

JOHANNESBURG SOCIAL HOUSING COMPANY (SOC)

BUSINESS PLAN

2024/2025
FINANCIAL YEAR



a world class African city



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Sign Off –:

Signature of Acting Chief Executive Officer - Mr. Thedi Moropa



Signature of the Chairperson of the Board – Mr. Shane Makhate Nqakalatsane

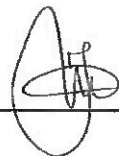


Signature of MMC Human Settlements - Cllr Anthea Leitch



Receipt & Review

Signature of GSPRC Representative: _____



Date:

02 May 2024



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ACRONYMS AND ABBREVIATIONS

ACRONYMS AND ABBREVIATIONS

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

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EXECUTIVE SUMMARY

1. EXECUTIVE SUMMARY

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

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

JOSHCO is accredited by the Social Housing Regulatory Authority (SHRA)¹, which allows the entity to access the SHRA subsidy and the City's Capital Expenditure(CAPEX) budget. This improves JOSHCO's ability to provide more social and affordable rental housing opportunities and implement larger projects. The 2024/25 Business Plan reflects JOSHCO's objectives, mandate, and context, aligning them with the Government of Local Unity's Eleven Strategic Priorities². The plan also provides a view of past performance and the entity's outlook. Additionally, it highlights alternative revenue streams that the entity will continue to roll-out. Risk management mechanisms proposed are supported by a full Strategic Risk Register.

JOSHCO currently manages 9,410 social and affordable rental units (This included 4009 social housing funded units and 5401 affordable rental units). An additional 450 units are under development and will be delivered during the 2024/25FY

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

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

JOSHCO's Key Performance Areas (KPAs) are detailed within a refined Service Delivery Plan (SDP) for the 2024/25 FY, together with a Corporate Scorecard that includes Key Performance Indicators (KPIs) that reflect improved alignment with SMART³ 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 a result, the entity has limited room to raise 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. The entity presents the budget with a set of strategies it will continue to pursue to reduce financial losses and build financial sustainability.

As an SHI, JOSHCO is well-positioned to provide affordable, well-located social and rental housing opportunities that address apartheid spatial planning realities and that promote urban regeneration and productivity via the development and effective management and maintenance of stock. JOSHCO is able to support socio-economic development and foster growth in local economies through Small, Medium and Micro-sized Enterprise (SMMEs)/Exempted Micro Enterprise support and job creation. JOSHCO contributes to both the City's and South Africa's broader goals of promoting social cohesion, economic growth, democracy, and good governance. In addition, the entity has the unique potential to make a financial contribution to the COJ by attracting large third-party capital subsidies to offset the City's capital budgeting for rental housing. This business plan sets out the range of factors that need to be addressed to support and grow JOSHCO'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.



³ Specific; Measurable; Achievable; Realistic; Time-bound.



02 |||

STRATEGIC OVERVIEW

2. STRATEGIC OVERVIEW

2.1. JOSHCO's Vision

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

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

2.2. JOSHCO's Mission

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

2.3. JOSHCO's Core Values

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 in our hearts. We will do everything possible to ensure that we delight our customers in ways they want and according to standards they themselves define.

Efficiency: We strive to become resourceful in the way we do business. We will continuously innovate to improve 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.





03

CORE MANDATE/
PURPOSE

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3. CORE MANDATE/PURPOSE

3.1. JOSHCO's Mandate

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

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

3.2 Legislative and Policy Environment

JOSHCO operates within a legislative framework that is consistent with its character as a municipal entity and now a State-Owned Company. As a municipal entity, JOSHCO was established in terms of Section 86C of the Local Government Municipal Systems Act 32 of 2000, together with the Companies Act and the Social Housing Act. Further to these, JOSHCO is subject to a number of laws 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.107of 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 with the City's medium to long-term plans, priorities and applicable policies.

3.3. Strategic Objectives

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

- 1) To be a smart and capable entity.**
- 2) Develop and manage social housing and student accommodation (regulated).**
- 3) Develop and manage affordable rental housing (non-regulated).**

3.4. Alignment with the City's Priorities

The City's 2021 Integrated Development Plan (IDP) reveals that more than 457,200 people are registered in the National Housing Needs Register and require housing in the city. To tackle this growing demand, the city has prioritised a comprehensive approach towards integrated human settlements, including various housing interventions and programmes. JOSHCO plays a central role in the city's response to housing and human settlements development. The focus on integrated human settlements is an implementation of Chapter 8 of the National Development Plan.

