, Sandton-Randburg, Midrand, Diepsloot, Orange Farm	Lombardy East	Greenfields & Turnkeys	400	0	0	1 000 000,00
	Kelvin Social Housing Development		200	0	0	1 000 000,00
	Randburg Selkirk		476	70	0	20 000 000,00
	Marlboro Social Housing Dev		200	0	0	2 000 000,00
	Region A (Midrand Rabie Ridge)		2000	0	0	-
	Region A: Riverside View Project		1108	402	120	53 000 000,00
	Tum-Key 1: Region B Edenberg/Rivonia		350	0	0	1 000 000,00
	Region F: Denver Turnkey Project		1041	0	0	6 000 000,00
	Region A: Tanganani (Diepsloot)		219	0	0	-
	Region G: Southern Farm (Orange Farm)		1000	0	0	-
SUB-TOTAL			6994	472	120	84 000 000,00
GRAND TOTAL			9 479	652	532	206 637 000,00

Table 23: Capital Expenditure Budget for the 2026/27 Financial Year

Financial Year: 2026-2027						
Strategic Objective: Pro-Poor Development	Projects	Programme	Project Unit yield	WIP units: 2026/27	Completed units 2026/27	Financial year budget: 2026/27
	Lufhereng Social Housing Development		550	210		3 200 000
	Golden Highway/Devland		171	0		10 200 000
SUB TOTAL			721	210	-	13 000 000
JHB CBD and Surrounds	Existing stock Redevelopment; upgrade and major maintenance	Brown Fields	0	0	0	-
	Inner City		0			
	280 Smit Street Student Accommodation		200	120		38 640 000
	Abel Street Social Housing Development Ph3		80			0
	Malvern Development		50			10 000 000
	Auckland Park Social Housing Region B		200			
	Casa Mia		245	0	0	8 200 000
	Park Chambers Social Housing Development		79	20		16 800 000
	Booyens		40			700 000
	Rissik Street Social Housing Development		145	0	35	2 815 000
SUB TOTAL			1039	140	35	122 155 000,00
Empire perth	Frank Brown/Milpark Social Housing Dev		300	0		21 000 000
SUB tOTAL			300	0	0	21 000 000,00
Alexandra - Marlboro, Sandton-Randburg, Midrand	Lombardy East	Greenfields & Turnkeys	514	0	0	-
	Kelvin Social Housing Development		200			2 800 000
	Randburg Selkirk		570		145	-
	Marlboro Social Housing Dev		200	0	0	1 400 000
	Region A: Riverside View Project		1108	320	300	10 000 000
	Tum-Key 1: Region B		1032	0	0	4 200 000
	Region F: Denver Turnkey Project		1336	0	0	33 600 000
SUB-TOTAL			4960	320	445	52 000 000,00
GRAND TOTAL			7 020	670	480	151 945 000

Table 24: Capital Expenditure Budget for the 2027/28 Financial Year

Financial Year: 2027-2028						
Strategic Objective: Pro-Poor Development	Projects	Programme	Project Unit yield	WIP units: 2027/28	Completed units 2027/28	Financial year budget: 2027/28
	Lufhereng Social Housing Development		550	200		55 920 000
	Golden Highway/Devland		333	0		
SUB TOTAL			883	200	-	55 920 000
JHB CBD and Surrounds	Existing stock Redevelopment; upgrade and major maintenance	Brown Fields	0	0	0	5 000 000
	Inner City		0			3 290 000
	280 Smit Street Student Accommodation		200	80	0	10 000 000
	Abel Street Social Housing Development Ph3		80			0
	Malvern Development		50			10 000 000
	Auckland Park Social Housing Region B		200			
	Casa Mia		245	20	0	2 800 000
	Park Chambers Social Housing Development		97		97	2 500 000
	Booyens		40			
	Rissik Street Social Housing Development		145	40		-
SUB TOTAL			1057	140	97	32 290 000,00
Empire perth	Frank Brown/Milpark Social Housing Dev		300			7 500 000
SUB tTOTAL			300	0	0	7 500 000,00
Alexandra - Marlboro, Sandton-Randburg, Midrand	Lombardy East	Greenfields & Turnkeys	514	0	0	17 500 000
	Kelvin Social Housing Development		200			2 800 000
	Randburg Selkirk Phase 2		321		0	25 000 000
	Marlboro Social Housing Dev		200	0	0	1 400 000
	Region A: Riverside View Project		1108	224	300	10 500 000
	Tum-Key 1: Region B		1032	0	0	4 200 000
	Region F: Denver Turnkey Project		1336	0	0	12 500 000
SUB-TOTAL			4711	224	300	111 700 000,00
GRAND TOTAL			951 ⁶	564	397	177 910 000

9. CHAPTER 9: MANAGEMENT AND ORGANISATIONAL STRUCTURE

JOSHCO's corporate strategy is underpinned by organisational arrangements tailored to achieve strategic priorities and programmes effectively. These arrangements are designed to support and implement the strategic objectives of the organisation, ensuring alignment between the corporate strategy and operational functions. By structuring the organisation in a way that directly supports the strategic goals, JOSHCO can enhance its capacity to deliver sustainable affordable rental housing products in Johannesburg while meeting the needs of its stakeholders and fulfilling its mandate as a social housing institution. This strategic approach emphasises the importance of organisational alignment and efficiency in driving successful outcomes and fulfilling JOSHCO's mission and vision within the housing sector.

9.1. Governance arrangements

The Board of Directors is in place and geared to exercise its mandate as outlined in the Board Charter and the Shareholder (COJ) Group Governance Framework. The constitution of the Board Committees is guided by the COJ Group Governance policy which recommends for the establishment of two statutory sub-committees (Audit and Risk Committee and the Social & Ethics and Human Resource Committee) and the Development Committee. Accordingly, JOSHCO Board Committees are as follows:

- Audit Committee
- Human Resources, Social & Ethics
- Development Committee

The non-executive Directors are responsible for providing strategic direction and oversight over the operation of the company in line with its fiduciary duties as embedded in the Companies Act and the King IV report. The Chairperson encourages proper deliberation of all matters requiring the Board's attention. The Board, guided by the City of Joburg Group Governance Policy, meets at least quarterly, retains full and effective control over the Company and monitors executive management through the structured approach to reporting and accountability.

