



JOHANNESBURG SOCIAL HOUSING COMPANY (SOC)

BUSINESS PLAN

2023/2024 FINACIAL YEAR



a world class African city



Sign Off –:

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Receipt & Review

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ACRONYMS

ARC	Audit and Risk Committee
BI	Business Intelligence
CAPEX	Capital Expenditure
CBD	Central Business District
CI	Corporate Identity
COJ	City of Johannesburg
CRM	Customer Relationship Management
CSI	Corporate Social Investment
EDMS	Electronic Data Management System
EMT	Executive Management Team
EPWP	Expanded Public Works Programme
FY	Financial Year
GBV	Gender-Based Violence
GHS	Global Household Survey
ICT	Information and Communications Technology
JOSHCO	Johannesburg Social Housing Company
JPC	Johannesburg Property Company
KPA	Key Performance Area
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)
PIE	Prevention of Illegal Eviction and Unlawful Occupation of Land
PMU	Project Management Unit
POPIA	Protection of Personal Information Act
PPE	Personnel Protective Equipment
PWD	Person with Disabilities

RDP	Reconstruction and Development Plan
SCCM	System Centre Configurations Manager
SCM	Supply Chain Management
SCOM	System Centre Operations Manager
SDA	Service Delivery Agreement
SDP	Service Delivery Plan
SHI	Social Housing Institution
SHRA	Social Housing Regulatory Authority
SMME	Small, Medium and Micro-sized Entity
SOP	Standard Operating Procedure
SWOT	Strengths, Weaknesses, Opportunities and Threats
TOD	Transit Oriented Development
VP	Value Proposition

EXECUTIVE SUMMARY

The Johannesburg Social Housing Company (JOSHCO) was established as a Municipal Owned Entity (MOE) in November 2003 by its shareholder, the City of Johannesburg (COJ), to provide affordable, well-located social housing options as part of the City's efforts to eradicate its housing backlog. The entity's mandate includes the provision and management of social and affordable rental housing, servicing various household income levels¹ – with particular focus on those at lower income levels. JOSHCO's mandate also includes the refurbishment, maintenance, upgrading and management of some of the City-owned rental housing stock, and, where necessary, the provision of municipal services.

In 2020, Johannesburg was faced with an estimated housing backlog² of 448 200 units, with an average delivery of only 3 500 housing units per year³. Social Housing Institutions (SHIs) such as JOSHCO have an important role to play in meeting social housing demand. The sustainability of social housing provision requires significant development of new stock, and the effective maintenance of existing rental stock. JOSHCO's accreditation⁴ with the Social Housing Regulatory Authority (SHRA) allows the entity to access both the SHRA subsidy and the City's Capital Expenditure (CAPEX) budget, improving JOSHCO's ability to facilitate volumes of social and affordable rental housing opportunities, and the implementation of other large-scale projects. This 2023/24 Business Plan reflects on JOSHCO's context, mandate, and strategic objectives, highlighting the alignment between the latter and the City's (the Government of Local Unity (GLU) Eleven (11) Strategic pl Priorities⁵. It offers a view of past performance and the entity's outlook, while also reflecting on a range of alternative revenue streams that the entity started rolling out in the 2021/22 Financial Year (FY) – with delivery to continue in the 2023/24 FY. The risk management mechanisms proposed are supported by a full Strategic Risk Register included within the Annexures 6.

¹ On 25 March 2022, the qualification threshold was adjusted from a gross monthly income of between R1,500 and R15,000 per month (as set in 2018), to a revised range of R1,850 to R22,000 per month (Source: Ministry of Human Settlements 2022).

² Comprised of "informal settlements, overcrowding in the hostels, the non-regulated backyard rental, inner City. overcrowding and homeless people in general" (Source: CoJ (2020) Final Integrated Development Plan 2020/21: 36)

³ Source: IHS Markit Regional explorer version 1870, cited in CoJ (2020) Final Integrated Development Plan 2020/21.

⁴ JOSHCO's accreditation status with the SHRA is currently conditional, with full accreditation offering access to additional subsidy benefits.

⁵ 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 development; Green economy, and smart City.

⁶ Also included in the annexures are details pertaining to 1) Proposed Tariffs; JOSHCO's Acquisition Plan; the Service Level Standard TID.

JOSHCO currently manages 8 825 social and affordable rental units. The 2023/24 Business Plan reflects an increase of a further 950 completed units and an additional 250 units in progress, by the end of the 2023/24 FY.

JOSHCO's Key Performance Areas (KPA's) are detailed further within a refined Service Delivery Plan (SDP) for the 2023/24 FY, together with a Corporate Scorecard that includes Key Performance Indicators (KPI's) that reflect improved alignment with SMART⁷ 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 can support socio-economic development and foster growth in local economies through Small, Medium, and Micro-sized Enterprise (SMME's)/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.

⁷ Specific; Measurable; Achievable; Realistic; Time-bound.

1. STRATEGIC OVERVIEW

1.1. 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.

1.2. JOSHCO's Mission

Deriving from its mandate and purpose, JOSHCO's mission, being the reason for its existence, is:

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

1.3. JOSHCO's Core Values

JOSHCO's core values are:

- **Transparency:** We will conduct business in an open, honest and transparent manner. We will comply with all legislative and governance requirements and take full responsibility for our decisions and actions.
- **Customer Focus:** At JOSHCO, we hold the customer very dearly to our hearts. We will do everything possible to ensure that we delight our customers in ways they want and to standards they themselves define.
- **Efficiency:** We strive to become resourceful in the way we do business. We will continuously innovate to better our business processes. We focus on achieving more from the resources at our disposal.
- **Respect:** We cannot exist or succeed independent from our clients, customers and partners. We respect every person whom we interact with and strive to treat our customers in a highly respectful and dignified manner.

1.4. 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.

1.5. 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 a number of 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
COVID- 19 Occupational Health and Safety Measures in Workplaces Directive	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 Management Act - Municipal Regulations on Debt Disclosure	Social Housing Act, No.16 of 2008
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.

1.6. 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 (regulated) and student accommodation.
- 3) Develop and manage affordable rental housing (non-regulated).
- 4) Provide special projects services.

1.7. Alignment to the City's Priorities

The City's 2021 IDP reflects that there are more than 457,200 people registered on the National Housing Needs Register in need of housing in the City. In addressing this massive and growing demand, the City has prioritised a comprehensive focus on integrated human settlements, with a number of housing interventions and programmes. JOSHCO is central to the City's response to housing and human settlements development. The focus on integrated human settlements stands as a specific localisation of Chapter 8 of the National Development Plan.

In addition, a key priority of the City is to undertake spatial transformation and consolidation, so as to diminish inequality and bring about spatial justice within settlement patterns. This priority is embodied in the City's Spatial Development Framework with the aim of creating an

inclusive City. In practical terms the reversal of apartheid spatial planning is achieved through delineated corridors of integrated development, mixed income developments, Hostel Re-development, Gap Market Housing and Rental Housing of high quality.

This should be supported through increased densification, as well as sustainable access to social and economic amenities.

As part of the inner-City revitalisation programme, the City has programmed the release of City-owned buildings to develop affordable rental housing, temporary emergency accommodation and social housing projects. Already a pipeline of properties has been identified for release to JOSHCO for social housing and rental stock.

All the above are a practical translation and realisation of National priorities outlined in the 2020-2025 Medium-Term Strategic Framework (MTSF), the Provincial priorities contained in the Growing Gauteng Together (GGT 2030), as well as the City's own Growth and Development Strategy (Joburg 2040 GDS). Furthermore, the City has identified Government of Local Unity (GLU) eleven strategic priorities is focusing on in its term of office. Entities of the City need to align its plans with the said priorities as reflected in the table below. JOSHCO directly respond to the priority on "sustainable service delivery". However, the entity also responds to indirectly to all other priorities as it executes its mandate.

Table 2: 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, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	<ul style="list-style-type: none"> • Sustainable human settlements 	<ul style="list-style-type: none"> • Sustainable human settlements 	1. Sustainable Service Delivery	<ul style="list-style-type: none"> • 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 	2. Job opportunity & creation	<ul style="list-style-type: none"> • 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 program
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 	<ul style="list-style-type: none"> • Sustainable human settlements 	3. Sustainable service delivery	<ul style="list-style-type: none"> • Develop & manage social housing and Student Accommodation • Develop & manage Affordable rental housing • Implement housing development 	<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

				projects for the COJ <ul style="list-style-type: none"> • Provide assigned municipal services 	
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 	4. Financial sustainability	<ul style="list-style-type: none"> • To be a smart and capable entity 	<ul style="list-style-type: none"> • A solvent company by end of 2024/25 FY • 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
					<ul style="list-style-type: none"> • Effective and efficient business processes • Improved tenant satisfaction, through proactive tenant education and engagement programme • Customer satisfaction targets achieved and improved • Improved visibility of JOSHCO brand
An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens	<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"> • A '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 	5. A Smart City	<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)
					<ul style="list-style-type: none"> • Improved application and leasing processes, supported by automation of processes • Seamless business continuity supported, through effective backup and disaster recovery systems



		<p>participation and empowerment</p> <ul style="list-style-type: none">• Guaranteed customer and citizen care and service		
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2. IDP/CBP COMMUNITY ISSUES 2023/24

2.1. JOSHCO Community Development

JOSHCO Community Development is aimed at working together with the tenants, to improve the livelihood of the tenants. Its programmes are uniquely placed to assist in the social, 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 utilize as useful resources during their working and for future reference. Please see the below program structure:

Table 3: JOSHCO Community Based Programme

Name of Community Based Programme	Activities	Regions
Gardening Services	Garden & Horticulture Landscaping Creating Weed Free environment. Ensure cleanliness, efficiency, and effectiveness of the residential properties	Region B = 1 Region C = 3 Region D = 5 Region F = 5 Region G = 1
Moulding & Painting services	Painting & Moulding	Region B = 1 Region C = 3 Region D = 5 Region F = 5 Region G = 1
Cleaning services	Window cleaning Pest control & cleaning	Region B = 1 Region C = 3 Region D = 5 Region F = 5 Region G = 1
General Worker/ Cleaning Relievers	Cleaning services	All regions
Security	Safety & Security	All regions

Geographical Location / Scope of operation



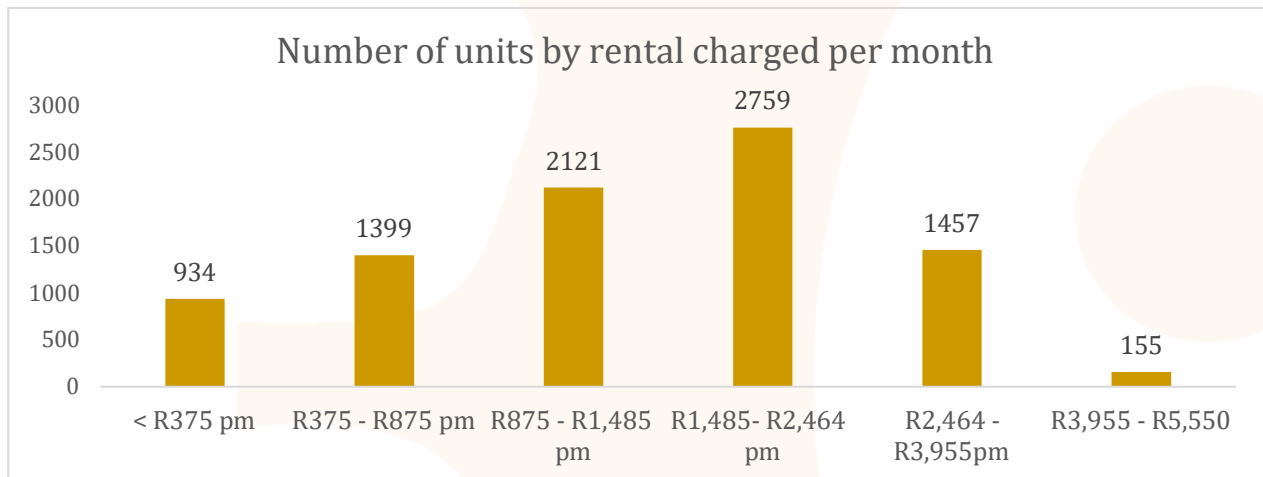
3. STRATEGIC ANALYSIS

3.1. JOSHCO's Current Status

3.1.1 Overview of JOSHCO's property portfolio

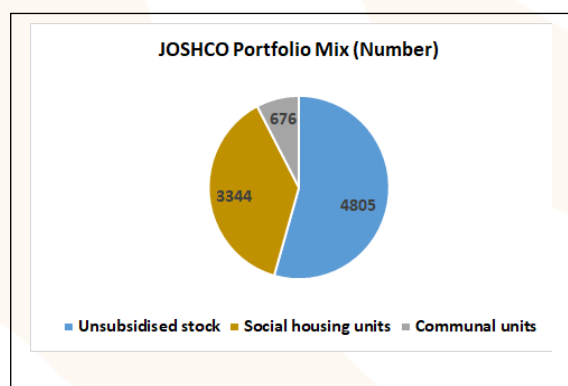
JOSHCO has 8,825 units within its portfolio focused on a range of tenant income levels (see figure below). The units are located in greenfield, brownfield and hostels. Unit typologies range from communal, bachelors, 1 bedroom and 2 bedrooms rooms. The units service households with rentals from as low as R312.00 per household per unit per month to R5,550 per household per unit per month.