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

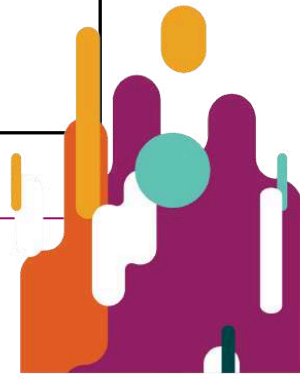
As part of the inner-city revitalization program, the city has planned to release City-owned buildings for the development of affordable rental housing, temporary emergency accommodation, and social housing projects. JOSHCO has already identified a pipeline of properties for the release of social housing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

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



Table 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.	Sustainable human settlements	• Sustainable human settlements	• Sustainable Service Delivery	• To be a smart and capable entity	<ul style="list-style-type: none"> • Achievement of all Service Level Standards, as per Service Delivery Agreement • Well maintained and clean JOSHCO properties. • Alignment with SHRA's requirements as regulator.
An inclusive, job- intensive, resilient, competitive, and smart economy that harnesses the potential of citizens	<ul style="list-style-type: none"> • Job-intensive economic growth • Promotion and support for 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 macro businesses • increased competitiveness of the economy 	• Job Opportunity and Creation	• To be a smart and capable entity	<ul style="list-style-type: none"> • Upliftment of communities through provision of financial and non- financial support to local SMMEs • on construction projects • Skills development and job creation through EPWP programme.
Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy	• Sustainable human settlements	• Sustainable human settlements	Sustainable Service Delivery	<ul style="list-style-type: none"> • Develop & manage social housing and Student Accommodation • Develop &manage Affordable rental housing • Implement housing development projects for the COJ • Provide assigned municipal services 	<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



GDS Outcomes	GDS Outputs	Government of Local Unity (GLU) Objectives	Mayoral Priorities	JOSHCO Strategic Objectives	JOSHCO Strategic Outcome
<p>A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region.</p>	<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 	<p>Financial Sustainability</p>	<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 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
<p>An inclusive, job- intensive, resilient, competitive, and smart economy that harnesses the potential of citizens</p>	<ul style="list-style-type: none"> A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross cutting output) 	<ul style="list-style-type: none"> Smart City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner. A responsive, accountable, efficient and productive metropolitan government Meaningful citizen participation and empowerment Guaranteed customer and citizen care and service 	<p>Smart City</p>	<ul style="list-style-type: none"> To be a smart and capable entity 	<ul style="list-style-type: none"> Social housing projects that are smart and environmentally friendly, through design and the use of alternative building technologies (including alternative energy solutions and rainwater harvesting) Improved application and leasing processes, supported by automation of processes Seamless business continuity supported, through effective back up and disaster recovery systems

04 |||

IDP/CBP COMMUNITY ISSUES

4. IDP/CBP COMMUNITY ISSUES

4.1. JOSHCO Community Development

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

JOSHCO Community-Based Program

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

Name of Community Based Activities 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
Food Security	Rooftop gardening	Region F = 5
Moulding & Painting services	Painting & Moulding (focus on SMMEs)	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