The Chief Executive Officer (CEO) plays a pivotal role in overseeing the day-to-day operations and administration of the organisation, supported by internal audit and an Executive Management Team. Additionally, the Chief Operations Officer (COO) focuses on enhancing operational efficiencies within specific functional areas. Compliance management is highlighted as a significant responsibility for the Executive Management Team, emphasising the importance of ensuring adherence to legal requirements, industry standards, and internal policies to mitigate risks and maintain a culture of

compliance, this strategic approach to compliance management is essential for organisation's to navigate complex regulatory landscapes effectively and minimise potential pitfalls while upholding operational integrity and legal adherence.

9.2. Management and Organisational Structure

As indicated in section 2.6, the strategic objectives that have been determined for JOSHCO are as follows:

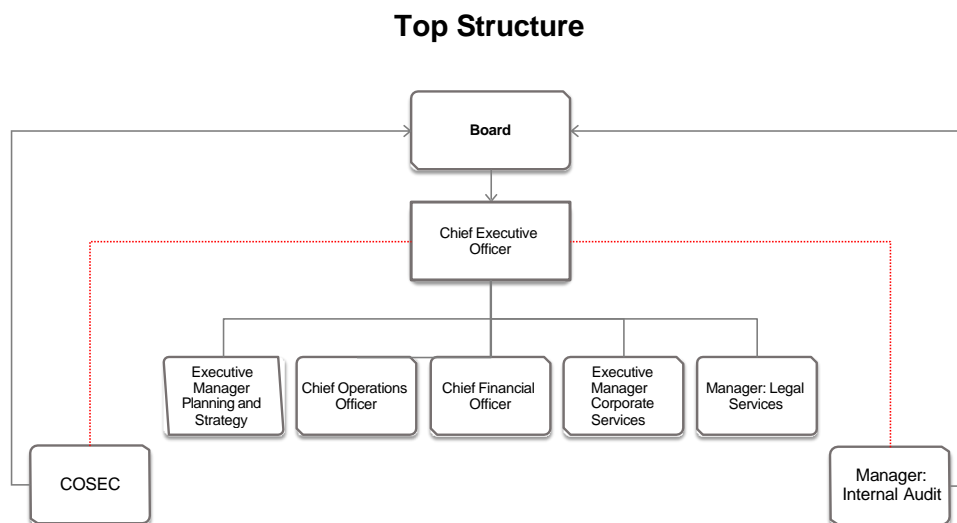
- To be a Smart and Capable entity
- To Develop and Manage Social housing.
- Refurbish, maintain and upgrade COJ rental housing stock.
- Implement housing development projects for the city (Human Settlements).

Following the revised strategic objectives, steps were taken to ensure that resources are aligned to the objectives. As such, the programme structure and functional services were also revised.

The macro-organisational structure defined to implement the strategy and achieve the identified priorities of JOSHCO is reflected in the figure below.

JOSHCO's Macro Organisational Structure

JOSHCO has a near full complement of executive managers in place, thus placing the entity in the best possible position to manage organisational operations and to achieve delivery of stated strategic objectives.



The diagram below reflects the alignment between the revised strategic objectives and programme structure and functional areas responsible for the revised objectives. It also reflects the separation between core and support functions.

Figure 2: Alignment of programmes, structure and functional area



Furthermore, the organisational arrangements are embedded in the operating and services model wherein a clear distinction is made through delineation of:

- Executive direction and management;
- Core business operations and functions;
- Support functions;
- Enabling inputs; as well as
- Centralised (or cross-cutting) systems.

Figure 3: The operating and services model of JOSHCO is depicted as shown in the figure below.



9.3. Performance management

9.3.1. Performance management system

Performance Management is about planning, monitoring, reviewing, and rewarding performance. JOSHCO has a performance management system that assesses the performance of the organisation holistically starting from the Board to organisational performance and cascading down to individual performance.

JOSHCO as a public entity has a transparent performance management process that encompasses planning, monitoring and performance reporting. Organisational performance is assessed and reported to the shareholder on a quarterly and annual basis. JOSHCO business plans and integrated annual reports are published once approved by the COJ Council.

9.3.2 Board Performance

Board members attend workshops designed to equip them with a better understanding of their fiduciary duties and the alignment with the city.

The Board is assessed once a year in line with King IV principle 9, which recommends that the evaluation of a Board, its committees, and directors (including the chairperson and Chief Executive Officer) be conducted every second year in order to improve performance or recommend areas for improvement. The assessment also identifies performance gaps and training needs.

9.3.3 Personnel Performance management

The aim of individual performance management is to facilitate and inculcate a culture of high performance among employees within JOSHCO towards achieving its mandate and encouraging a directed culture towards the Vision, Mission and Strategic Objectives.

JOSHCO has a performance management process for all staff. The performance management policy guides the employees' management process and commences with signing of performance agreements at the beginning of every financial year, followed by review sessions that are conducted quarterly.

9.4 Change Management

In addition to being imposed by major transitions, JOSHCO's business climate and work environment is changing speedily. There have been notable executive-level leadership transitions in the recent years. At the City (shareholder) level, there have also been changes in leadership, including incumbents at the Executive Mayoral level, numerous Board reconstitutions, and two swift changes in warm bodies capacitating the City Manager position.

The following change drivers have been identified as constituting a compelling case for change and repositioning of JOSHCO.