Figure 1: Units under JOSHCO management



JOSHCO's portfolio can be divided into 4,805 unsubsidised units, 3,344 SHRA funded stock and 676 funded through the institutional subsidy.

Figure 2: JOSHCO's portfolio mix



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

3.1.2 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 8,825 rental units, delivered through both greenfield and brownfield projects.

In the year ended June 2022, JOSHCO continued to strive for delivery on the Board-approved institutional targets. 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 4: Previous financial years' performance metrics

Performance metric	30 June 2020	30 June 2021	30 June 2022
Property revenue (R'000)	R151,0 million	R171,6 million	R182 million
Maximum rental excluding utilities	R5,053	R5,550	R5,550
Capital budget (R'000)	405.7 million	378 million	628 million
Capital Expenditure	68%	95%	94 %
New units developed	330	609	210
Occupancy rate	96%	99%	98 %
Collection rate	61%	58%	56 %
Deficit	R79,9 million	R115,9 million	R133,7million
Number of rental units under management	8,515	8,825	8,825

Furthermore, the following performance was recorded.

- The entity completed installation of biometrics in its 16 properties. This will improve access control and safety of tenants significantly.
- 100% of invoices were paid within 30 days which is in line with the requirements of MFMA
- The minimum monthly rental charged was R312.00 per household, per unit
- The entity with the support of the shareholder did not increase rental tariff in the 2022/23 FY

The entity has 21 annual Key Performance Indicators (KPIs) in the 2021/22 FY that were measured to ensure that the objectives are achieved. Of the 21 targets set, five (5) were achieved and 16 were not

achieved.

Table 5: Performance against Predetermined Objectives as at 30 June 2022



Key Performance area	Key Performance Indicator	Total Target for the year 2021/22	Q4 Target	Q4 Actual	Variance	Evidence and Means of Verification
Financial sustainability	Current Ratio	Current Ratio 1:1	1:1	0.80:1	-0.20	Monthly management accounts/ annual financial statements.
	Solvency Ratio	Solvency Ratio 1:1	1:1	0.82: 1	-0.18	Monthly management accounts/ annual financial statements.
	Cost coverage ratio	50 Cost coverage ratio	50 days	-235 days	-285 days	Monthly management accounts/ annual financial statements.
	Remuneration to Operational expenditure (OPEX) up to 40%	Remuneration to Operational expenditure (OPEX) up to 40%	Remuneration to Operational expenditure (OPEX) up to 40%	32%	+8%	Monthly management accounts/ annual financial statements. Management account report.
	% Collection in respect of current debtors	90% Collection in respect of current debtor	90%	56%	-34%	MDA System. List of JOSHCO projects. Financial summary. Final billing report. Tenant age analysis/tenancy schedule; and invoices or bank statements.
Job creation	Number of jobs created for the unemployed through EPWP programme	500 number of jobs created for the unemployed through EPWP programme	500	503	+3	Service provider-register and payroll. Attendance register/timesheet, proof of payment, ID, and employment contract.
Economic Development	% Of construction capex spent on SMME	30% Of construction capex spent on SMME	30%	10.65%	-19.35%	Departmental expenditure report and invoices.
	% Of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	99.88%	Achieved	Purchase master. Bank statements, Invoices register, and Remittance for service providers.
Social Housing Development	No of Social Housing units developed	483	483 Units	210	-273	Independent professional report on milestone progress signed and dated within the financial year.
	No of Social Housing units completed	349	349 Units	0	-349	Completion Certificate/ Occupation certificates.

Key Performance area	Key Performance Indicator	Total Target for the year 2021/22	Q4 Target	Q4 Actual	Variance	Evidence and Means of Verification
	% Capital budget spent	95% capital budget spent	95%	94%	-1%	Board approved Capital Expenditure report and valid invoices.
Effective property management	% Occupancy rate	98% occupancy rate	98% occupancy rate	98.26%	+0.26%	Property management system generated report.
	Number of building conditional assessment concluded	10 Buildings conditional assessment	10	22	+12	Professional signed building conditional assessment reports.
Adherence to Corporate Government Principles	Unqualified audit opinion	Unqualified audit opinion	-	Qualified opinion		JOSHCO's Integrated Annual Report and Auditor General final report.
	% Compliance to law and regulation	95% Compliance to laws and regulations	95%	82%	-13%	Questionnaires supported by evidence and Exclaim Compliance Universe Toolkit Generated Reports.
	% Implementation of targeted corrective action against identified risks	95% Implementation of targeted corrective action against identified risks	95%	84%	-11%	Strategic Risk Register, and approved risk report submitted to Group Risk.
Corporate governance	% Implementation of targeted corrective action against internal audit findings	95% implementation of targeted corrective action against internal audit findings	95%	74%	-21%	Internal audit tracking reports are submitted to Executive Committee (EXCO) and the Audit and Risk Committee. Internal audit reports.

Key Performance area	Key Performance Indicator	Total Target for the year 2021/22	Q4 Target	Q4 Actual	Variance	Evidence and Means of Verification
	% Implementation of targeted corrective action against external audit findings	100% implementation of targeted corrective action against external audit findings	100%	33%	-67%	Internal audit tracking reports are submitted to Executive Committee (EXCO) and the Audit and Risk Committee. Internal audit reports.
	% Employee occupancy rate	95% employee occupancy rate	95%	90%	-5%	The approved organogram that reflects funded position and SAP Report that shows positions filled.
	% Customer satisfaction rating	85% Customer satisfaction rating	85% Customer satisfaction rating	0%	85%	Survey conducted by service provider. Customer satisfaction survey report, and Questionnaires or survey instruments.
	% Employee satisfaction rating	70% employee satisfaction rating	70% employee satisfaction rating	0%	70%	Survey conducted by service provider. Customer Satisfaction Survey Report, and Questionnaires or Survey instruments.

3.1.3 JOSHCO's Organisational and funding status

JOSCHO's current organisational structure was approved in July 2022. The total number of staff is approximately 650 of which 67% are in the Housing Management function. In the past eight years, JOSHCO has faced significant leadership changes; a turnover of five CEOs, a recently employed team of CEO, the COO and the Executive Manager: Corporate Services. It has also experienced leadership changes at the COJ (shareholder) level with six Executive Mayors, several Board changes; two City Managers plus one Acting City Manager.

A human resources capacity analysis was undertaken in 2021 based on the previous financial 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.

JOSHCO expenditure exceeds revenue resulting in a deficit over the past five years. This deficit has increased significantly over the five-year period from R11 million in 2018 to R133,6 million in 2022. Two key factors that are causing the high operating expenditure are an incurring interest expense of R35 million per annum due to an overdraft facility of R1 billion and security being insourced which has caused an increase in security costs from R11 million in 2017 to R30 million in 2022.

Over the five-year period JOSHCO's assets increased by 77% from R393 million to R1,729 billion. At the same time, liabilities increased by 89% from R388 million to R2,141 billion. This is the result of 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 business (SHI, Communal, City Services), which should be budgeted for, reported and performance managed separately. JOSHCO SHI and Communal Housing is impacted by low rental collections (56% 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 total funding required based on actual collection rate is R116 million vs a budget of R48 million. 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 collections (around 50%) 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 Department of Human Settlements. Addressing problem 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.

3.1.4 Competitor analysis

There is a high level of need for rental housing including social, affordable and student housing in the City. The current housing need is estimated to be 333,571 households comprising those households which are living in informal conditions (informal settlements and informal backyard rentals). In addition, if household growth and in migration is taken into consideration it is estimated that there will be approximately 1,23 million households requiring housing between 2016 and 2030 in the City. This implies that approximately 88,000 households need to be housed per annum. This is far in excess of what is currently being delivered by the City and affordable rental sector⁸.

JOSHCO is one of approximately 40 accredited SHIs and 11 Other Delivery Agents (ODA's) operating in Gauteng⁹. 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.

JOSHCO 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

⁸ SHRA, 2020. State of the Social Housing Sector. <https://saaffordablehousing.co.za/2020-state-of-the-social-housing-report/>

⁹ ibid

benefit of ownership) and the private developer (who offers a highly affluent housing solution catering for both rental and owned housing solutions). In addition, JOSHCO is the only municipal owned entity in the province which gives it a unique edge to the other competitors.

The table below depicts the range of competitor in the rental housing market in the City.

Table 6: 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	<ul style="list-style-type: none"> ● 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 tenaning	<ul style="list-style-type: none"> ● 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)	Give away housing (R1500 - R3500)	<ul style="list-style-type: none"> ● 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

3.1.5 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 aftereffects 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 in the 2021/22 FY, with the intention of enhancing revenue generation including tenant regularization, 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 (Section 4).

3.2. Environmental analysis

The City of Johannesburg (City) is home to 38% of Gauteng's households. According to the City's Growth and Development Strategy (2040), the City's population has increased significantly since 2001. The City's population is expected to grow to between 7 million and 10 million people by 2040, with a young, highly mobile population segment accounting for almost half of the City's population. Data from Statistics South Africa (2021) indicates that about 38% of households in the City are headed by women¹⁰.

Population growth in the City is impacted by a high level of migration into the City related to urbanisation. In South Africa, 63% of the population is already living in urban areas. This figure is expected to rise to 71% by 2030 and 80% by 2050. Put vividly, by 2050, eight in 10 South Africans will be living in urban areas.

Significantly, the City, like all other major South African cities, continues to be a 'migration-magnet'. Although the reasons for an influx of in-migration are varied, the pursuit of employment and related economic opportunities and amenities are well-established drivers.

The Gauteng Province, due to its attraction as the social, economic and cultural hub of the country, will experience the largest inflow of migrants from the rest of the country at approximately, 1.4 million in-migrants between the years 2021- 2026.

¹⁰ The Centre for Emerging Researchers, 2022

Economically, the City makes the largest GVA contribution to the Gauteng Province (40%). Overall, the economy of the City has a high level of sectoral diversity. The most dominant economic sectors are finance, insurance, real estate, and business services (35%), followed by general government (16%). The third largest sectors are manufacturing and wholesale, retail, catering, and accommodation (14% respectively).

The 2021 General Household Survey highlights the following about urban poverty in the City:

- First, in 2018, there were 2.35 million people living in poverty, using the upper poverty line of R 1227 per person. This is 23.20% higher than the 1.91 million in 2008.
- Secondly, a significant section of the City's population is food insecure. Food Security research conducted in selected locations in the City estimates that between half and three-quarters of people in poor areas are affected by food insecurity.
- This translates into as many as 2.2 million people, based on population estimates and the 2015 upper-bound poverty line of R992 per person per month. People most affected by poverty are youth, black, female and of rural and township origin with little to no formal education.

Key factors causing high poverty levels is unemployment and the aftermath of the Covid 19 pandemic. Unemployment is a national crisis. Even before the pandemic, South Africa's unemployment rate had hit a record high of 30.8%

In South Africa the Covid 19 pandemic has significantly worsened levels of unemployment and poverty. Its impact particularly worsened the wellbeing of low-income households. More importantly within the City, as in all other metros, the City's economy and its ability to house the marginalised and provide subsidised housing was significantly weakened.