**Region
B**

Pennyville

**Region
C**

Fleurhof | Riverside

**Region
D**

Orlando Ekhaya | Lufhereng | Kliptown Square |
Kliptown Golf Course | Pennyville

**Region
F**

City Deep | Turfontein | Citrine Court | Bellavista |
Selby Social Housing

**Region
G**

Devland



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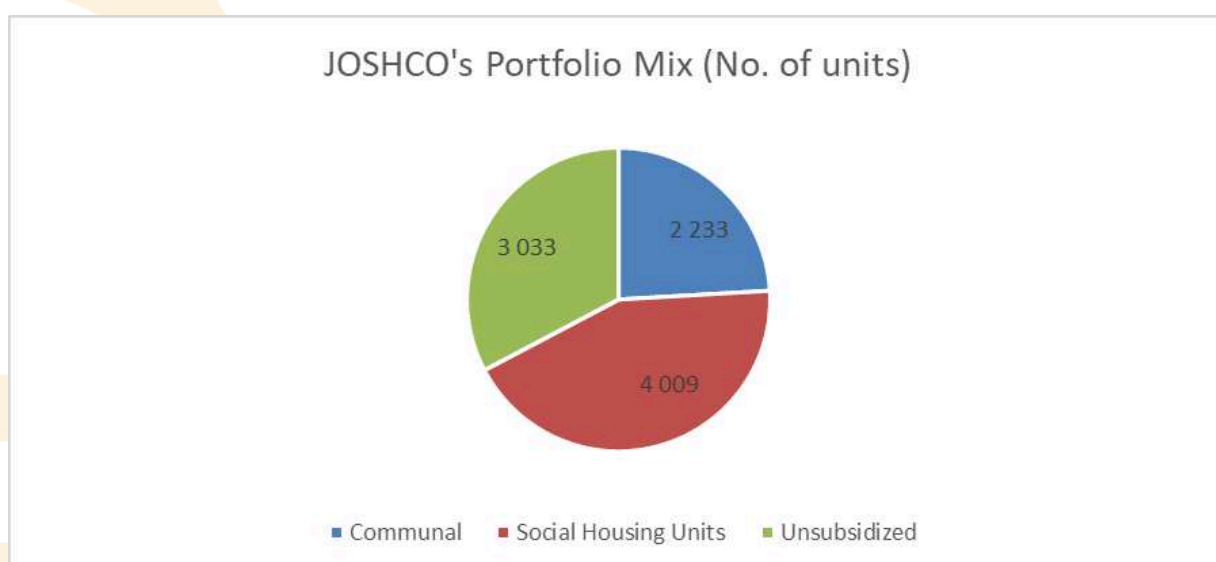
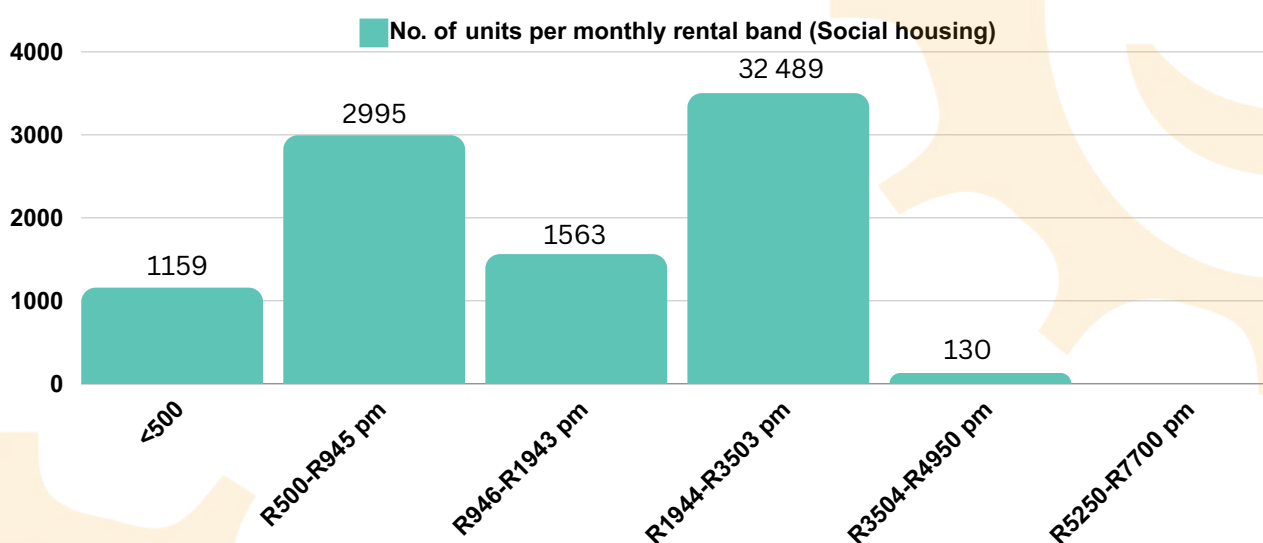
STRATEGIC ANALYSIS

5. STRATEGIC ANALYSIS

5.1. JOSHCO current status

1) Overview of JOSHCO's property portfolio

JOSHCO has 9 410 units within its portfolio focused on a range of tenant income levels (see figure below). The units are located in greenfields, brownfields and hostels. Unit typologies range from communal, bachelors, 1 bedroom, and 2-bedroom rooms. The units service households with rentals ranging from as low as R300.00 per household per unit per month to R4800 per household per unit per month.



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.

5.2 Past Performance

The demand for affordable housing in the city far exceeds supply. The establishment of JOSHCO has contributed towards addressing the housing challenges and improving the quality of life experienced by the city's residents. As indicated above, JOSHCO manages 9,410 rental units, delivered through both greenfield and brownfield projects.

In the year ended June 2023, JOSHCO continued to strive for delivery on the Board-approved institutional targets achieving a staggering 936 units completed, with an additional 555 units developed to practical completion. The organisation's performance is driven through service delivery, compliance, finance and governance targets. The table below reflects the key metrics for the previous financial years.

Table 3: Previous financial years' performance metrics

Performance metric	30 June 2020	30 June 2021	30 June 2022	30 June 2023
Property revenue (R'000)	R151,0 million	R171,6 million	R182 million	R 178,951 million
Maximum rental excluding utilities	R5,053	R5,550	R5,550	R5,550
Capital budget (R'000)	R405.7 million	R378 million	R628 million	R399 million
Capital Expenditure	68%	95%	94%	101%
New units completed	330	609	210	936
Occupancy rate	96%	99%	98%	98%
Collection rate	61%	58%	56%	57%
Deficit	R79,9 million	R115,9 million	R133,7 million	R373 million
Number of rental units under management	8,515	8,825	8,825	9410

Furthermore, the following performance was recorded.

5.2.1.1 The entity completed installation of biometrics in its 16 properties. This will improve access control and safety of tenants significantly.