- The revised Strategy and revisions as incorporated into this Business Plan
- The implementation of the 2023 approved Organisational Structure
- JOSHCO's Executive Team Charter
- Operating and Service Delivery Models to support the revised strategy
- Remodelled Financial Management Framework
- Risk Management & Governance Framework
- Need to achieve optimal performance at Organisational, Programme and Employee level.

- Stakeholder Management and strong intergovernmental relations
- Building and maintaining a cohesive JOSCHO Team

Accordingly, a change management plan, fashioned around the ADKAR model, is adopted. The plan provides for clear and deliberate change-management leadership from the CEO, through to Heads of Divisions and function-based work teams. This is intended to infuse the shifts in culture, practices and operations across the organisation.

9.5 Capacity Analysis

To implement its strategic objectives and related programmes effectively, JOSHCO must systematically execute its training plan to enhance the current set of skills and knowledge. This training plan is crucial for achieving strategic goals by ensuring that employees have the necessary competencies to support the organisation's mission and vision by providing targeted training that aligns with the strategic direction of the company. JOSHCO can enhance employee capabilities, improve performance and drive the successful implementation of its initiatives. The emphasis on training and development reflects JOSHCO's commitment to building a skilled workforce capable of delivering quality sustainable affordable rental housing products in Johannesburg.

The suggested number of posts per occupational level to be filled during the following three fiscal years is listed below.

Table 25: Proposed number of positions per occupational level to be filled over the next three financial years

Employee numbers	Audit Outcome 2023/24	2024/25			2025/26	2026/27	2027/28
		Actual as at 30 Nov 2024	Forecast Additional	Total	Additional	Additional	Additional
Top Management is level 1 and 2	2	1	2	3	0	0	0
Senior Management is level 3 and 4	4	3	4	8	1	0	0
Professionally qualified and experienced specialists and mid-management level 5 and 6	35	35	3	35	5	4	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents' level 7 and 8	107	107	7	109	46	6	6
Semiskilled and discretionary decision-making level 9 and 10	3	3	3	6	5	0	0

Unskilled and defined decision-making level 11	342	342	4	347	0	0	0
PWD = People living with Disabilities	4	4	6	10	2	2	0
Total	497	495	27	518	59	12	10

9.6 Employment Equity

Table 26: Employment Equity.

Employment Equity Profile															
Occupational Level	Male				Female				Foreign Nat.		Local		Grand Total	Racial % Profile	Female Gender Representation % Achievement
	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	0	0	0	0	1	0	0	0	0	0	0	1	1	100%	100%
Professionally Qualified / Middle Management	20	0	0	2	10	0	1	0	1	1	22	11	35	86%	33%
Skilled Technically and Academically Qualified	47	3	0	0	60	3	1	1	0	0	50	65	115	99%	56%
Semi-Skilled	2	0	0	0	1	0	0	0	0	0	2	1	3	100%	33%
Unskilled	153	2	0	0	186	3	0	0	0	0	155	189	344	100%	55%
Total	225	5	0	2	260	6	2	1	1	1	232	268	500	99%	53%

10. CHAPTER 10: COMMUNICATION AND STAKEHOLDER MANAGEMENT

The Johannesburg Social Housing Company (JOSHCO) remains committed to providing affordable, high-quality social housing while fostering meaningful relationships with residents, stakeholders, and partners. The Communication Plan serves as a guide for JOSHCO's programmes to keep all stakeholders informed and engaged in driving the company's strategic agenda as outlined in the 2025/26 Approved Business Plan. The Plan outlines systematic approaches to how the organisation will involve its stakeholders in its strategic processes and the platforms that will be used to accentuate the significance of collaborating to build dependency. JOSHCO stakeholders are defined as people, groups or organisation's that either impact or are impacted by JOSHCO operations, projects, and programmes.

The strategy emphasizes the integration of new approaches, including enhanced communication across multiple channels, strengthened stakeholder relations, and a robust client service system supported by technology. The following sections detail the roles, responsibilities, and methodologies for each area.

10.1. Communication Strategy: Enhancing Transparency, Engagement, and Marketing

Objective: To ensure that JOSHCO communicates effectively with all stakeholders—residents, the public, the media, and strategic partners—while promoting transparency, accountability, and the organization's achievements. Marketing available rental units to the target market is also central to maintaining optimal occupancy and ensuring effective outreach.

Roles and Responsibilities:

Communication of JOSHCO's Operations and Achievements:

Regularly communicate JOSHCO's operations, business performance, achievements, and challenges through multiple media channels including social media, the JOSHCO website, press releases, newsletters, and community forums.

This aligns with JOSHCO's goal of maintaining transparency with all stakeholders and building public trust in JOSHCO's initiatives.

Marketing of Rental Units:

As part of our communications strategy, there will be more focus on the marketing of available rental units through utilisation of digital platforms, targeted advertising, and outreach initiatives to attract appropriate rental clients. This will be central to ensuring maximum occupation of JOSHCO's rental units, optimizing financial sustainability, and meeting demand for affordable housing.

Multi-Channel Outreach:

Use a combination of traditional media (TV, radio, print) and digital platforms (social media, JOSHCO's website, email campaigns) to promote housing availability, communicate program updates, and share important news. The communication approach will be adaptable to meet the diverse needs of our target audience.

Crisis and Issue Management:

Develop crisis communication protocols to address challenges or negative perceptions, ensuring that responses are swift, transparent, and consistent with JOSHCO's values.

Communication Evaluation:

Implement regular assessments of communication efforts, utilizing feedback tools, audience surveys, and analytics to measure engagement and effectiveness. Adjust messaging strategies based on data and emerging needs.

10.2. Stakeholder Engagement Strategy: Strengthening Relationships and Influencing Policy

Objective: To engage proactively with key stakeholders and leverage JOSHCO's position as a leader in social housing to influence policy, build strategic partnerships, and ensure ongoing alignment with the broader goals of the City of Johannesburg (CoJ), the Social Housing Regulatory Authority (SHRA), and other relevant organizations.