The recently released GCRO Quality of Life Survey (2021) shows that the COVID-19 pandemic has had a devastating impact on families and local economies. Similar to other municipalities in Gauteng:

- 30% of respondents in the City indicated that they had had a reduction in their salary and working hours.
- In the City, 20% of respondents said that they had lost their job, two percentage points above the provincial average of 18%.
- A further 10% of respondents, at the provincial level, reported that they had to close a business because of the pandemic.

3.3. 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 7: JOSHCO SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> a. Clear and specific mandate from the City – commitment to rental housing. b. Track record of building and managing rental housing stock. c. The current portfolio of rental housing stock (largest in RSA and Africa). d. Access to City's capital budget. e. Access to City's prime properties. f. Recognisable and long established JOSCHO brand. g. 'Fertile' ground for policy application, review and learning. 	<ul style="list-style-type: none"> a. Financial distress. b. Compliance gaps undermine SHRA accreditation status. c. Property maintenance backlog. d. Poor (strained) relations with tenants. e. Limited delivery of affordable rental housing stock. f. High reliance on manual administrative processes. g. Impaired reputation (unstable entity). h. Incoherent IGR partnerships.
Opportunities	Threats
<ul style="list-style-type: none"> a. Nationally funded social housing and student accommodation programmes. b. Access to City-owned properties. c. Emergence of property management technologies and digitisation options. d. Tenant activism can be harnessed for better tenant relations and conduct. e. Property developers' projects pipeline. f. Provincial delivery of CRU rental stock (JOSHCO can offer management service). g. Align and leverage utility charges with City's indigent policy in favour of tenants. h. High demand for affordable rental housing. i. Policy advocacy and IGR alignment. 	<ul style="list-style-type: none"> a. Sustained high rental defaults. b. Inability to evict defaulting tenants. c. Rapid dilapidation of buildings. d. Tenants demand for ownership of units. e. Rising unemployment and stunted economic growth implies more households will be without income. f. SHRA accreditation status downgrade. g. Stagnation in housing policy and 'disconnects' wherein tenants' mobility in the housing access ladder is stymied. h. Unstable City government. i. Undue and misdirected political interference in the rental housing portfolio.

3.4. 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 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

The GCRO Quality of Life Survey (2021) shows growing dissatisfaction and lack of trust in local governments and their ability to deliver basic services, including social housing. The City of Johannesburg scores just above the provincial average, at 32% satisfaction. Billing services score even lower, with a provincial average of 29%.

The inability of political parties to secure an outright majority in recent elections has led to the City being governed through coalition governments. However, coalition governments in the City have been unstable, to the extent that they often collapse leading to different coalitions governing the City. These changes in government often bring changes in the administration of the City, and by extension, impact on the entity's operational stability.

Within the housing space, tenants have increasingly become organised into common-interest movements and lobby groups. The heightened tenant activism points to a need for differentiated and remodelled tenant management approaches.

b. Economy

The Covid-19 pandemic together with the high levels of poverty and unemployment are key negative factors for Social Housing Institutions (SHI's) such as JOSHCO. This is likely to impact on SHIs and other rental housing providers through increased defaults on rentals.

c. Social

The scourge of gender-based violence is the current pandemic that manifests in homes, public spaces, workplaces and all other spaces in society. Housing provision must be sensitive to this pandemic and a conscious effort must be adopted to mitigate designs and

operations that perpetuate this scourge.

Social discontent over service delivery failures and inconsistent or uneven access to services and opportunities poses a risk to sustainable operations and local stability. Growing awareness about rights can be attributed to active media, access to information and high mobility.

d. Technology

Connectivity and access to data is synonymous with technological advances witnessed in recent times. Furthermore, new innovations in property, utilities and general estate management have seen new applications, technologies and methods introduced into the market. These include security, communication, billing and occupancy control. These present a significant opportunity for JOSHCO to embrace these innovations and customise them for its operations in line with its values.

Furthermore, the proliferation of Alternative Building Technologies and non-traditional, off grid, utility service solutions offer another realm of opportunity for JOSHCO.

e. Legal

The legal framework within JOSHCO environment has remained fairly constant over time. However, the procedures for evictions - where necessary in respect of defaulting tenants, require precision and meticulous observance of the required sequence of events. Furthermore, measures to counter brazen high jacking of buildings must be met with legally compliant response strategies.

f. Environment

The environment within which JOSHCO exists is marked by increasing demand for affordable rental housing, deep and unbaiting unemployment and poverty. Furthermore, climate change and need for resilience is a phenomenon that looms large in the human settlements and housing development space. In addition to local and neighbourhood-level food security responses and the need to reduce carbon footprints, there is a growing appeal for green building with associated green financing opportunities.

Off-grid solutions such as solar energy, waste-water treatment, rainwater harvesting, and grey water reuse are increasingly feasible to incorporate in building design and/or retrofitting through maintenance and refurbishments.

3.5. Risk assessment

In keeping with good industry practice, JOSHCO's risk focus is not intended to identify every risk facing the organization, 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 risks 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 advice the Board on the adequacy of the organisation's risks responses and how best management should deal the 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 in Table 7.

Table 8: JOSHCO Strategic Risks and Mitigating actions

Risk Description	Mitigation
Inability to continue as a going concern.	<ol style="list-style-type: none"> 1. All leases and lease renewals to enforce debit order payment method (Debi Check). 2. Development of an APP for tenants to include online acknowledgement of debt process and online payment gateway. 3. Standardisation of rental tariffs. 4. Stakeholder engagements before executing eviction orders. 5. Implementation of check meter devices and installation of smart meters to read and submit water consumption linked to each unit. 6. Implementation of the hybrid model which will elevate the overtime costs. 7. Reduction of projects on behalf of other departments.
Failure to deliver capital projects on time	<ol style="list-style-type: none"> 1. Submission of Project implementation plan for each capex project to the City for proper budget allocation/payment. 2. Strengthen contact management and performance monitoring and termination of non-performing contractors. 3. Enhance community engagements by implementation of a comprehensive Stakeholder engagement Strategy and plan. 4. Implementation of project readiness matrix approved by Housing Management and Housing Development departments. 5. Co-sourcing of local Security companies in projects.
Failure to implement effective job opportunities and SMME's support systems.	<ol style="list-style-type: none"> 1. Allocation of the SMME packages for each project either at inception or construction stage by the professional team. 2. Development of a training plan for SMMEs by the contractor or developer for Turnkey projects. 3. Involve local SMME's in project activities to promote community participation.
Minimal/inadequate Community and Customer centric engagements	<ol style="list-style-type: none"> 1. Monitoring of the implementation of the Stakeholder engagement plan. 2. Social Facilitators to Conduct early and ongoing engagement with communities. 3. Ad hoc stakeholder engagement meetings or round table discussions with the relevant stakeholders 4. Implementation of QR code system to speed up/ expedite the application process.
Health, Safety and Security incidents in JOSHCO projects	<ol style="list-style-type: none"> 1. Implementation of the updated and standardised maintenance price lists and maintenance plan. 2. Implementation Facilities Management or Repairs & Maintenance per building with dedicated service providers per building to fast track the maintenance turnaround time. 3. Formulation of Tenants committees or tenant engagement sessions. 4. Activation and monitoring of biometric systems at JOSHCO projects. 5. Assign an OHS Officer or Safety representatives at construction projects. 6. Conduct regular audits and inspections to ensure adherence to building regulations. 7. All sites to have OHS compliance documents handled by the housing supervisor. 8. Conduct regular audits and inspections to ensure adherence to building regulations.
Business interruption	<ol style="list-style-type: none"> 1. Update and review the ICT policies and procedures. 2. Implementation of the disaster recovery plan and the business continuity plan. 3. Testing of the disaster recovery plan. 4. Development of comprehensive energy strategy.

	<ol style="list-style-type: none"> 5. Implementation of the energy strategy starting at head office. 6. Disaster Recovery Committee quarterly session and ICT Steering Committee session. 7. Regular testing of the Business Continuity Plan.
Fraud and corruption	<ol style="list-style-type: none"> 1. Fraud detection review in collaboration with the City. 2. Enforcement of standard pricelist and any contractor who inflates prices will be barred from participating on the panel. 3. Implementation of the Property management Policy and standardised price list. 4. Implementation of a Supply chain management rotation strategy for each panel 5. Fraud awareness sessions at Head Office, Housing Management projects and Bid Adjudication Committee. 6. Investigations of Fraud and corruption by GFIS. 7. Development of an Ethics programme.
Aging infrastructure	<ol style="list-style-type: none"> 1. Implementation of Building conditional assessment to all our buildings. 2. Completion certificate for maintenance work done in JOSHCO projects. 3. Development of Standard Operation Procedure for evidence-based monitoring and evaluation on contractors performance. 4. Identification of profitable buildings and prioritisation of works based on urgency.
Governance Failures/Political Instability	<ol style="list-style-type: none"> 1. Adherence to the mandate of JOSHCO with its strategic objectives.

3.6. 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 the Entity.
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 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 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

4. STRATEGIC RESPONSE - IMPLEMENTATION

4.1. Key Performance Areas

JOSHCO is committed to realising 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 9: 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: <ul style="list-style-type: none"> • 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] are attached as **Appendix 1**.

4.1.1 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
- IGR and stakeholder relations
- Research and knowledge management
- ICT and digitisation

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 technological efficiency including tenant screening, billing, management of rental collection and maintenance of buildings.

The deliverables for this programme are:

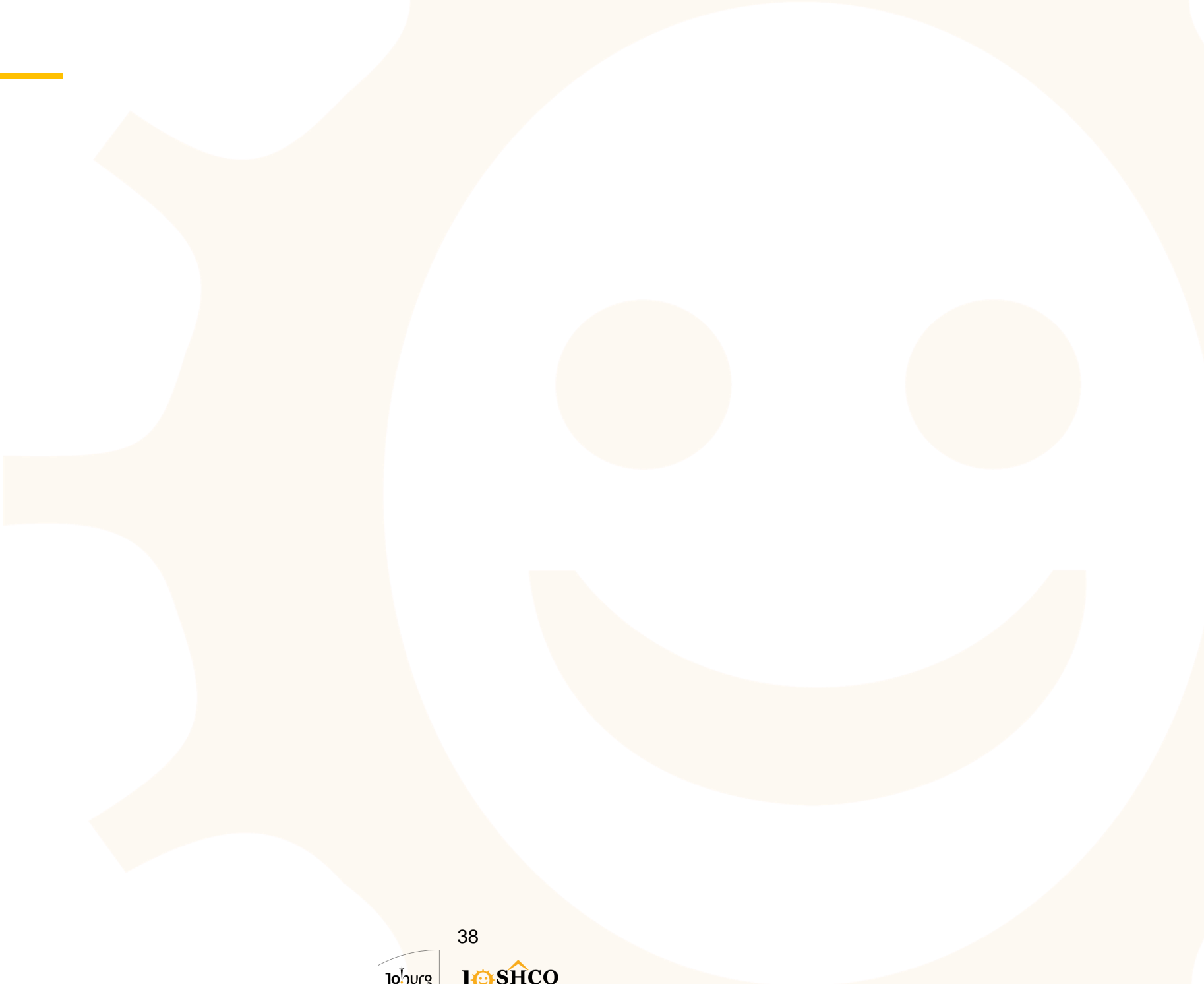
- Financial sustainability achieved
- ICT and digital systems enabled
- Good governance
- Human resource management to enable a capable workforce
- Research and knowledge management undertaken to support implementation of strategies and operational plans based on learning and evidence
- Effective intergovernmental and stakeholder relations
- High performance standards maintained