5.2.1.2 The minimum monthly rental charged was R300.00 per household, per unit.

Table 4: Performance against Predetermined Objectives as at 30 June 2023

Objective: Become a financially sustainable entity. Financial sustainability

Key Performance area	Key Performance Indicator	Baseline 2021/22	2022/23 Target	2022/23 Actual	Variance	Evidence and Means of Verification
Objective: Become a financially sustainable entity. Financial sustainability	Current Ratio (Cumulative)	Current ratio 0.80:1	Current Ratio 1:1	0.64	0.36	Monthly management accounts/annual financial statements
	Solvency Ratio (Cumulative)	Solvency ratio 0.82:1	Solvency Ratio 1:1	0.66	-0.34	Monthly management accounts/annual financial statements
	Cost coverage ratio (Cumulative)	-235 days	50 Cost coverage ratio 1:1	-631 days	-681 days	Monthly management accounts/ annual financial statements
	Remuneration to OPEX expenditure	32%	Remuneration to Operational expenditure (OPEX) up to 40%	25%	+15%	Monthly management accounts/annual financial statements Management account report.
	% Collection in respect of current debtors	56% Collection in respect of current debtors	80% Collection in respect of current debtor	57%	-23%	MDA System. List of JOSHCO projects. Financial Summary. Final billing report. Tenant Age Analysis/tenancy schedule; and Invoices or bank statements

Key Performance area	Key Performance Indicator	Baseline 2021/22	2022/23 Target	2022/23 Actual	Variance	Evidence and Means of Verification
Economic Development	% Spent on operating budget against approved operating budget	100% Spent on operating budget against approved operating budget	100%	221%	+121%	% Spent on operating budget against approved operating budget
	% Reduction in unauthorized, irregular fruitless and wasteful (UIFW) expenditure incurred	New indicator	50%	-47%	-97%	Quarterly management accounts and AFS SCM report on UIFW
	Number of jobs created for the unemployed through EPWP programme (Cumulative)	503 number of jobs created for the unemployed through EPWP programme	700 number of jobs created for the unemployed through EPWP programme	970	+270	Service provider-Register and Payroll. Attendance Register/ timesheet, proof of payment, ID, and employment contract.
	30% of construction CAPEX spent on SMME's	10.65% of construction CAPEX spent on SMME's	30% of construction CAPEX spent on SMME's	37%	+7%	Departmental expenditure report. Invoices
Social Housing Development	No of Social Housing units developed	210 number of Social Housing units developed for the disadvantage beneficiaries	521	555	+34	Independent professional report on milestone progress signed and dated within the financial year.
	No of Social Housing units completed	0	895	936	+41	Completion Certificate/ Occupation certificates
	% Capital budget spent (Cumulative)	94% Capital budget spent	100% Capital budget spent	101%	+1%	Board approved Capital Expenditure report and valid invoices



Key Performance area	Key Performance Indicator	Baseline 2021/22	2022/23 Target	2022/23 Actual	Variance	Evidence and Means of Verification
Effective property management Objective: Develop Social Housing projects within transport corridors, Inner-City and greenfields (including suburbs and economic hubs).	% of valid invoices paid within 30 days of invoice receipt	99,88% of valid invoices paid within 30 days of invoice receipt	100% of valid invoices paid within 30 days of invoice receipt	62%	-38%	Purchase master. Bank statements: Invoices register; and Remittance for service providers.
	% Occupancy rate	98,26% Occupancy rate	98% occupancy rate	98,20%		Property management system generated report
Effectively managed social housing projects. Effective property management	Number of properties installed with prepaid electricity meters	New indicator	3 properties	3	None	Signed completion certificate
	Number of properties installed with WIFI	New indicator	4 Properties	6	+2	Signed completion certificate
	Number of properties received major maintenance upgrade	New indicator	2 properties	3	+1	MDA maintenance forms and invoices



5.3 JOSHCO Organizational and funding status

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

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

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

JOSHCO's total expenditure exceeds total revenue, resulting in a deficit over the past five years. This deficit has increased significantly over the five-year period, from R55,7 million in 2019 to R373 million in 2023. The main drivers of the deficit are staff costs, debt impairment, finance costs, bad debts written off, security services, and repairs and maintenance. This resulted in an increase in total operating expenditure from R244,2 million in 2019 to R684,4 million in 2023. In the same period, administrative costs (mostly made up of the unavoidable costs for security services and repairs & maintenance) increased from R114,3 million to R282,6 million.

Over the five-year period, JOSHCO's total assets increased by 263%, from R433 million to R1,572 billion. At the same time, total liabilities increased by 492%, from R402 million to R2,380 billion. This is the result of high debt impairment, non-payment by COJ for work undertaken by JOSHCO, and the subsidy allocation being less than what is required.

JOSHCO is in effect a combination of multiple businesses (SHI, Communal, City Services), which should be budgeted for, reported and performance managed separately. JOSHCO SHI and Communal Housing are impacted by low rental collections (57% vs Benchmark of 95%) due to poor application of revenue policy and a lack of systems integration.