Roles and Responsibilities:**Stakeholder Relations and Policy Advocacy:**

The **Stakeholder Relations Policy** will continue to guide JOSHCO's outreach efforts, focusing on building strong relationships with key stakeholders, including the CoJ, SHRA, developers, employers, and community organizations.

Given JOSHCO's experience and track record in the sector, it is strategically positioned to influence housing policy and advocate for favourable conditions in the social housing sector. A **policy-advocacy** agenda will be adopted to actively engage with government and industry bodies on critical issues affecting social housing, such as funding, policy reforms, and urban planning.

Ongoing Stakeholder Engagement:

Organize regular consultations, public meetings, and collaborative workshops to ensure stakeholders are actively involved in the planning and implementation of social housing projects.

Track and analyse stakeholder feedback through a combination of surveys, one-on-one interviews, and focus groups. This will help us refine policies, practices, and services, and ensure that JOSHCO is responsive to community needs.

Reporting and Accountability:

Ensure that stakeholders, particularly those involved in policy and regulatory aspects, are kept informed about JOSHCO's progress, key achievements, and challenges. Regular reporting mechanisms will be implemented to maintain transparency and build trust.

Planned activities for 2025/2026

Activity	Collaborators	Objectives	Total Cost	Time Frame
Public meeting	JOSHCO Tenants Tenants Committee Ward Governance MMC's Office	Strengthen Community engagement and Trust between JOSHCO and Communities Promote Inclusive and equitable application Processes and Information sharing	-	2025/2026
Tenants education	Tenants Committee Regional Directors Ward Governance City Power Johannesburg Water Rental housing Tribunal Gauteng DoHS Joburg Ombudsman	Improve Tenants understanding of role and Responsibilities Strengthen Communication Between tenants and JOSHCO Increase awareness of other available social Housing Options	-	2025/2026
Council Consultation	Ward Governance	Strengthen Communication and transparency Build Trust and Collaborative Relationships Promote inclusive and Equitable engagement	-	2025/2026

10.3. Stakeholder Matrix

The Stakeholder Matrix below reflects stakeholders with the potential to hold a "very high" impact, including those who can directly affect the delivery of the entity's objectives. JOSHCO's stakeholder management is a process that focuses on people, groups, and organisations that impact on or are impacted by JOSHCO's operations and projects. It is vital to analyse stakeholder expectations and interests in JOSHCO's operations and projects and develop appropriate strategies to engage with them effectively. Stakeholders are central to the organisation's communication, and every department within JOSHCO must play a role in driving the company's strategic goals.

Stakeholder Mapping Matrix (Stakeholder Management and Related Level of Importance).

Table 27: Stakeholders reflecting levels of interest, power, and impact.

Category	Stakeholder	Specific Interest in Our Business	Interest	Power	Impact	Engagement Strategy
Shareholder	City of Johannesburg	Delivery on the socio-political mandate, financial sustainability, Service delivery, and Development of sustainable social housing.	High	High	V. High	Collaborate/Partner strategically/ Policy influence
Business Partners	Employees / Labour	Secure employment, competitive remuneration, work climate	High	High	V. High	Collaborate/ maintain open communication
	MOEs (Water, Power, etc.)	Collaborative service delivery and sustainability of services	Med	Medium	High	Collaborate/Negotiate
	Contractors / Service Providers	Secure contracts, timely payments,	High	Low	High	Collaborate
	Universities / NSFAS	JOSHCO meets accreditation standards, more accommodation	Med	Med	High	Collaborate/Negotiate
	Public / Community	Creation of employment, Corporate Social Investment (CSI), Good corporate citizenship	High	High	V. High	Partner strategically
Regulator	National Treasurer/AG	Social Return on Investment, financial sustainability, Compliance / Regulation	Med	High	High	Partner strategically
	Performance & oversight bodies	Accountability	High	High	V. High	Collaborate
	SHRA	Social and economic return on Funding, good governance. SHI Regulator	High	High	V. High	Partner strategically
Customers	Tenants	Cheap, high-quality housing, great services, secure leases	High	High	V. High	Collaborate/ maintain open communication
	Advertisers	Access to tenants, maximisation of brand visibility, sales	High	Low	Medium	Partner strategically
Civil Society	Watchdogs, NGOs, Lobby Groups		High	Medium	V. High	Keep informed, manage expectations
Media/	Newspapers/Radio/Online news		Medium	High	V. High	Monitor and maintain communication

The organisation has specific messages that are directed to both internal and external stakeholders. The plan incorporates a comprehensive public relations component, to convey effective messages in a professional tone. This is crucial to encourage stakeholders to receive communication from JOSHCO positively. The Marketing and Communications Department of JOSHCO is responsible for the implementation of the Plan including managing and coordinating the reputation and image of the organisation.

10.4. Client Services Strategy: Improving Service Delivery and Enhancing Customer Relationships

Objective: To provide exceptional service to JOSHCO residents and clients by adopting a client-centric approach and leveraging technology for efficient service delivery. This includes improving interactions, ensuring satisfaction, and maintaining strong relationships throughout the customer lifecycle.

Roles and Responsibilities:

Customer Relationship Management (CRM):

JOSHCO employs Customer Relationship Management (CRM) practices, strategies, and technologies to manage customer interactions across the lifecycle. CRM will be utilized to strengthen interactions, manage customer data, and track service requests to improve responsiveness and service delivery.

The Customer Care and Administration **unit** will oversee the day-to-day handling of client queries, ensuring efficient and effective responses to resident inquiries, complaints, and service requests.

Managing Service Requests and Inquiries:

Develop streamlined systems for managing service requests (e.g., maintenance, repair, administrative inquiries) to ensure that residents' needs are met promptly. This includes integrating digital platforms for easy submission and tracking of requests.

Complaint Resolution and Service Recovery:

Actively manage client complaints, ensuring that each issue is addressed quickly and effectively. Where service failures occur, JOSHCO will work to restore resident satisfaction through transparent communication and quick resolution. A service recovery process will be in place to handle issues and maintain positive relationships.