-
- Of all expenditure, 30% is procured from SMME's 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 10: 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	<ul style="list-style-type: none"> Financially sound operations Going-concern status Diverse revenue streams
	ICT and digital systems enabled	Operating budget Personnel with skills, expertise and competence	<ul style="list-style-type: none"> Operation service efficiencies Cost and error reduction Improved communication
	Good governance	Board and Personnel with skills, expertise & competence	<ul style="list-style-type: none"> Compliance maintained Unqualified audit outcomes Minimal losses
	Effective human resource management	Operating budget	<ul style="list-style-type: none"> Capable workforce
	Research and knowledge management undertaken	Personnel with skills, expertise and competence	<ul style="list-style-type: none"> Learning and evidence-based strategies and operational plans
	Effective inter-governmental and stakeholder relations	Personnel with skills, expertise and competence	<ul style="list-style-type: none"> Leverage IGR and Stakeholder relation for partnerships
	High performance standards maintained	Personnel	<ul style="list-style-type: none"> High performing organization
	30% spent on SMMEs and designated groups	Capital budget Operational budget	<ul style="list-style-type: none"> SMME participation in procurement
	Public employment programmes to create jobs	Operational budgets	<ul style="list-style-type: none"> Short term job-creation



4.1.2 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 pilot 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 DHET maintained
- Advocate for enabling Policy
- New rental housing units developed
- Effective property management undertaken
 - Student accommodation 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 11: Programme 2: Social and Affordable Rental Housing: Deliverables and Outputs

Key Performance Area	Deliverable	Resources	Output
Develop and manage social and affordable rental housing	Effective programme management undertaken	Personnel with specialised skills and competence Appropriate systems and procedures	<ul style="list-style-type: none"> Reduced maintenance and operational costs Increased percentage in rental collections
	Accreditation status with SHRA maintained	Personnel with specialised skills and competence	<ul style="list-style-type: none"> Policy adherence and compliance Accreditation sustained
	Advocate for enabling Policy	Research and evidence developed	<ul style="list-style-type: none"> Policy shift
	Additional rental units developed	Capital budget	<ul style="list-style-type: none"> More rental stock delivered
	Effective property management undertaken: <ul style="list-style-type: none"> Student Accommodation managed effectively SHRA accredited stock managed effectively 	<ul style="list-style-type: none"> Operating budget Enhanced ICT 	<ul style="list-style-type: none"> Reduced maintenance and operational costs Adequate living conditions
	Effective management of tenants in all rental housing stock	<ul style="list-style-type: none"> Operating budget Personnel with specialised skills and competence 	<ul style="list-style-type: none"> Rent-paying tenants Harmony in properties Satisfied tenants Compliant leases in place Occupancy levels above 95%

4.1.3 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 12: 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	<ul style="list-style-type: none"> • Policy adherence and compliance • Policy shift
	New affordable rental housing stock developed	Capital budget	<ul style="list-style-type: none"> • Safe living environments
	Effective Property Management services for all units	<ul style="list-style-type: none"> • Operating budget • Enhanced ICT 	<ul style="list-style-type: none"> • Adequate living conditions in all affordable housing units
	Effective Tenant Management services for all units	<ul style="list-style-type: none"> • Operating budget • Personnel with specialised skills and competence 	<ul style="list-style-type: none"> • Rent-paying tenants • Harmony in rented properties & environments • Satisfied tenants • Compliant leases in place

4.1.4 Programme 4: Special Projects services 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 13: 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	<ul style="list-style-type: none"> Project delivered within time frame and budget
	Provide municipal services in line with the Service Delivery Agreements related to: <ul style="list-style-type: none"> Procurement services Programmes and projects management services Utilities management services 	<ul style="list-style-type: none"> Operating budget Capacity assembly and contracting strategy for: <ul style="list-style-type: none"> specific skills, expert knowledge competence systems and equipment 	<ul style="list-style-type: none"> Municipal services delivered according to set standards Satisfied customers Procurement services Programmes and projects management services Utilities management services

4.1.4 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 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 is 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 affected 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 draw-down 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 14: Sub-programmes

Programme	Programme 1 Corporate Administration	Programme 2 Social housing and student accommodation (units under accreditation and regulation)	Programme 3 Affordable Rental Housing (non-regulated)	Programme 4: Special Projects services provided in line with Service Delivery Agreements (SDAs):
Sub-Programme	Finance	Programme Management	Programme Management	Programme Management
Sub-Programme	Governance	Accreditation & Policy Advocacy	Policy advocacy and compliance	Policy & by-laws compliance
Sub-Programme	Corporate Services	New Developments	New Developments	Procurement services
Sub-Programme	Corporate Planning & Performance; Research & KM	Property Management	Property Management	Utilities management services
Sub-Programme	IGR & Stakeholder Relations	Tenant Management	Tenant Management	Project management services
Sub-Programme	ICT and digitisation enablement	-	-	

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

Going forward each property within the portfolio must be managed 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 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 able 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, payroll deductions.

A programme of tenant mobility toward 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

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 the 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.
- 3) **Client departments within the City:** These customers are other Departments and Entities within the City on whose behalf JOSHCO provides specific services based on a funded service delivery agreement. Adequate and reliable reporting and governance ensures extension of accountability on

their behalf. Furthermore, their customers, in turn, become JOSHCO's customers and specific customer care strategies must be deployed.

(g) ICT, Digitisation and Automation Enablement

Digitisation, automation, and systems integration offers JOSHCO an opportunity for a forward leap into smart operations that are efficient and effective.

The ICT capability is central to business success and efficiency. Accordingly, JOSHCO has adopted the path of ICT optimisation supported by the requisite standard operating procedures to guide day to day operations and derive maximum benefit from all ICT capabilities employed. To this end Information systems include the following:

- JOSCHO utilises Sage Pastel for general ledger and accounting as well as consolidated financial reporting.
- JOSHCO has implemented MDA, which has changed its name to MRI for the property management function which is a specialist real estate management software solution.
- JOSHCO has implemented the cloud solution of MRI, which enables it to be used remotely at all individual projects and properties. In essence the MRI is used for reporting at a property level, including maintenance and contracts, property letting, billing, and receiving (rent payments). Going forward, customisation of the MRI software will be undertaken to ensure JOSHCO's business objectives met in line with the business model – programme and sub-programme approach.

The foregoing will be supplemented with clearly defined processes and standard operating procedures to enable accurate reporting on project performance through the financial systems employed.

In the final analysis, the key focus is to ensure that each property portfolio can be reported on separately and that the status of tenants in terms of rental payments and/or arrears can be accessed on an individual and building (project) basis.

The ICT Strategy

In JOSHCO's business operating environment, the ICT strategy is inevitably geared towards business enablement through automation of critical business process and digitization to minimize human errors and increase processing efficiencies. This is largely anchored around the following:

i. **Systems integration:**

No effort is to be spared in taking advantage of opportunities for digitization, automation and systems integration to offer JOSHCO an opportunity for a forward leap into smart operations that are efficient and effective.

ii. **Tenant Management:**

- Online applications particularly for student accommodation is essential due to the volume and high turnover. This is an essential requirement and to be provided through current systems inter-linkages
- Integration of current systems (into MRI) to create a holistic mechanism for managing access control linked to rental payments, as well as manage utility provision and cut offs of utilities where rental is not paid.
- Vacancy and leasing including appropriate lease management and early alerts for key milestones.

iii. **Financial Administration:**

- Billing and rent collection. This is the heartbeat of JOSHCO as the provider of affordable rental housing in the City. Failure to collect rent will ultimately undermine the viability and rationale of JOSHCO – hence a robust capability to bill and collect rental is a key element of the business plan.
- Provision for Payment arrangements for settling of the debt when a tenant has fallen behind. Payment arrangements are made on the basis that the current rentals will be made going forward and the additional payments will be made to settle the outstanding debt (arrears).

4.2. Corporate Scorecard (as per Circular 88 planning template)

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



**Table 15: JOSHCO's Corporate Scorecard for the 2023/24 Financial Year
Programme 1: Corporate Administration**

Key Performance Area	Key Performance Indicator (KPI)	KPI No	Baseline 2021/22	2023/24 Target	Quarterly Performance Targets				2023/24 Budget Per Projects R 000						Means of Verification
					Q 1	Q 2	Q 3	Q 4	Total budget		Quarterly Budget Target Capex and Opex				
									Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
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															
Financial sustainability	Current Ratio	1	Current Ratio: 1:1	Current ratio 1:1	1:1	1:1	1:1	1:1		420	105	105	105	105	Monthly management accounts
	Solvency Ratio	2	Solvency Ratio 1:1	Solvency Ratio 1:1	1:1	1:1	1:1	1:1		420	105	105	105	105	Monthly management accounts
	% Collection in respect of current debtors.	3	56% collection in respect of current debtor	100% collection in respect of current debtors	100% collection in respect of current debtors	100% collection in respect of current debtors	100% collection in respect of current debtors	100% collection in respect of current debtors		41 861	9 787	9 781	13 147	9 146	Revenue Report approved by Board
	% Of valid invoices paid within 30 days of invoice receipt	4	100% of valid invoices paid within 30 days of	100% of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	-	512	128	128	128	128	Monthly Compliance Report
	% of capex spent on EMEs	5	New	30% of capex spent on EMEs	30% of capex spent on EMEs	30% of capex spent on EMEs	30% of capex spent on EMEs	30% of capex spent on EMEs		860	215	215	215	215	Monthly management account
	Percentage expenditure of approved capital budget	6	94%	100% expenditure of approved capital budget	25%	25%	25%	100%		1 200	300	300	300	300	Completion Certificate

Key Performance Area	Key Performance Indicator (KPI)	KPI No	Baseline 2021/22	2023/24 Target	Quarterly Performance Targets				2023/24 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	
Good governance	Percentage resolution of internal audit findings	7	74%	100% resolution of Internal Audit findings (cumulative)	30%	50%	75%	100%	-	-1 712	428	428	428	428	ARC approved Internal Audit Report
	% resolution of external audit findings	8	33%	100% resolution of AG findings	25%	50%	75%	100%		856	214	214	214	214	ARC approved Internal audit report
	Level of audit opinion	9	qualified audit opinion	Unqualified audit opinion	-	-	-	Unqualified audit opinion.	N/A	7 299	1 120	1 120	1 122	3 937	Auditor General final report
	Percentage compliance to laws and regulation	10	82%	100% compliance to laws and regulation	98%	98%	98%	98%	N/A	5 786	1 446	1 446	1 446	1 448	Board approved Compliance reports
	Percentage Implementation of corrective action against identified risks	11	84%	100% Implementation on of corrective action against identified risks	95%	95%	95%	95%	N/A	2 253	563	563	563	564	Board-approved Risk Control Assessment Report
Personnel Vacancy rate	Percentage Employee vacancy rate	12	New	5% employee vacancy rate	5% employee vacancy rate	5% employee vacancy rate	5% employee vacancy rate	5% employee vacancy rate	-	1 100	50	450	200	400	Approved Organogram and SAP report on positions filled
Employee Development	Number of employee development initiatives	13	New	4 employee development initiatives	1	2	3	4	-	11 073	2 768	2 768	2 768	2 769	Closeout reports for staff training and wellness programme attendance.