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



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

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

5.4 Competitor analysis

There is a high level of need for rental housing, including social, affordable, and student housing in the city. The current housing need is estimated to be over 500 000 households comprising those households, that are living in informal conditions (informal settlements and informal backyard rentals). In addition, if household growth and migration are taken into consideration, it is estimated that there will be approximately 1.23 million households requiring housing by 2030 in the city. This implies that approximately 88,000 households need to be housed per annum. This is far in excess of what is currently being delivered by the city and the affordable rental sector.⁴

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

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

⁴SHRA, 2020. State of the SocialHousing Sector.
<https://saaffordablehousing.co.za/2020-state-of-the-social-housing-report/>

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

Table 5: 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

5.5 Future outlook

Under the leadership of the Board and the revised strategic approach, JOSHCO anticipates that its results will reflect reinvigorated operational focus and a hands-on, proactive approach to property management while protecting the balance sheet through active risk management. It is anticipated that the South African economy will continue to face economic challenges, exacerbated by load shedding and the 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 regularisation, digitisation of tenant management processes, the development and management of student accommodation, outdoor advertising on buildings, reduction in consumption, recovery of utilities, and billing accuracy. The entity will continue implementing these streams while modifying the approach where needed. This is outlined in the strategic response section that follows.

5.6. Environmental analysis

The City of Johannesburg 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 women.⁵

Population growth in the city is impacted by a high level of migration into the city related to urbanization. In South Africa, 63% of the population already live in urban areas. This figure is expected to rise to 71% by 2030 and 80% by 2050. Put vividly, by 2050, 8 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.

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

⁵The 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 other major sectors are manufacturing and wholesale, retail, catering, and accommodation (14% each).

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 R1227 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.

Key factors causing high poverty levels are 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 were significantly weakened.

The last 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.



5.7 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 organization. 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 of identifying strengths and weaknesses lies in the fact that these highlight, respectively, aspects to be further enhanced, and aspects to be addressed or countered.

In identifying opportunities and threats, JOSHCO is better positioned to understand and build on or exploit the opportunities in its forward-planning process while mitigating against the threats.

Table 6: JOSHCO SWOT Analysis

<u>Strengths</u>	<u>Weaknesses</u>
<ol style="list-style-type: none"> 1. Clear and specific mandate from the city commitment to rental housing 2. Track record of building and managing rental housing stock 3. The current portfolio of rental housing stock (largest in RSA and Africa) 4. Access to City's capital budget 5. Access to City's prime properties 6. 'Fertile' ground for policy application, review and learning 7. Strict management of rental applications 	<ol style="list-style-type: none"> 1. Financial distress 2. Compliance gaps undermine SHRA accreditation status 3. Property maintenance backlog 4. Poor (strained) relations with tenants 5. Limited delivery of affordable rental housing stock 6. High reliance on manual administrative processes 7. Impaired reputation (unstable entity) 8. Incoherent IGR partnerships
<u>Opportunities</u>	<u>Threats</u>
<ol style="list-style-type: none"> 1. Nationally funded social housing and student accommodation programs 2. Access to City-owned properties 3. Emergence of property management technologies and digitization options 4. Tenant activism can be harnessed for better tenant relations and conduct 5. Property developers' projects pipeline 6. Work on behalf of Human Settlement department 7. Align and leverage utility charges with City's indigent policy in favour of tenants 8. High demand for affordable rental housing 9. Policy advocacy and IGR alignment 	<ol style="list-style-type: none"> 1. Sustained high rental defaults 2. Inability to evict defaulting tenants 3. Rapid dilapidation of buildings 4. Tenants demand for ownership of units 5. Rising unemployment and stunted economic growth implies more households will be without income 6. SHRA accreditation status downgrade 7. Stagnation in housing policy and 'disconnects' wherein tenants' mobility in the housing access ladder is stymied 8. Unstable coalitions and administrative leadership 9. Undue and misdirected political interference in the rental housing portfolio

5.8. PESTEL analysis

A PESTEL analysis serves as a valuable tool through which to assess the macro-environment and external factors which may have an impact on an organization, 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 organization'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, in order to better adapt and respond appropriately to the extent possible.

• 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.

• Economy

A slow growing economy, 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.

• Social

The widespread scourge of gender-based violence is 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.



• **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.

• **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 hijacking of buildings must be met with legally compliant response strategies.

• **Environment**

The environment within which the JOSHCO exists is marked by increasing demand for affordable rental housing, deep and unabating 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 neighborhood-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.



5.9. Risk Assessment.

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

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

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

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

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

JOSHCO has identified the following strategic risks and mitigation measures:



Table 7: JOSHCO Strategic Risks and Mitigating actions

Risk Description	Mitigation
Inability to continue as a going concern	<ol style="list-style-type: none"> 1. Enforce debit order as a payment method (Debi Check) on all leases 2. Finalise the installation of biometric systems at the following projects: Fleurhof Junxion Roodepoort – Tshedzani 50 Durban Street Abel Street project Riverside view. 3. Enhanced stakeholder strategies 4. Increase management fee on projects executed on behalf of Human Settlement Department 5. Review the procurement (SCM) and budget processes to manage the costs 6. Reduction of projects on behalf of other departments 7. Monthly engagements with finance teams of departments to resolve queries 8. Increase revenue from alternate revenue streams
Inability to deliver capital projects on time	<ol style="list-style-type: none"> 1. Submission of request for additional funding during budget adjustment period. 2. Termination of non-performing contractors. 3. Implementation and monitoring of the Stakeholder Engagement Plan.
Loss of stakeholder confidence	<ol style="list-style-type: none"> 1. Monitoring and tracking of the implementation of the Stakeholder Engagement Plan 2. Intervention of social facilitators when there is an unrest 3. Ad hoc stakeholder engagement meetings or roundtable discussions with the relevant stakeholders 4. Installation, activation and monitoring of biometric systems at JOSHCO projects 5. Integration between 6. Housing Management Department and customer relations office
Occurrences of safety and security incidents in JOSHCO facilities	<ol style="list-style-type: none"> 1. Adherence to the Service Level Standards turnaround times 2. Finalise the installation of biometric systems at the identified projects 3. Train appointed marshals /officials on first aid and fire fighting on an annual basis
Business interruptions	<ol style="list-style-type: none"> 1. Monthly security update reports on servers and backup system 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 5. Implementation of the energy strategy starting at head office 6. Implementation of the secondary network connectivity for higher availability and redundancy
Fraud and corruption	<ol style="list-style-type: none"> 1. Conduct anti-fraud campaigns 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 a supply chain management rotation strategy for each panel, in line with SCM policy 4. Continuous follow ups on fraud and corruption investigations by GFIS
Aging infrastructure	<ol style="list-style-type: none"> 1. Prioritisation of the CAPEX budget to major upgrades to reduce frequent unplanned maintenance costs
Governance Failures/Political Instability	<ol style="list-style-type: none"> 1. Stakeholder management with the Group Governance by the Board, CEO and Executive Team 2. Review and implementation of the Change Management Plan

5.10. Strategic analysis conclusions

1. Demand for affordable rental housing in the city is enormous and growing. This indicates that JOSHCO can continue to offer a reasonable supply of rental stock through its programmes, in line with the capital resources availed by the COJ and/or accessed from the SHRA.
2. The SWOT analysis points to JOSHCO as an entity on the threshold of robust performance and significant impact, provided it can take full advantage of the available opportunities and genuinely systematically address the identified weaknesses and threats.
3. Digitisation, automation and systems integration offers JOSHCO an opportunity for a leap forward into smart operations that are efficient and effective.
4. Modifications to the funding arrangements with the COJ for projects undertaken by JOSHCO on behalf of departments will improve the financial position of JOSHCO.
5. The financial sustainability of JOSHCO depends on its ability to collect rent. It is therefore unavoidable for JOSHCO to adopt and implement a clear and compliant rental collection 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 Inter-Governmental Relations (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.



06 |||

STRATEGIC RESPONSE- IMPLEMENTATION

6. STRATEGIC RESPONSE IMPLEMENTATION

6.1. Key Performance Areas

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

Table 8: 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 Implement special projects on behalf of the department of Human Settlements
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

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**.



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

The deliverables for this programme are:

- ☀ Financial sustainability achieved
- ☀ Implementation of work on behalf Human Settlements department
- ☀ ICT and digital systems enabled
- ☀ Good governance
- ☀ Human resource management to enable a capable workforce
- ☀ Research and knowledge management undertaken to support implementation of strategies and operational plans based on learning and evidence
- ☀ Effective intergovernmental and stakeholder relations
- ☀ High performance standards maintained
- ☀ Of all expenditure, 30% is procured from 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 9: 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
	Implementation of work on behalf Human Settlements department	Personnel with skills, expertise and competence Budget	<ul style="list-style-type: none"> Diverse revenue stream Accelerated delivery of projects delivered
	ICT and digital systems enabled	Operating budget and 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 organisation
	30% spent on SMMEs and designated groups	Capital budget and 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

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

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

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

The programme comprises the following sub-programmes:

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

The deliverables for this programme are:

- ☀ Effective programme management undertaken.
- ☀ Accreditation status with the SHRA and Department of Higher Education and Training 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 10: Programme 2: Social and Affordable Rental Housing: Deliverables and Outputs

Key Performance Area	Deliverable	Resources	Output
	Effective programme management undertaken	<ul style="list-style-type: none"> 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	Policy shift
Develop and managesocial and student accommodation	Additional rental units developed	Capital budget	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%

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

The strategic objective for this Programme is to provide and manage affordable rental housing stock.

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

The programme comprises the following sub-programmes:

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

The deliverables for this programme are:

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

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

Table 11: 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	Safe living environments
	Effective Property Management services for all units	<ul style="list-style-type: none"> • Operating budget • Enhanced ICT 	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

6.1.4 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 in order to bring clarity, predictability and proper alignment between limited resources and specific programmes and sub- programmes. The resourced programmes are a clear indication of commitment to priorities.