Feedback Collection and Analysis:

Implement regular feedback loops via surveys, focus groups, and direct communication to gather resident input on their satisfaction with JOSHCO's services and living conditions. This feedback will inform continuous improvement in service delivery and help refine the organization's operations.

Client Engagement and Education:

Provide educational resources and programs to help residents understand their rights and responsibilities, navigate housing policies, and access support services.

Proactively reach out to new residents, providing them with the information and assistance they need to settle into their homes, and offer ongoing support throughout their tenancy.

Performance Monitoring and Reporting:

Regularly assess the effectiveness of client services through performance metrics, satisfaction surveys, and service delivery reviews. This will help JOSHCO adjust and enhance its client services to better meet residents' expectations and needs.

Integrated Approach: Synergizing Communication, Stakeholder Engagement, and Client Services

The integration of Communication, Stakeholder Engagement, and *Client Services* is essential to the successful execution of JOSHCO's strategic objectives. A cohesive approach ensures consistent messaging, streamlined service delivery, and active collaboration with all stakeholders.

Table 28: Synergising Communication, Stakeholder Engagement and Client Services

Aspect	Client Services	Communication	Stakeholder Engagement
Focus	Resident and client support and satisfaction.	Public relations, media, and messaging.	Relationship-building and policy influence.
Main Role	Ensure efficient service delivery and responsive support.	Ensure clear communication and public awareness.	Engage stakeholders and influence housing policy.
Methods	Service requests, CRM system, direct support.	Press releases, social media, newsletters.	Meetings, consultations, partnerships.
Responsibilities	Resolve issues, provide information, and manage expectations.	Communicate JOSHCO's message and manage its reputation.	Facilitate collaboration, track feedback, and advocate for policies.
Collaboration	Work with communication teams to align messaging with client needs.	Partner with client services to ensure accurate, up-to-date information.	Collaborate with client services to integrate feedback and shape strategy.

Activation Plan for Financial Year 2025/2026

This activation plan is designed to improve communication related to access to affordable rental housing, alongside the services provided by JOSHCO (Johannesburg Social Housing Company). In a rapidly urbanizing environment like Johannesburg, where housing is increasingly becoming a challenge, this initiative emphasizes the importance of prioritizing affordable rental options and social housing solutions.

JOSHCO fully acknowledges that adequate shelter is not merely a preference but a fundamental human need vital for the well-being and stability of all residents in the City of Johannesburg. By

focusing on these critical areas, the activation plan seeks to create a stronger awareness among residents regarding their housing options and the services available to support their housing needs. This proactive approach aims to foster better living conditions and enhance the community's overall quality of life.

Table 29: Quarterly Breakdown

Quarter 1: Awareness, Digital Engagement & Initial Service Delivery (July - September 2025)			
1.	Public Information Sessions & Regional Activations	<ul style="list-style-type: none"> - Conduct public education sessions across all regions. - Establish help desks for direct engagement and assistance. - Organize high-demand project activations with on-site eligibility checks and application support during open application periods. - Example Activation: "How to Qualify for JOSHCO Rental Accommodation" Workshop—educating residents on JOSHCO's qualifying criteria and available housing options. 	July 2025 - September
2.	Digital Media Campaign	<ul style="list-style-type: none"> - Launch a robust social media and email campaign focusing on housing options, particularly social housing and affordable accommodation. - Issue weekly press releases and conduct follow-up media interviews as needed. - Schedule JOSHCO representatives for live Q&A sessions on radio and TV. - Develop and distribute bi-monthly FAQs. - Example Activation: Live Facebook Q&A to provide real-time answers to public queries. 	July 2025 - September
3.	Mall Activations & CRU Awareness Drive	<ul style="list-style-type: none"> - Set up information desks in malls for increased accessibility. - Distribute brochures and offer application guidance. - Utilize QR codes to engage the younger generation in urban areas. - Organize regional awareness campaigns in partnership with CRUM. - Example Activation: Open Day for City of Johannesburg departments. 	July 2025 - September
4.	Staff Meeting	<ul style="list-style-type: none"> - Hold monthly staff meetings to discuss progress, share feedback, and refine strategies based on community engagement activities. 	July 2025 - September
Quarter 2: Community Engagement & Service Delivery Acceleration (October - December 2025)			
5.	Accelerated Service Delivery Begins	<ul style="list-style-type: none"> - Conduct site inspections with the MMC for Human Settlements. - Coordinate workshops to address FLISP and other alternative housing solutions for first-time homebuyers who do not qualify for JOSHCO rentals. - Example Activation: First-Time Homeowner Seminar—guiding residents through FLISP applications and financing options, involving SHRA and other stakeholders from the private sector. - Partner with service providers such as City Power and Joburg Water to conduct joint audits of the services they deliver on behalf of JOSHCO. 	October - December 2025
6.	Tenant Consultations & Targeted Outreach Programme	<ul style="list-style-type: none"> - Conduct community-driven awareness campaigns about rental units offered by JOSHCO. - Facilitate consultations and targeted outreach for vulnerable groups within JOSHCO projects. - Initiate donation campaigns among tenants to support child-headed units. - Proactively address service delivery issues related to water, electricity, and sanitation when necessary. - Implement specific initiatives for lower-income groups and single parents, including those who have lost their jobs. 	October - December 2025