Key Performance Area	Key Performance Indicator (KPI)	KPI No	Baseline 2021/22	2023/24 Target	Quarterly Performance Targets				2023/24 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			
GDS OUTCOME																	
Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy																	
City	Smart	Number of Digitisation initiatives completed	14	New	4	Digitisation initiatives completed	1	2	3	4	-	-	-	-	-	Dated and signed report	
		Number of ICT awareness initiatives	15	New	32	ICT awareness initiatives	8	8	8	8	-	-	-	-	-	Awareness emails sent per Quarter and the number of ICT initiatives completed (at JOSHCO projects and Head-office) per project.	
GDS OUTCOME 3:																	
An Inclusive, Job-Intensive, Resilient and Competitive Economy that Harnesses the Potential of Citizens																	
Job Opportunity and Creation		Number of jobs created for the unemployed through EPWP programmes	16	503 jobs created for the unemployed through the EPWP programmes	720	Jobs created	180	360	540	720	-	2 450	525	525	700	700	EPWP database

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

Key Performance Area	Key Performance Indicator (KPI)	KPI No	Baseline 2021/22	2023/24 Target	Quarterly Performance Targets				2023/24 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	
GDS OUTCOME															
Provide a Resilient, Liveable, Sustainable Urban Environment – Underpinned by Smart Infrastructure Supportive of a Low Carbon Economy															
Sustainable Service Delivery	Number of housing units developed without services	17	212	450 housing units developed	-	225	-	450	-	1 200	300	300	300	300	Progress report dated and signed by Professionals
	Number of housing units completed	18	0	450 housing units completed	-	225	-	450	-	1 200	300	300	300	300	Occupation certificate
	Percentage occupancy rate	19	98% occupancy rate	98% occupancy rate	98% occupancy rate	98% occupancy rate	98% occupancy rate	98% occupancy rate	-	4 952	1 238	1 238	1 238	1 238	Property management system
	% achieved of service level standard	20	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	-	-	-	-	-	-	Approved service level standard report.

Programme 3: Affordable Rental Housing (non-regulated)

Key Performance Area	Key Performance Indicator (KPI)	KPI No	Baseline 2021/22	2023/24 Target	Quarterly Performance Targets				2023/24 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	
GDS OUTCOME 2: Provide a Resilient, Liveable, Sustainable Urban Environment – Underpinned by Smart Infrastructure Supportive of a Low Carbon Economy															
Sustainable Service Delivery	Tenant Management initiatives implemented by community development	21	New	4	1	2	3	4							Closeout reports for training, events, community projects and wellness programme attendance pictures
	Percentage of occupancy across available units	22	New	98% occupancy across available units	98%	98%	98%	98%							Occupation certificate

4.3. Key Performance Indicator Definition

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

Table 16: Technical indicator descriptors

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
Smart and capable entity												
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	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 financial sustainability of the organisation	Management account /annual financial statements	Solvency ratio Total assets divided by total liabilities	None	Quantitative	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	MDA System. List of JOSHCO projects.	Rental collected/ total bill	None	Quantitative	Non-Cumulative	Quarterly	No	100%	Chief Financial Officer

4	% Valid invoices paid within 30 days of invoice receipt	The indicator refers to the percentage of invoices paid within 30 days.	To ensure that the organisation complies with payment of service providers within prescribed time and avoids interest and penalties. It also ensures that SMMEs providing services to JOSHCO are sustainable.	Purchase master. Bank statements; Invoices register; and Remittance for service providers.	Invoices paid within 30 days of receipt/ total valid invoices received, for the same period, multiplied by 100	None	Quantitative	Non-cumulative	Quarterly	No	100%	Chief Financial Officer
5	% Of construction capex spent on EME	The indicator refers to the capital budget funds spent on EMEs against the appropriate capital budget for the financial year, aggregated into a percentage. JOSHCO provides financial support to EMEs through subcontracting of EMEs and non-financial support through training or workshops for EMEs.	Economic development contribution through EME support	Departmental expenditure report, Invoices paid towards construction and invoices from EMEs	Percentage (30%) of total expenditure on construction invoices for the quarter	Lack of availability of information from main contractors	Output	Non-cumulative	Quarterly	Yes	30%	EM: Housing Development /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
6	Percentage expenditure of approved capital budget	This indicator refers to the spending of CAPEX budget on development of social housing infrastructure	The indicator seeks to track the spending pattern of capital budget, across main areas – and the development of social housing infrastructure	CAPEX expenditure report, and valid invoices	Total CAPEX for the period, divided by total approved CAPEX budget, multiplied by 100	None	Quantitative	Cumulative	Quarterly	No	100%	EM: Housing Development /COO and Chief Financial Officer
Good governance												
7	% 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 minimise or mitigate weaknesses within the control environment	Improve the organisation's control environment	Internal Audit reports	Total number of internal audit findings resolved/total number of internal audit findings (excluding findings that are less than 60 days) *100	No specific limitation	Output	Cumulative	Quarterly	No	100%	CFO All EMs
8	% Resolution of external audit findings	It measures the number of audit findings resolved against the total number of audit	Improve the control environment of the organisation.	Internal audit tracking reports submitted to Executive Committee	Total number of Auditor General findings	No specific limitation	Output	Cumulative	Quarterly	No	100%	CFO All EMs

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
		findings issued by the AGSA		(EXCO) as well as the Audit and Risk Committee. Internal audit reports	resolved/total number of Auditor General findings (excluding findings that are less than 60 days) *100							
9	Unqualified audit opinion	This indicator refers to 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	No specific limitation	Qualitative	Non-cumulative	Annually	No	Unqualified audit opinion	Chief Financial Officer
10	% 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 compliance function with that of the CoJ's Group Compliance and Advisory Services'	Improve the organisation's control environment	Questionnaires supported by evidence and Exclaim Compliance Universe Toolkit Generated Reports	Number of legislations with 100% compliance/ total number of Acts assessed, multiplied by 100	Non submission by business units responsible for implementation of the Acts monitored for	Output	Non-cumulative	Quarterly	No	100%	EM: Planning & Strategy

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 purposes of integrated reporting and monitoring compliance risks on a holistic level.				compliance						
11	Percentage Implementation of corrective action against identified risks	The indicator refers to monitoring of mitigation actions identified to address strategic risks. The aim is to effectively manage business risk to ensure that the risks facing the organisation do not negatively affect the business objectives of the organization	Improve the control environment of the organisation.	Strategic Risk Register, and approved risk report submitted to Group Risk	Number of implemented strategic risk action plans divided by total number of strategic risk action plans due for implementation multiplied by 100	No specific limitations	Output	Cumulative	Quarterly	No	100%	EM: Business Planning and Strategy; and All EMs
12	5% employee vacancy rate	Maintaining the vacancy rate of 5% and below, for all approved and funded positions. This is for filling of positions that are in the approved organogram and have been funded in the financial year.	To ensure all departments are capacitated to support the overall delivery of the organizational objectives	The approved organogram that reflects funded position, SAP report that shows positions filled	Vacant positions/ total funded positions X 100.	Unavailability of records	Output	Non-cumulative	Quarterly	No	5% employee vacancy rate	EM: Corporate Services

13	Number of employee development initiatives	The number of engagements and initiatives for employees. These relate to training and wellness programmes.	Inculcate a culture that enables high performance	Closeout reports for staff training and wellness programme attendance.	Simple count of engagement and initiatives for employees created as defined.	No specific limitation	Quantitative	Cumulative	Quarterly	Yes	4	EM: Corporate Services
Smart City												
14	Number of Digitisation initiatives completed	The indicator refers to the number of digitalization of initiatives completed.	To contribute to the Smart City priority through smart buildings	Dated and signed report	Simple count	No specific limitation	Output	Cumulative	Quarterly	Yes	4	COO
15	Number of ICT awareness initiatives	The indicator refers to the ICT awareness initiatives completed.	To contribute to the Smart City priority through smart buildings	Awareness emails sent per Quarter and the number of digitalization initiatives completed (at JOSHCO projects and Head-office) per project.	Simple Count	No specific limitation	Output	Cumulative	Quarterly	Yes	32	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
Job Opportunity and Creation												
16	Number of jobs created for the unemployed through the EPWP programme	The indicator refers to the number of jobs created through the EPWP Programme during the financial year under review. Jobs: refers 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/timesheet, proof of payment, ID, and employment contract.	Simple count of jobs created as defined.	None	Output	Cumulative	Quarterly	No	720	EM: Corporate Services
Sustainable Service Delivery												
17	Number of housing units developed without services	The indicator refers to the number of housing units, developed within the financial year to a level where they have all walls, doors, windows, and floor finishes but not connected with any services/ level of practical completion.	Enhanced quality of life that provides meaningful redress through pro-poor housing development.	Independent professional report on milestone progress signed and dated within the financial year	Simple count of housing units developed.	Evidence not provided due to projects not being met on time.	Output	cumulative	Annually	No	450	EM: Housing Development /COO
18	No of housing units completed	The indicator refers to the number social housing units developed to	Enhanced quality of life that provides meaningful redress through pro-poor	Occupation certificates	Simple count of housing units completed	Evidence not provided due to projects	Output	cumulative	Annually	No	450	EM: Housing Development /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
		reach completion, and ready for occupation.	housing development.			not being met on time.						
19	% Occupancy rate	The indicator refers to the percentage of housing units occupied by tenants as a percentage of total units under management.	To improve efficiency in management of units and enhance financial sustainability	System generated report	Number of units occupied/total number of all units under JOSHCO management (excluding vandalized) multiply by 100	None	Output	Non-cumulative	Quarterly	No	98% occupancy rate	EM: Housing Management /COO
20	% 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 Standards achieved multiply by 100	Unavailability of systems	Qualitative	Non-cumulative	Quarterly	Yes	100%	EM: Planning

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												
21	Tenant Management initiatives implemented by community development	The indicator refers to the number of tenant initiatives for tenants. These relate to training, events, community projects and wellness programmes provided by JOSHCO	Meet the service level standards with the COJ. Improve tenants' satisfaction levels.	Closeout reports for training, events, community projects and wellness programme attendance pictures	Mean average scoring of the population studied	Unavailability of tenants	Quantitative	Non-Cumulative	Quarterly	yes	4	COO
22	Percentage of occupancy across available units	The indicator refers to the percentage of housing units occupied by tenants as a percentage of total units under management.	To improve efficiency in management of units and enhance financial sustainability	System generated report	Number of units occupied/total number of all units under JOSHCO management (excluding vandalized) multiply by 100	None	Output	Non-cumulative	Quarterly	yes	98% occupancy rate	EM: Housing Management /COO

5. SERVICE STANDARDS 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 that "Parent municipalities having sole control. A parent municipality which has sole control of a municipal entity:

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

JOSHCO reports on performance against seven pre-determined targets for Service Level Standards (SLS). The agreed SLS with the City are included below.

Table 17: Service Level Standards

#	Key Performance Indicator	Baseline 2020/21	2023/24 Target	Quarterly Performance targets				2023/24 budget per projects R 000				Means of Verification		
				Q1	Q2	Q3	Q4	Total budget		Quarterly Budget target Capex and Opex				
								Capex	Opex	Q1	Q2		Q3	Q4
1	% Accurate bills of all active customers.	97%	98%	98%	98%	98%	98%		1 120	280	280	280	280	Dated and signed pre-billing monthly report for each project per tenant
2	% Of maintenance requests attended within 14 working days of the logged call.	91%	96%	96%	96%	96%	96%		7 200	1800	1800	1800	1800	Dated and signed maintenance form and invoice
3	% Implementation of planned routine building maintenance	67%	100%	100%	100%	100%	100%		20 000	5 000	5 000	5 000	5 000	Approved requisition of major maintenance
4	Days taken to send the outcome of application enquiry.	3	5	5	5	5	5		2 476	619	619	619	619	Monthly service level standards
5	Days taken to communicate the outcome of the housing unit application.	4	10	10	10	10	10		2 476	619	619	619	619	SMS report
6	Acknowledgement and response within 24 hours of complaint being logged	24hr	24 hrs	24 hrs	24 hrs	24 hrs	24 hrs		856	214	214	214	214	Automated email or Autoreply spreadsheet.
7	Days taken to resolve lodged complaints/queries.	4	5	5	5	5	5		856	214	214	214	214	Monthly service level standards Emails to customers

Table 18: SLS Technical Indicators Descriptors

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	NEW INDICATOR	DESIRE D PERFORMANCE	INDICATOR RESPONSIBILITY
1.	Billing of customer s	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 optimizes 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	No	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 JOSHCO tenants	To improve service delivery standards by ensuring that maintenance requests are attended within the 14 days turnaround time as per the Service Level Agreement for Service Delivery Standards between CoJ and JOSHCO	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 Quarterly: Average of the percentage achieved for the 3 months of the quarter	None	Output	Non-cumulative	Monthly/Quarterly	No	96 % of maintenance requests attended within 14 working days	COO GM: Housing Management
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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) or Maintenance Complaints queries report by FMA.	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	No	100%	COO GM: Housing Management
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4.	Application for rental housing	Outcome of enquiry to be sent to application within 5 days.	The target seeks to measure the turnaround time for the unit to communicate the outcome of the enquiries by applicants to lease social housing unit. The turnaround time measured is from the day an enquiry is received by JOSHCO to the day the outcome of the enquiry is communicated to the client.	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	None	Output	Non-cumulative	Monthly/Quarterly	No		GM: Housing Management Leasing Manager
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review for all reported complaints or queries

Step 2: Add all the days it took to solve complaints or queries for that period; and

Step 3: Divided the answer to step 2 by the number of complaints or queries received for the period under review.