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

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

1. JOSHCO is in effect a combination of multiple, albeit related, business (SHI, Communal, City Services), which should be budgeted for, reported and performance managed separately. Further, JOSHCO's unit cost structure to be managed for different business activities in relation to operation, maintenance and refurbishments.
2. JOSHCO's balance sheet is impacted by related party transactions not settled when due. This requires that modifications be effected to the funding arrangements with the COJ for projects undertaken by JOSHCO on behalf of departments. This will improve the financial position of JOSHCO. Options include drawdown funding arrangements to ensure liquidity and cash-flow for projects. A standard operating procedure must serve to clarify these arrangements.
3. Sustained and/or recurring operating budget deficits related to JOSHCO's current rent collection rates must be addressed.



Table 13: 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)
Sub-programme	Finance	Programme Management	Programme Management
Sub-programme	Governance	Accreditation & Policy Advocacy	Policy advocacy and compliance
Sub-programme	Corporate Services	New Developments	New Developments
Sub-programme	Corporate Planning & Performance; Research & KM	Property Management	Property Management
Sub-programme	IGR & Stakeholder Relations	Tenant Management	Tenant Management
Sub-programme	ICT and digitisation enablement	-	-
Sub-programme	Implementation of work on behalf of Human Settlements department	-	-

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

(a) Programme Management

JOSHCO has adopted a programme-based strategy. The 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's properties. This includes recruitment, onboarding, community living, termination and eventual off-boarding.

In this cycle, the tenant must be appropriately billed for the rent that is due and, in turn, the tenant must pay the rent as it becomes due. In addition, the tenant must be in a position to communicate with JOSHCO on any matter that affects them during their stay in the leased property. JOSHCO employs a variety of systems and procedures to maintain the relationship with the tenants within the ambit of the applicable legislation and regulations. As such, a comprehensive tenant-management strategy is in place to ensure JOSHCO discharges its obligations as a landlord.

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

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

(e) Management arrangements

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

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

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

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

(f) Customer Relations Management

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:

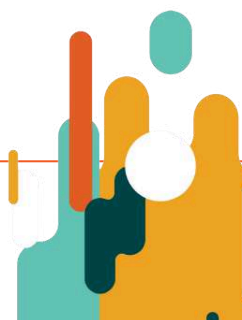
- JOSHCO utilises Sage Pastel for general ledger and accounting as well as consolidated financial reporting.
- JOSHCO has implemented MDA, which has changed its name to MRI for the property management function, which is a specialist real estate management software solution.
- JOSHCO has implemented the 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 are 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 processes and digitisation to minimise 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 digitisation, 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 debt when a tenant has fallen behind. Payment arrangements are made on the basis that the current rentals will be made going forward and additional payments will be made to settle arrears.
- Outdoor Advertising

• Smart Interventions

- Utility metering
- Digitization & automation (systems integration, access control, billing etc)
- Lease application process
- Utility management services
- Maintenance management (logging, scheduling, feed-back and quality assurance)
- Alternate funding solutions

6.2. 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 14: JOSHCO’s Corporate Scorecard for the 2024/25 Financial Year

GDS OUTCOME: A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region MAYORAL PRIORITY: Financial Sustainability														
KPI No.	Key Performance Indicator (KPI)	Baseline 2022/23	2024/25 Target	Quarterly Performance Targets				2024/25 Budget Per Projects R 000				Means of Verification		
				Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex				
								Capex (000)	Opex (000)	Q1	Q2	Q3	Q4	
1	Current Ratio	Current Ratio: 0.64	Current ratio 1:1	1:1	1:1	1:1	1:1	-	420	105	105	105	105	Quarterly management accounts
2	Solvency Ratio	Solvency Ratio 0.66	Solvency Ratio 1:1	1:1	1:1	1:1	1:1	-	420	105	105	105	105	Quarterly management accounts
3	% Collection in respect of current debtors.	57%	80%	80%	80%	80%	80%	-	41.861	9 787	9 781	13 147	9 146	Revenue Report approved by the EXCO.
4	% Of valid invoices paid within 30 days of invoice receipt	62%	100%	100%	100%	100%	100%	-	512	128	128	128	128	Quarterly Management Report
5	Number of SMMEs Supported	New indicator	30 SMMEs supported	-	15	-	30	-	-	-	-	-	-	-List of SMMEs -Signed SMME Contract or Sub- Contract
6	% expenditure of approved capital budget	101%	100%	25%	50%	75%	100%	-	1 200	300	300	300	300	SDBIP Report.

GDS OUTCOME: A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region MAYORAL PRIORITY: Financial Sustainability														
KPI No.	Key Performance Indicator (KPI)	Baseline 2022/23	2024/25 Target	Quarterly Performance Targets				2024/25 Budget Per Projects R 000				Means of Verification		
				Q1	Q2	Q3	Q4	Quarterly Budget Target Capex and Opex						
				Total budget	Capex (000)	Opex (000)	Q1	Q2	Q3	Q4				
7	% resolution of internal audit findings	98%	100%	30%	50%	75%	100%	-	-1 712	428	428	428	428	ARC approved Internal Audit Report
8	% resolution of AGSA findings	75%	100%	N/A	N/A	50%	100%	856	214	214	214	214	214	ARC approved Internal audit report
9	Level of audit opinion	Unqualified audit opinion	Unqualified audit opinion	-	-	-	Unqualified audit opinion.	N/A	7 299	1 120	1 120	1 122	3 937	Auditor General final report
10	% compliance to laws and regulation	96.96%	98%	98%	98%	98%	98%	N/A	5 786	1 446	1 446	1 446	1 448	Board approved Compliance reports
11	% Implementation of corrective action against identified risks	100%	95%	95%	95%	95%	95%	N/A	2 253	563	563	563	564	Board-approved Risk Control Assessment Report
12	% Employee vacancy rate	12.1%	10%	10%	10%	10%	10%	-	1 100	50	450	200	400	Approved Organogram and SAP report on positions filled