		- Launch rental assistance campaigns to help tenants understand available support within the city.	
7.	Community Feedback Sessions & Media Engagement	<ul style="list-style-type: none"> - Conduct interactive sessions in each region to assess progress and gather feedback when necessary. - Distribute online surveys to gauge resident satisfaction. - Increase media activations to ensure broad accessibility of information. - Example Activation: "Your Voice, Your Housing" radio interviews—residents share housing concerns live on air, in collaboration with SHRA, provincial, and national representatives. 	October - December 2025
8.	Staff Meeting	- Hold monthly staff meetings to review community engagement outcomes and adjust strategies as needed.	October - December 2025
Quarter 3: Infrastructure Oversight & Continued Engagement (January - March 2026)			
9.	Infrastructure Quality and Compliance Checks	<ul style="list-style-type: none"> - Conduct oversight visits by the EXCO, BOARD, and the MMC to check completion quality prior to tenancy. - Publicize new projects on social media before their launch. - Organize media tours of new JOSHCO projects. 	January - March 2026
10.	Public Information & Ongoing Tenant Support	<ul style="list-style-type: none"> - Reintroduce public education sessions based on feedback from previous quarters. - Engage with tenants on issues specific to their projects. - Proactively inform tenants about changes and new plans for JOSHCO. 	January - March 2026
11.	Staff Meeting	- Hold monthly staff meetings to discuss infrastructure oversight findings and tenant feedback, ensuring alignment on ongoing initiatives.	January - March 2026
Quarter 4: Evaluation, Impact Reporting & Future Planning (April - June 2026)			
12.	Impact Assessment and Reporting	<ul style="list-style-type: none"> - Compile and publish a progress report on the activation of JOSHCO programs. - Highlight key successes and areas for improvement through newsletters, corporate videos, and media advertisements. - Example Activation: JOSHCO Annual Housing Impact—showcasing achievements and gathering stakeholder insights. 	April - June 2026
13.	Quarterly Community Feedback Sessions & Adjustments	<ul style="list-style-type: none"> - Conduct final interactive sessions in each region to collect additional feedback. - Adjust activations and service strategies based on insights gathered. - Example Activation: Resident Satisfaction Survey—assessing the overall impact of all initiatives. 	April - June 2026
14.	Strategic Planning for Next Year	<ul style="list-style-type: none"> - Develop an improved framework for ongoing housing activations. - Hold a management planning session and staff meeting to gather input from employees on new initiatives. - Adjust campaigns based on data-driven insights from the past year. - Example Activation: "Future of JOSHCO Housing" Strategy Session—involving key stakeholders in planning next steps. 	April - June 2026
15.	Staff Meeting	- Conduct monthly staff meetings to reflect on the year's performance, collect final feedback, and strategize for the upcoming year. Conclusion	April - June 2026

This 12-month plan ensures that JOSHCO remains committed to transparency, efficiency, and community-centered service delivery. By balancing digital outreach, in-person activations, infrastructure oversight, and community feedback, JOSHCO aims to create a lasting impact on housing accessibility and quality for all residents.

11.1 Introduction

The Internal Audit process provides oversight to obtain reasonable assurance regarding Management's assertions that objectives are achieved for effectiveness and efficiency of operations, reliability of financial information, and compliance with laws and regulations. Internal Audit will proactively partner with management on the performance of Internal Audits and consulting reviews, and special projects to maximise value-added contributions from the process.

The primary objective of the Internal Audit function is to provide a comprehensive service to ensure adequate measures and procedures are in place for sound economic, effective and efficient management as required by the Municipal Finance Management Act (MFMA), the Companies Act and King Code on Corporate Governance. Internal Audit will conduct audits to assist Management in the effectiveness of the organisation's internal controls and performance system.

11.2 Internal Audit Mandate

JOSHCO is regulated by the Municipal Finance Management Act, 2003 ("MFMA") and the Companies Act and must comply with the prescripts of these Acts. The Internal Audit function's mandate stems from Section 95(c)(ii) of the MFMA, which states that an Accounting Officer of a Municipal Entity must take reasonable steps to ensure that the Municipal Entity has and maintains an effective, efficient and transparent system of Internal Audit complying with and operating under the control of the Audit and Risk Committee, complying with and operating in accordance with regulations and instructions prescribed in terms of section 165 of the Act.

Furthermore, it is the requirement in terms of Section 165 of the MFMA that:

1. A Municipal Entity has an internal audit unit.
2. The Internal Audit unit of a municipality or municipal entity must;
 - a) prepare a Risk-Based Audit Plan and an Internal Audit programme for each financial year.
 - b) advise the Accounting Officer and report to the Audit and Risk Committee on the implementation of the Internal Audit Plan and matters relating to:
 - I. Internal Audit.
 - II. Internal controls.
 - III. Accounting procedures and practices.
 - IV. Risk and Risk Management.
 - V. Performance Management.

- VI. Loss control; and
 - VII. compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
- (c) perform such other duties as may be assigned to it by the Accounting Officer.

3. The Internal Audit function referred to in subsection (2) may be outsourced if the Municipal Entity requires assistance to develop its internal capacity. The Board of Directors of the entity has determined that this is cost-effective.

11.3 Summary of AGSA findings and Internal Audit findings.

Table 30: Summary of AGSA Findings for 2023/2024 FY as at March 2025

AG Classification	Total Findings	Resolved	Not Resolved
Matters affecting auditor's report	2	0	2
Matters that should be addressed to prevent material misstatements in the financial statements or material findings.	12	1	11
Admin Matters	5	2	3
Total	19	3	16
%	100%	16%	84%

Table 31: Summary of Internal Audit Findings for 2024/25 FY as at December 2024.

Departments	Total Findings	Total resolved as per Management	Total findings resolved	Total findings not resolved
Finance and SCM	34	34	13	21
Chief Operating Officer (COO)	43	43	25	18
Corporate Services	7	7	7	0
Planning & Strategy	2	2	2	0
Total	86	86	47	39
%	100%	100%	55%	45%

11.4. Two Years Rolling Audit Plan.

Table 32: The below table indicates audits that are planned in the next two years (2) years.