Quarterly: Average of days for each month divided by the number of months reportable

e.g., Quarter 1
 (July = 7 days,
 August = 5 days
 and September = 4 days)
 $7+5+4 = 16/3 = 5$
 days (average)

5.	Application for rental housing	Outcome of the application communicated within 10 days	The target seeks to measure the turnaround time for the unit to communicate the outcome of applications received to lease social housing units. The proposed service level standard intends to measure the turnaround time from the beginning to the end of the application process. The outcome of application is communicated to the client (SMS sent out).	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 document or App report and SMS report.	<p>Step 1: Difference between date of outcome of application (when Leasing Manager: Housing Management approved or Declined the application) and the date an SMS was sent to the client (only working days are counted)</p> <p>Step 2: Add all the days in step 1 for that period; and</p> <p>Step 3: Divided the answer to step 2 by the number of applicants received for the period under review.</p>	Delays in allocation of units due to: Political influences. Insufficient human capacity vs number of projects to be allocated	Output	Non-cumulative	Monthly/Quarterly	No	10 days	EM: Housing Management Leasing Manager
						<p>Quarterly: Average of days for each month divided by the number of months reportable</p>							

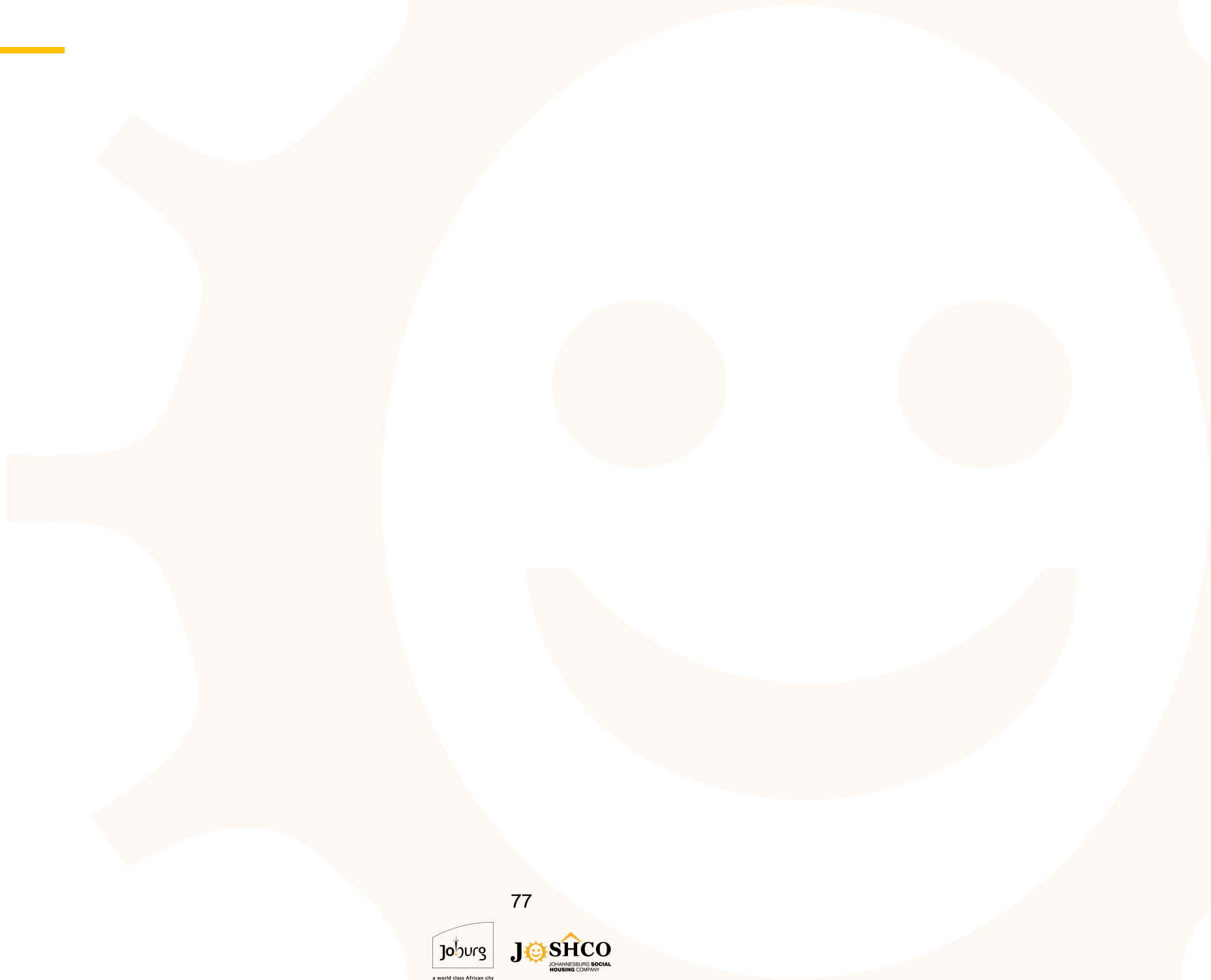
6.	Resolution of complaints	Acknowledgement and response within 24 hours of complaint being logged	The target seeks to measure turnaround time of acknowledging receipt of complaints or queries sent to JOSHCO by the existing and potential customers	To improve service delivery standards by ensuring that 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 to	Automated emails may not be retrievable to prove that acknowledgment and response was sent within 24 hours	Output	Non-cumulative	Monthly/Quarterly	No	Turnaround time of 24 hours	EM; Corporate Services Customer Services Manager
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	None	Output	Non-cumulative	Monthly/Quarterly	No	Turnaround time of 5 working days	EM; Corporate Services Customer Services Manager

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 solve complaints or queries for that period.

Step 3: Divided the answer to step 2 by the number of complaints or queries received for the period under review.

Quarterly:
Average of days for each month divided by the number of months reportable
e.g., Quarter 1
(July = 7 days, August = 5 days and September = 4 days)
 $7+5+4 = 16/3 = 5$
days (average)



6. 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.

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-year 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 institutions' annual performance plan with emphasis on monitoring delivery against planned quarterly targets. Monthly expenditure reports are used to monitor actual spending against planned spending. These reports are also used to alert managers where remedial action is required in-year, based on both financial and nonfinancial information. Value for money is an important objective in budgeting. In support of this, quarterly performance targets are compared to actual expenditure, in an effort to link service delivery with spending data.

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.

7. FINANCIAL IMPACT

7.1. 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 the 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.

7.2. 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. Competitor analyses show that during difficult times such as those experienced during the pandemic, collection rates reduce in the short term, but in a manner that will not be detrimental to the entity in the long term.

The revised operating procedures as defined outlined per sub-programme above (see section 4.1.6) 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 to Temporary Emergency Accommodation projects
- Education of tenants about social housing – and mutual responsibilities – through the stakeholder engagement programme

7.3. Balance sheet optimisation

All projects that are managed by JOSHCO are capitalised in the City’s balance sheet. JOSHCO will be engaging the City to discuss transferring JOSHCO managed property portfolio to the entity. This would enable JOSHCO to improve its current and solvency ratios.

7.4. Budget for the 2023/24 FY

Table 19: Budget for 2023/24 FY

Description	Audited outcome	Tabled budget	Adjusted budget	Forecast		
	2021/22 R'000	2022/23 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000
Revenue						
Interest received	14,312	24,265	24,265	25,474	26,762	28,124
Other income	1,669	2,630	2,630	2,749	2,872	2,987
Rendering of services	104,487	72,326	72,326	76,181	79,690	83,294
Rental of facilities and equipment	181,990	200,084	200,084	210,693	220,383	230,298
Government grants and subsidies	54,329	48,004	93,004	57,598	60,131	62,689
Utility recoveries	1,016	771	771	806	842	876
Total Revenue	357,803	348,080	393,080	373,501	390,680	408,268
Expenditure						
Employee related costs	(156,217)	(157,222)	(157,222)	(172,554)	(180,482)	(188,594)
Debt impairment	(108,007)	(30,600)	(30,600)	(32,246)	(33,732)	(35,250)
Depreciation & amortization	(2,296)	(1,557)	(1,557)	(1,627)	(1,702)	(1,779)
Finance costs	(35,908)	(3,451)	(48,451)	(3,606)	(3,782)	(3,981)
Bad debts written off	(231)	-	-	-	-	-
Loss on disposal of assets	(510)	-	-	-	-	-
Share of loss from joint venture	(897)	-	-	-	-	-
Administrative expenses	(187,394)	(155,250)	(155,250)	(163,468)	(170,982)	(178,664)
Total Expenditure	(491,460)	(348,080)	(393,080)	(373,501)	(390,680)	(408,268)
Deficit before taxation	(133,657)	-	-	-	-	-
Taxation						
Surplus (Deficit) for the year, after tax	(133,657)	-	-	-	-	-



Table 20: Operational Capital Budget for 2022/23 to 2024/25 Financial Year.

Expenditure	Budget 2022/23	Budget 2023/24	Budget 2024/25
Computers	400,000	450,000	500,000

7.5. Revenue

JOSHCO's main revenue items are as follows:

- 7.5.1 Rental of facilities and equipment
- 7.5.2 Agency services
- 7.5.3 Grants and subsidies

Housing Development's 'take-on delivery of units' programme will result in the hand-over of 950 completed units to Housing Management, for use in accommodating qualifying beneficiaries – with this further contributing towards the rental revenue forecast.

The operational subsidy from the City has also increased to R57,6 million. As noted previously, JOSHCO earns a 7% management fee for agency services rendered in respect of the development of projects – with this derived from the development programme. 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.

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 declines in collection levels. 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 Easy pay, which is available at most retail outlets.

7.6. Expenditure

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

- 7.6.1 **Employee related costs:** an increase to R 172,6 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 maintenance costs, as the amount includes benefits such as pensions.
- 7.6.2 **Repairs and maintenance:** There is a reduction of this line item due to introduction of a standardised price list for the new repairs and maintenance panel.
- 7.6.3 **General expenses:** General expenses are also an enabler. Although JOSHCO strives to

undertake its business through economies of scale, for the 2022/23 FY, these costs have increased.

7.7. 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 Housing 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 pertaining to the budget for each project.