No	Auditable Area	IA Rating	Financial Year	
			2025/26	2026/27
Corporate Services				
1	Recruitment and Termination Audit	Medium		X
2	Occupational Health and Safety Audit	High	X	
3	HR Audit (Retention Measures)	Medium		X

No	Auditable Area	IA Rating	Financial Year	
			2025/26	2026/27
4	Stakeholder Management Audit	High	X	X
5	Payroll Management Audit	Medium		X
6	Communication Audit	Low		X
Executive Office				
7	Governance Audit	High	X	
Finance				
8	Review of the Annual Financial Statements	High	X	X
9	Review of the Interim Financial Statements	High	X	X
10	Costing and Budget Management Audit	High	X	
11	Supply Chain Management Audit	High	X	X
12	Revenue and Debtors Management Audit	High	X	X
13	Financial Discipline Review	High	X	X
14	Review of Joint ventures terms and conditions	Medium	X	
15	Tender Probity Review	High	X	X
COO OFFICE				
16	Housing Development Audit	High	X	X
17	Capex Expenditure Review	Medium	X	
18	Leasing Management Audit	High		X
19	IT Security Review	High	X	X
20	IT Governance Review	High		
21	Business Continuity Plan, Disaster Recovery Plan and back-up Review	High		X
22	IT General Control Review	High	X	
23	Housing Maintenance and Portfolio Management Audit	High		X
Planning and Strategy				
24	Performance of Information Review	High	X	X
25	Service Level Standard Review	High	X	X
26	Risk Management Audit	Medium	X	
27	Fraud Prevention and Detection Audit	High		X
28	SHRA Compliance Review	High		
29	POPIA Compliance Review	Medium		
30	Business Continuity Audit	Medium		X
31	Compliance Review	Medium	X	

No	Auditable Area	IA Rating	Financial Year	
			2025/26	2026/27
Follow- ups				
32	Follow-up on Internal Audit Findings	High	X	X
33	Follow-up on AG Findings	High	X	X
Investigations				
34	UIFW Investigations	High	X	X

12. CONCLUSION

South Africa's current macroeconomic landscape presents both challenges and opportunities for the social housing and student accommodation sectors. Increasing demand for social housing, driven by inflation, high unemployment, and economic instability, necessitates innovative solutions. However, the sector faces significant constraints due to high borrowing costs, political risks, and slow building activity. In the student accommodation sector, resilient demand in urban centres with major universities is tempered by the pressures of rental affordability and economic volatility. Both sectors highlight the urgent need for creative financing solutions, particularly public-private partnerships, to mitigate cost and growth challenges.

JOSHCO's 2025/26 Business Plan provides the financial year's deliverables and programmes, within the frame of a medium-term road map – while also reflecting on implementation targets. The review of this plan and delivery on the commitments contained herein will be done through quarterly performance reports, and subsequently the Integrated Annual Report. The latter will be audited to validate the reported performance against the plan and the portfolio of evidence. Upon approval, this 2025/26 Business Plan will be publicised for transparency purposes.

JOSHCO is committed to implementing this business plan with vigor and resolve with a focus on achieving phenomenal results. Such attainment will be driven by getting the basic and simple things done expertly and, thus, ultimately bearing witness to JOSHCO's vision wherein 'Communities live in sustainable affordable public rental housing in the city of Johannesburg.'

Annexure A: 2025/2026 FY Strategic Risk Register.

Reference No.	Mayoral Priorities	Risk Name	Root Causes	Consequences	Impact	Inherent Risk Exposure	Interventions/ Actions to improve management of the risk
1	Sustainable Service Delivery	Aging Infrastructure	1. Budget constraints to maintain JOSHCO buildings. 1. 2. Inability to complete planned maintenance at JOSHCO projects. 1. 3. Unhappy tenants leading to reputational damage and non-payments/rental boycotts 1.4 Injuries and fatalities 1.5 Non-compliance to latest/newer building regulations.	1.1 High maintenance cost leading to financial losses. 1. 2. Inability to complete planned maintenance at JOSHCO projects. 1. 3. Unhappy tenants leading to reputational damage and non-payments/rental boycotts 1.4 Injuries and fatalities 1.5 Non-compliance to latest/newer building regulations.	Critical	Very High	1.1 Prioritisation of the CAPEX budget to major upgrades to reduce frequent unplanned maintenance costs. 1.2. Conduction of the Multiyear Building Conditional Assessment subject to budget approval.
2	Sustainable Service Delivery	Loss of stakeholder confidence	1. Lack of an integrated stakeholder and communication engagement plan (departments working in silos).	1. Public outrage and project disruption.	Critical	Very High	1.1 Monitor and track the implementation of the Stakeholder Engagement Plan on quarterly basis.

							1.2 Intervention of Social facilitators where there is an unrest.
							1.3 Investigate alternative ways to automate responses for rejected applicant.
							1.4 Investigate the possibility of utilising COGTA Hotline services for reporting of fraudulent activities.
			2. Reactive engagements with communities/ customers.	2. Reputational damage leading to loss of public confidence in JOSHCO.			2.1 Ad-hoc stakeholder engagement meetings or round table discussions with the affected stakeholders.
			3. Delays and inability to respond to customer applications within turnaround times.	3. Financial losses.			2.2 Conduct a survey on public perception.
							2.3 implementation of ethics program.
							3.1 Proactively notify applicants once a project has been fully tenanted e.g. Issue a communication on all social media platforms.
							3.2 Integration between Housing Management Department and Customer Relations Office.
3	Sustainable Service Delivery	Inability to deliver projects on time	1. Insufficient budget allocation from the city for capital projects	1.1 non-attainment of medium to long term project revenue as a result of limited number of social housing and affordable housing units built.	Critical	Very High	1. Submit request for additional funding during budget adjustment period (Bi-annually).
				1.2 Possible litigation by service providers for non-payment.			
				1.3 Penalties and interest.			

			2. Poor Performance by contracted Service Providers.	2.1 Enforcement of terms and conditions of the contract as well as exercising JOSHCO remedial provisions.				
				2.2 Monitoring and evaluation of projects performed during construction.				
				2.3.Project delays. 2.4 Poor workmanship.				
			3. Project disruptions by disgruntled communities (lack of community buy-in, dissatisfaction with allocation of employment opportunities etc.).	3.1 Increased projects costs.				
				3.2 Project delays/stoppages.				
			3. Project disruptions by disgruntled communities (lack of community buy-in, dissatisfaction with allocation of employment opportunities etc.).	3.3 Compromised safety and security of the project team.				
			4. Interdependencies on other statutory bodies i.e. city power, Joburg water etc. (Statutory approvals).	4.1 Increased projects costs.				
				4.2 Project delays/stoppages.				
						2. Backlisting of non-performing contractors.		
						3. Implementation and monitoring of the Stakeholder Engagement Plan upon new developments.		
						4. Persuading/Petitioning with statutory bodies.		

				4.3 Compromised safety and security of the project team.			
4	Financial Sustainability	Inability to continue as a going concern.	<p>1.1 Advocacy groups encouraging tenants to boycott rent</p> <p>1.2 Lack of cross subsidisation to support social housing</p> <p>1.3 Lack of diversified income streams</p> <p>1.4 Limiting Service Delivery Agreement (SDA)</p> <p>1.5 Insufficient maintenance budget</p>	<p>1.1 Poor rental collection.</p> <p>1.2, 1.3 & 1.4 Low profitability on projects.</p> <p>1.5 Inability to implement planned maintenance.</p>	Major	Very High	<p>1.1 Develop and implement an accelerated stakeholder engagement program targeted at problematic projects.</p> <p>1.2. Develop a plan to acquire buildings (affordable and student accommodation) from the inner city (Mix-use approach).</p> <p>1.3 Develop a plan and identify Public Private Partnerships (PPPs), other grants and expression of interests.</p> <p>1.4 Initiate a request to be granted permission to execute work on behalf of other departments and entities through the City Manager 'office.</p> <p>1.5 .1 Tap in to the SHRA Trust account interest (develop a targeted plan).</p> <p>1.5.2 Implementation of the Turnaround Strategy.</p>
			2. Late or no payment to JOSHCO by departments and entities (Intercompany entities)	2.1 Failure to execute projects within timelines/deadline.			<p>Maintenance of current controls.</p> <p>2.1 Enforcement of Service Level Agreements with departments and entities.</p> <p>2.2 Continuous engagements with departments and entities to</p>

				2.2 Reputational damage.			make payments.
				2.3 Increased interest expenditure that is not budgeted for.			2.3 Escalation to Group Finance to intervene with regards to payments by departments and entities. 2.4 Implementation of the comprehensive check list.
5	Sustainable Service Delivery	Governance Failures	1.1 Absence of institutional stability i.e. changes in executives.	1.1 Delays in achieving performance targets/service delivery.	Critical	High	1.1 Recruitment and appointment of vacant Executive positions.
		1.2 Weak internal controls and implementation of these thereof.		1.2.2 Adverse audit findings.			1.2 Development of a self-control assessment framework.
				1.2.3 Loss of accreditation (SHRA etc).			
				1.2.4 Loss of institutional memory.			1.3 .1 Implementation of the Ethics Program.
		1.3 Poor ethical culture.		3 .1 Financial Losses.			
				1.3.2 Litigations.			1.3.2 Establish and formalise the Ethics Committee.
				1.3.3 Reputational damage.			
				1.3.4 Fraud and corruption.			1.4 Implementation of the Change Management Plan.
				1.3.5 Inadequate consequence management.			
6	Sustainable Service Delivery	Increased safety and security incidents at	1. Inadequate maintenance of buildings in existing stock	1.1 Possible injuries and fatalities	Critical	Very High	1. Dedicate CAPEX budget for major maintenance.

	JOSHCO facilities				
		<p>2. Absence of biometric systems to improve access control, limitation of unauthorised access including subletting and address security weaknesses.</p> <p>Absence of CCTVs on some of projects.</p>	<p>2.1 Reputational damage to JOSHCO and COJ.</p> <p>2.2. Financial losses due to illegal tenants not paying rent directly to JOSHCO.</p> <p>2.3. Security weakness poses a huge security risk due to unvetted pedestrians/illegal tenants.</p> <p>2.4 Litigations from tenants.</p>		<p>2.1 Conduct a threat and vulnerability assessment on all projects ,develop a plan and reprioritize the installation of biometric systems according to high risk projects.</p> <p>2.2 Installation of CCTVs to eight projects based on the outcome of the threat and vulnerability assessment:</p> <ul style="list-style-type: none"> -City Deep, Greenfields -Tshedzani -Fleurhof Junxion -Fleurhof Riverside -Lufhereng -Riverside view -Bellavista Infill @ Citrine Court -Orlando Ekhaya <p>2.3 Conduct stakeholder engagements prior to installation of biometrics.</p>

			3.Limitations to compliance with OHS Act.	3.1 Fines and penalties by the Department of Labour and Employment as well as other regulatory bodies leading to potential financial losses.			3.1 Compliance Unit to conduct physical compliance assessments on some Joshco projects.
				3.2 Potential harm to JOSHCO employees, tenants, and service providers.			3.2 Conduct a threat and security assessment on high risk projects and develop a plan to enhance.
7	Smart City	Business Interruptions	1.1 Inadequate security measures for the configuration of servers and network infrastructure.	1.1.1 Cyber attacks; phishing scams, social engineering attacks, hacking, etc. 1.1.2 Loss of critical information. 1.2 Non- compliance with POPIA resulting in fines, penalties and possible imprisonment.	Critical	High	1. Maintain current controls.
		2.1 Natural and other disasters.	2. Inability to proactively respond to disasters and continue with JOSHCO operations.	2. Continuous testing of the disaster recovery plan.			
		3. Network connectivity single point of failure (lack of redundancy).	3. Network latency/or unavailability.	3. Monitor the performance of both links and switch the links respectively.			