Table 21: Capital Expenditure Budget for the 2023/24 FY

JOSHCO DEVELOPMENT PROGRAMME						
Financial Year: 2023-2024						
Strategic Objective: Sustainable Development	Projects	Programme	Project Unit yield	WIP units: 2023/24	Completed units 2023/24	Financial year budget: 2023-24
Soweto Corridor	Nancefiled Station	Greenfields	372	0	372	30 000 000
	Golden Highway/Devland		333	0	162	12 000 000
SUB TOTAL			705	-	534	42 000 000
JHB CBD and Surrounds	Existing stock Redevelopment; upgrade and major maintenance	Brown Fields	0	0	0	11 000 000
	Rissik Street		250	0	0	35 000 000
	Abel Street		102	0	0	25 000 000
	Casa Mia		250	0	0	5 000 000
	Booyens		76	50	0	45 000 000
	280 Smit Street (Student Accommodation)		300	0	0	20 000 000
	Malvern		300	0	0	1 500 000
SUB TOTAL			1278	50	0	142 500 000
Mining Belt	Princess Plots	Greenfields	333	0	333	37 500 000
SUB-TOTAL			333	0	333	37 500 000
Alexandra - Marlboro, Sandton-Randburg, Midrand	Lombardy East	Greenfields & Turnkeys	502	0	0	2 000 000
	Randburg/ Selkirk		570	40	0	38 500 000
	Marlboro Social Housing Dev		200	0	0	1 000 000
	Region A: Riverside View Project		1108	180	0	209 000 000
	Region D: Jeppestown Turnkey Project		1130	0	0	20 000 000
SUB-TOTAL			3510	220	0	270 500 000,00
GRAND TOTAL			5826	270	867	492 500 000,00

Table 22: Capital Expenditure Budget for the 2024/25 FY

JOSHCO DEVELOPMENT PROGRAMME						
Financial Year: 2024-2025						
Strategic Objective: Sustainable Development	Projects	Programme	Project Unit yield	WIP units: 2024/25	Completed units 2024/25	Financial year budget: 2024-25
Soweto Corridor	Golden Highway/Devland	Green fields	333	0	0	60 000 000
SUB TOTAL			333	0	0	60 000 000
JHB CBD and Surrounds	Inner City acquisition/ Conversion (Student Accommodation)	Brownfields	0	0	0	38 000 000
	Existing stock Redevelopment; upgrade and major maintenance		0	0	0	36 000 000
	Rissik Street		250	50	0	4 000 000
	Abel Street		102	0	102	5 000 000
	Casa Mia		250	0	0	60 000 000
	Booyens		76	0	76	5 000 000
	280 Smit Street (Student Accom)		300	0	0	40 000 000
	Malvern		300	80	0	1 500 000
SUB TOTAL			1278	130	178	189 500 000
Alexandra - Marlboro, Sandton-Randburg, Midrand	Lombardy East	Greenfields & Turnkeys	502	0	0	70 000 000
	Randburg/Selkirk		570	0	145	40 000 000
	Marlboro Social Housing Dev		200	0	0	1 000 000
	Region A: Riverside View Project		1108	200	190	106 034 176
	Region D: Jeppestown Turnkey Project		1130	200	0	20 000 000
SUB-TOTAL			3510	400	335	237 034 176
GRAND TOTAL			5121	530	513	486 534 176

Table 23: Capital Expenditure Budget for the 2024/25 Financial Year

JOSHCO DEVELOPMENT PROGRAMME						
Financial Year: 2025-2026						
Strategic Objective: Sustainable Development	Projects	Programme	Project Unit yield	WIP units: 2025/26	Completed units 2025/26	Financial year budget: 2025-26
Soweto Corridor	Golden Highway/Devland	Greenfields	333	171	0	55 000 000
Empire Perth Road	Frank-Brown		500	0	0	3 500 000
SUB TOTAL			833	171	0	58 500 000
JHB CBD and Surrounds	Inner City acquisition/ Conversion (Student Accommodation)	Brownfields	0	0	0	15 000 000
	Existing stock Redevelopment; upgrade and major maintenance		0	0	0	36 000 000
	Park Chambers Project		80	0	0	1 500 000
	Casa Mia Social Housing		250	250	0	5 000 000
	280 Smit Street (Student Accommodation)		300	0	300	60 000 000
	Malvern		300	0	0	40 000 000
SUB TOTAL			930	250	300	157 500 000
Alexandra - Marlboro, Sandton-Randburg, Midrand	Lombardy East	Greenfields & Turnkeys	502	0	0	80 000 000
	Randburg /Selkirk		570	100	0	60 000 000
	Marlboro Social Housing Dev		200	0	0	45 000 000
	Region A: Riverside View Project		1108	0	264	10 000 000
	Kelvin Social Housing Project		502	0	0	2 000 000
	Region D: Jeppeshtown Turnkey Project		1130	0	250	50 000 000
SUB-TOTAL			4012	100	514	247 000 000
GRAND TOTAL			5775	521	814	463 000 000

8. MANAGEMENT AND ORGANISATIONAL STRUCTURE

JOSHCO's corporate strategy is, of necessity, supported by and given effect to through organisational arrangements that are specifically geared to achieve the strategic priorities and programmes.

8.1. 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) Governance protocol.

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 Human Resources, Social & Ethics Committee) and one additional committee. Accordingly, JOSHCO Board Committees are as follows:

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

The non-executive Directors are responsible for providing the 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.

Operationally, the Chief Executive Officer is in place to manage the day-to-day operations and administration of the organisation. The CEO is supported by internal audit together with an Executive Management Team. An added feature is the recent inclusion of the function and role of the Chief Operations Officer to focus on managing the attainment of operational efficiencies over selected functional areas.

Compliance management in strategic and day-to-day operations remains a major responsibility for the Executive Management Team.

8.2. Management and Organisational Structure

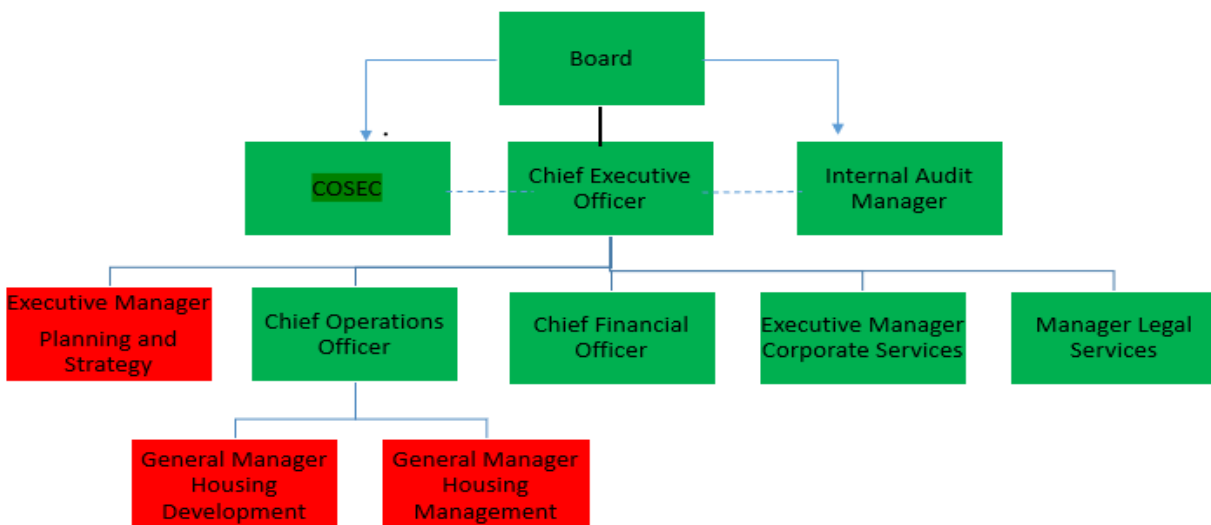
As indicated in section 2.6 the strategic objectives that have been determined for JOSHCO are as follows:

- 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
- Provide assigned municipal services

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.

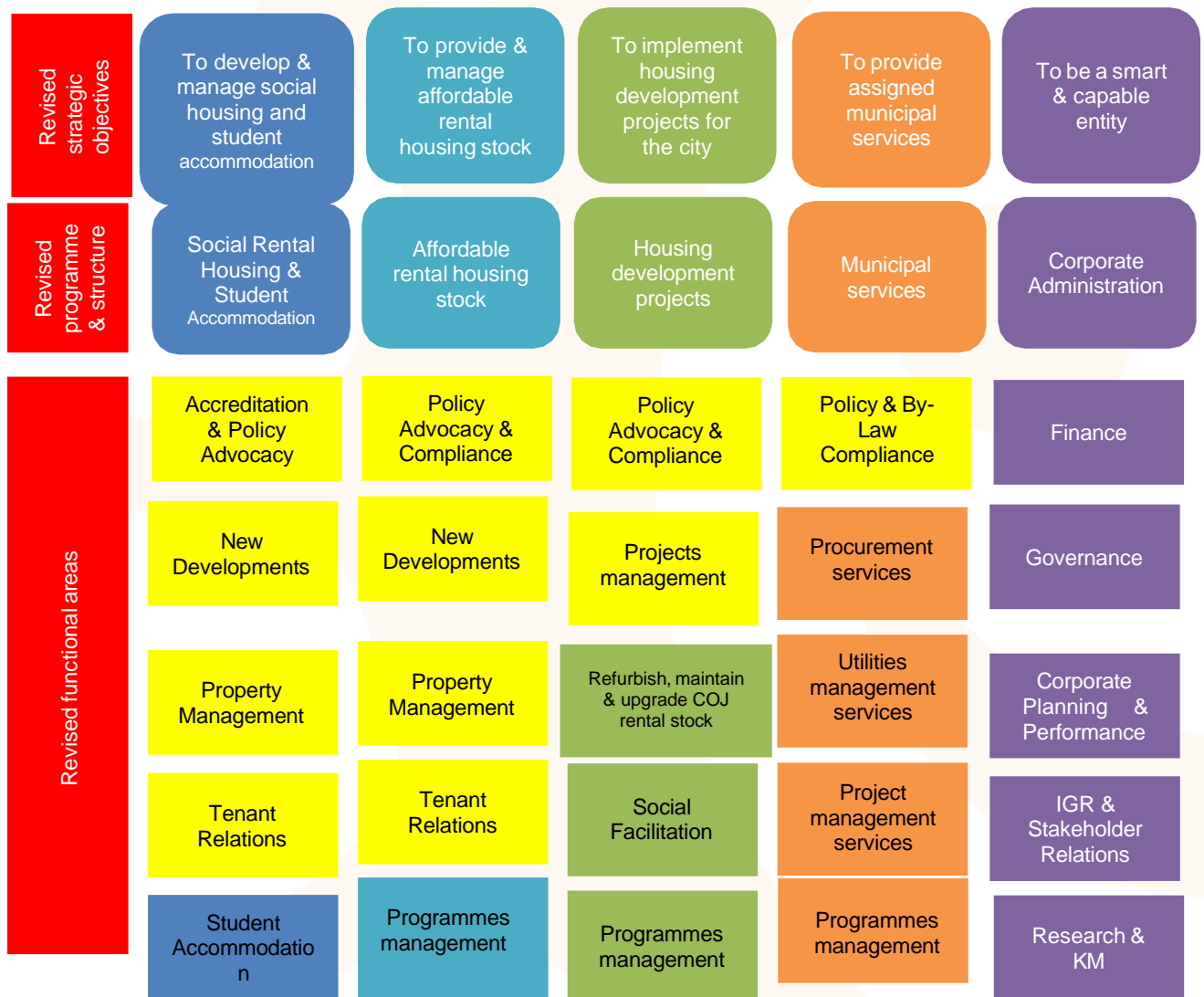
Figure 3: JOSHCO's Macro Organisational Structure



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 4: Alignment of programmes, structure and functional areas



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

The operating and services model of JOSHCO is depicted in figure 5 below.

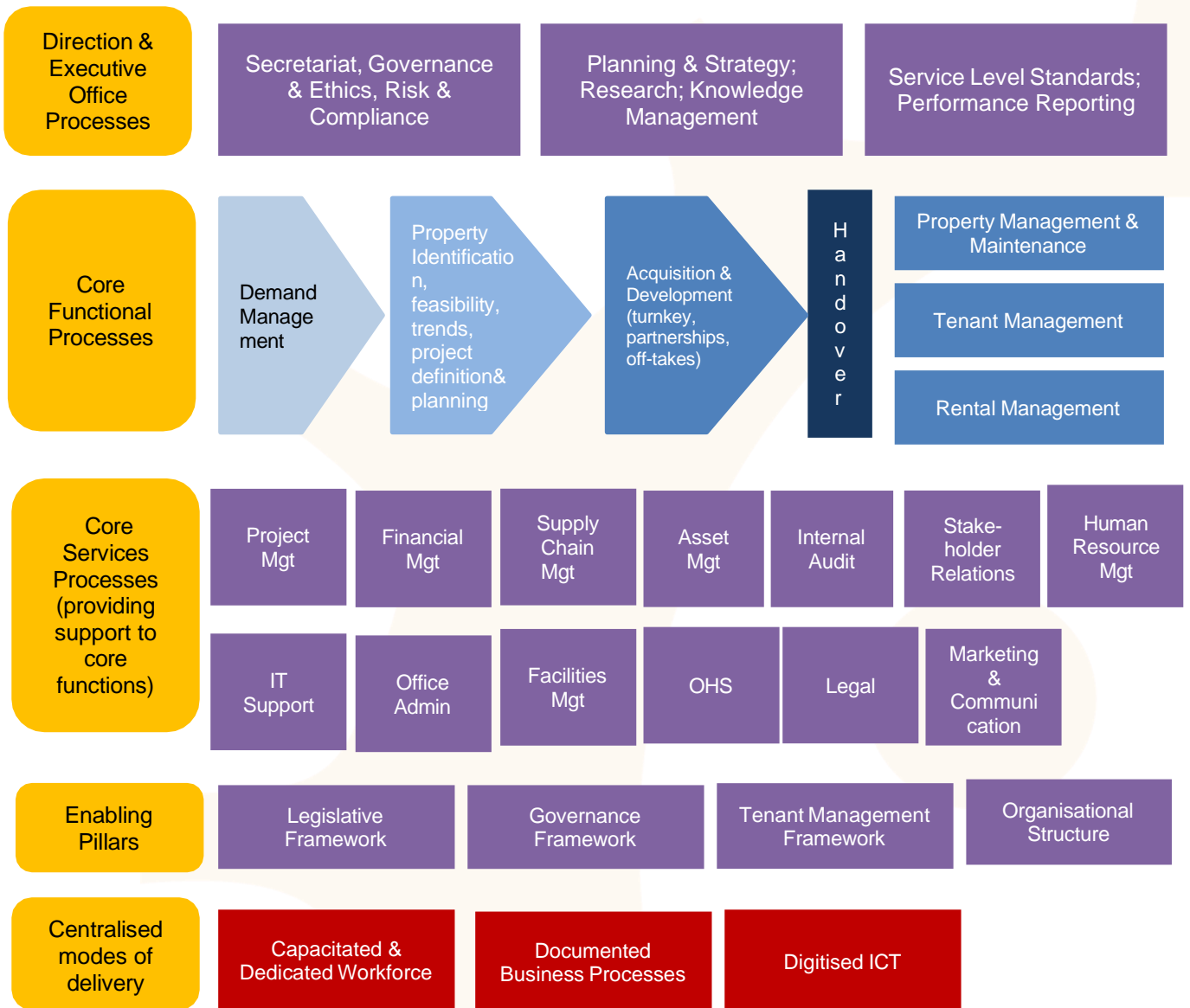


Figure 5: JOSHCO Operating and Services Model

8.3. Performance Management

8.3.1 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, organisational performance, and cascades down to individual performance.

JOSHCO as a public entity has a transparent performance management process that starts from 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

8.3.2 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.

8.3.3 Personnel Performance management

The aim of individual performance management is to facilitate and inculcate a culture of high performance amongst 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.

8.4. Change Management

JOSHCO is undergoing significant changes, as well as operating in a rapidly changing environment. In the past eight years, the organisation has faced significant leadership changes including a turnover of CEOs and a recently employed team comprising a CEO, COO and Executive Manager: Corporate Services. It has also experienced leadership changes at the City (shareholder) level, with six Executive Mayors, several reconstitutions of the Board; two City Managers plus one Acting City Manager.

To achieve the changes required in order to implement the strategic objectives and the related programmes, JOSHCO has to systematically manage change so as to minimise the otherwise debilitating disruptions. 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 2022 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 inter-governmental relations
- Building and maintaining a cohesive JOSCHO Team

Accordingly, a change management plan, fashioned around the ADKAR model is adopted. The plan provides for a 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. CAPACITY ANALYSIS

A human resources capacity analysis was undertaken based on the previous financial year's organisational performance, taking into consideration the internal audit, external audit findings and the risk of non-performance. The analysis highlighted the need to capacitate the organisation with further requisite skilled and competent staff, in order to achieve better control environment and performance results. In order to remedy this challenge, JOSHCO has undertaken an organisational design process to ensure that there is proper streamlining of functions to improve performance. Set out below are the proposed number of positions per occupational level to be filled over the next three financial years.

Table 24: Proposed number of positions per occupational level to be filled over the next three financial years

Occupational Levels	2022/23			2023/24	2024/25	2024/25
	Actual as at 31 Dec 2022	Forecast Additional	Total	Additional	Additional	Additional
Top Management is level 1 and 2	2	0	2	0	0	
Senior Management is level 3 and 4	4	1	5	1	0	
Professionally qualified and experienced specialists and mid- management level 5 and 6	32	3	35	12	10	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents' level 7 and 8	102	4	106	10	13	
Semiskilled and discretionary decision-making level 9 and 10	2	0	2	0	0	
Unskilled and defined decision-making level 11	361	4	365	4	0	
Total	503	12	515*	32	23	

9.1 Employment Equity

The 2021/22 (baseline) and 2022/23 FY numerical goals in terms of Employment Equity are reflected in the tables below.

Table 25: Employment Equity – 2021/22 FY

Employment Equity Profile													G/ Ttl
Occupational Level	Male				Female				Foreign Nat.		Local		
	A	C	I	W	A	C	I	W	M	F	M	F	
Top Management	2	0	0	0	1	0	0	0	0	0	2	1	3
Senior Management	2	0	0	0	2	0	0	0	0	0	2	2	4
Professionally Qualified/ Middle Management	16	0	0	2	8	0	1	0	2	1	18	9	27
Skilled Technically and Academically Qualified	47	3	0	0	57	5	1	1	0	0	50	64	114
Semi-Skilled	0	0	0	0	4	0	0	0	0	0	0	4	4
Unskilled	160	2	0	0	190	3	0	0	0	0	162	193	355
TOTAL	227	5	0	2	262	8	2	1	2	1	234	273	507

Table 26: Employment Equity Target for – 2022/23 FY

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	1	0	0	0	0	0	2
Senior management	2	0	0	0	2	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	15	1	0	3	11	0	1	1	1	1	34
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	41	3	2	1	44	5	3	1	0	1	101
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	1
Unskilled and defined decision making	170	2	0	0	194	5	0	0	0	0	371
TOTAL PERMANENT	230	6	2	4	252	10	4	2	1	2	513
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	230	6	2	4	252	10	4	2	1	2	513

Comment: The increase in headcount amount to a 2% increase Y/Y

Table 27: Employment Equity Target for – 2023/24 FY

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	1	0	0	0	0	0	2
Senior management	3	0	0	0	2	0	0	0	0	0	5
Professionally qualified and experienced specialists and mid-management	16	2	2	6	14	2	2	1	1	1	47
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	53	3	2	2	51	4	3	3	0	0	121
Semi-skilled and discretionary decision making	2	0	0	0	0	0	0	0	0	0	2
Unskilled and defined decision making	163	3	1	0	193	4	1	0	0	0	365
TOTAL PERMANENT	238	8	5	8	261	10	6	4	1	1	542
Temporary employees	1	0	0	0	1	0	0	0	0	0	2
GRAND TOTAL	239	8	5	8	262	10	6	4	1	1	544

Comment: The increase in headcount amounts to a 5% increase with a movement along unrepresented races and genders.

10. COMMUNICATION AND STAKEHOLDER MANAGEMENT

Communication of JOSHCO business, operations, achievements and challenges via multiple media and channels remains a key component of JOSHCO's business. Marketing of available rental units to the target market and attracting appropriate rental clients is central to ensuring maximum occupation of JOSHCO's rental units. Accordingly, JOSHCO has a stakeholder relations policy which aims to guide JOSHCO's outreach to key stakeholders outside the City.

JOSHCO's relationship with the City as its sole shareholder is regulated through specific compacts and policies. Similarly, JOSHCO's relationship with the SHRA, as the regulator and funder of social housing, is managed in terms of contractual agreements governing social housing projects.

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. This is an area of strategic consolidation in the period ahead in support of the corporate strategy.

JOSHCO's stakeholders include both internal and external stakeholders with varying degrees of influence, including but not limited to funders, customers, public, regulators, politicians, the Board of Directors, management and staff. Each set of stakeholders has varied communication needs and requires different approaches, channels and distinct resources. It is essential that JOSHCO engages, recognises and acknowledges the importance of the organisation's key stakeholders on an ongoing basis. The Stakeholder Matrix included below reflects on those stakeholders with the potential to hold "very high" impact – with these including stakeholders who are able to directly affect delivery on the entity's objectives.

Table 28: Stakeholders reflecting levels of interest, power and impact

Category	Stakeholder	Specific Interest in our Business	Interest	Power	Impact
Share holder	City of Johannesburg	Delivery on socio-political mandate, financial sustainability	High	High	V. High
Regulator	National Treasurer/AG	Social Return on Investment, financial sustainability	Med	High	High
	Performance and oversight bodies	Accountability	High	High	V. High

National Treasurer/AG	Compliance / Regulation	Med	High	High
SHRA	Social and economic return on Funding, good governance. SHI Regulator	High	High	V. High

Customers	Tenants	Cheap, high-quality housing, great services, secure leases	High	High	V. High
	Advertisers	Access to tenants, maximization of brand visibility, sales	High	Low	Medium
Business partners	Employees / Labour	Secure employment, competitive remuneration, work climate	High	High	V. High
	MOEs (Water, Power, etc.)	Collaborative service delivery and sustainability of services	Med	Med	High
	Contractors / Service Providers	Secure contracts, timely payments,	High	Low	High
	Universities / NSFAS	JOSHCO meets accreditation standards, more accommodation	Med	Med	High
	Public / Community	Creation of employment, Corporate Social Investment (CSI), Good corporate citizenship	High	High	V. High

The following are the intended pro-active engagements and coordination of activities for the organization for the 2023/24 FY:

- Maximizing the impact of JOSHCO's projects, by making the results and deliverables visible to stakeholders and the wider audience.
- Heightening the City's strategic priorities and programmes through JOSHCO's delivery efforts
- Driving pro-active communication on service delivery issues, and prompt responses.
- Reflecting on business optimisation and growing JOSHCO's social presence by communicating successes, policies and processes on multiple platforms (for both internal and external stakeholders).
- Changing negative perceptions held by the public by addressing challenges openly and demonstrating the positive impact JOSHCO is able to offer, for Johannesburg residents.
- Increasing continuous interaction with stakeholders, to improve service delivery – with frequent newsletters, community communication drives and survey follow-ups supporting 'radical transparency'.
- Automation of processes (applications, billing, payments, invoicing, etc.) – with automation of processes supporting improved timing, quality and frequency of reporting financial and non-financial performance metrics, while also aiding delivery.
- Personalisation of the customer experience through using online solutions (e.g., live chats).
- Using simple language, infographics and videography, with content translated into different languages, to support optimal understanding of JOSHCO's key messages.
- Addressing unrealistic expectations held by communities, to avoid boycotts.
- Devising new tactics to boost JOSHCO's Corporate Social Investment (CSI) support

11. AUDIT RESOLUTION (OUTSTANDING ISSUES)

Several audit findings have been raised by internal and external auditors in the previous financial year. The organisation has been implementing corrective measures to address the possible risks related to the findings raised. The Internal Audit Unit function has played a key role in ensuring robust follow-up on issues through substantive audit procedures. These have significantly reduced the outstanding audit findings. Management has created a sense of responsibility, accountability and urgency to ensure that the internal control environment is strengthened and will continue to aid the strategic objectives and key performance indicators of the organisation. Through ongoing audit conducted in the 2022/23 FY, Internal auditing has concluded that controls in most areas are adequate and ineffective. This conclusion suggest that management need to ensure that implementation of action plan addresses the root cause of findings in order to reduce repeats.

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

Table 29: Summary of AGSA Findings for 2021/2022 FY - 24 February 2023

AG Classification	Total Findings	Resolved	Not Resolved
Matters affecting the auditor's opinion	4	1	3
Other important matters	16	3	13
Administrative matters	0	0	0
Total	20	4	16
%	100%	20%	80%

12. CONCLUSION

JOSHCO's 2023/24 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 2023/24 Business Plan will be publicised for transparency purposes.

JOSHCO is committed to implementing this business plan with vigour 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: Tariffs Attached

ANNEXURE B: JOSHCO's Acquisition Plan

Attached

ANNEXURE C: RISK REGISTER

Attached