GDS OUTCOME: A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region MAYORAL PRIORITY: Financial Sustainability													
KPI No.	Key Performance Indicator (KPI)	Baseline 2022/23	2024/25 Target	Quarterly Performance Targets				2024/25 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
13	Number of digitalisation initiatives completed	New Indicator	8	2	2	2	2	-	-	-	-	-	Report by Senior Manager: ICT
GDS OUTCOME 3: An Inclusive, Job-Intensive, Resilient and Competitive Economy that Harnesses the Potential of Citizens MAYORAL PRIORITY: Job Opportunity and Creation													
14	Number of jobs created for the unemployed through EPWP programmes or other employment initiatives	970 jobs created	1000 jobs created	250	250	250	250	-	-	-	-	-	EPWP Database, Signed EPWP contracts, signed M&E verification report.
15	Number of housing units completed	936	556 Housing units completed	-	-	556	556	1 200	300	300	300	300	Occupation certificate or practical completion certificate
16	% of Occupancy rate across all JOSHCO rental units	98%	98%	98%	98%	98%	98%	4 952	1 238	1 238	1 238	1 238	MRI reports or tenancy schedule
17	% achieved of service level standard	100%	100%	100%	100%	100%	100%	-	-	-	-	-	Approved service level standard report.
18	Number of community-based initiatives implemented through Community Development	0	4	1	1	1	1	TBD	TBD	TBD	TBD	TBD	Event reports and attendance register

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

Table 15: Circular 88 Indicators

Circular88 Outcomes	No	IDP Performance Indicator (Outcomes)	Ref No.	Baseline (estimated) Annual Performance 2021/22	Target for (MTREF) (3 years)			Target for 2026/27 (End of Term)
					Yr1	Yr2	Y3	
HS2. Improved functionality of the residential property market	6	Percentage of households living in formal dwellings who rent	HS 2.3			98%		



6.3. Key Performance Indicator Definition

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

Table 16: Technical descriptions

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

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												
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.	Age analysis (quarterly) with PDF audit trails or Purchase Master	Invoices paid within 30 days of receipt per quarter less invoices not due/ total valid invoices received, for the same period, multiplied by 100.	None	Quantitative	Non-cumulative	Quarterly	No	100%	Chief Financial Officer
5	Number of SMMEs supported	This indicator measures the number of SMMEs supported by the under local subcontracting. The definition for the number of SMMEs supported entails financial support defined as provision of contracts or sub-contracting of SMMEs in JOSHCO capital projects	Create an enabling environment for businesses to thrive and become sustainable. The development and support of SMMEs and entrepreneurs play an important role in accelerating economic growth and job creation.	Evidence -List of SMMEs -Signed SMME Contract or Sub-Contract	Simple Count of listed SMMES	Inaccurate or inadequate information provided by main contractors.	Output	cumulative	Quarterly	Yes	60	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
Smart and capable entity												
6	%expenditure of approved CAPEX budget	This indicator refers to the spending of CAPEX budget.	The indicator seeks to track the spend on the approved CAPEX budget.	SDBIP Report	Total CAPEX spent divided by total approved CAPEX budget, multiplied by 100	None	Quantitative	Cumulative	Quarterly	No	100%	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 or Internal and External Audit Findings dashboards	Total number of internal audit findings resolved/total number of internal audit findings (excluding findings that are less than 60 days) *100	Departments not resolving findings	Output	Cumulative	Quarterly	No	100%	CFO, COO and EMs
8	% Resolution of external audit findings	It measures the number of audit findings resolved against the total number of audit findings issued by the AGSA	Improve the control environment of the organisation.	Internal audit tracking reports submitted to Executive Committee(EXCO) as well as the Audit and Risk Committee. Internal audit reports or Internal and External Audit Findings dashboards	Total number of Auditor General findings	Departments not resolving findings	Output	Cumulative	Quarterly	No	100%	CFO, COO 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
Smart and capable entity												
9	Unqualified audit opinion	This indicator refers to the achievement of an unqualified audit opinion by an independent auditor (AGSA). An unqualified audit opinion refers to an independent audit judgement that the company's financial statements are fairly and appropriately presented, without any exceptions and in compliance with accounting standards	Improve the control environment of the organisation	JOSHCO's integrated annual report and Auditor General final reports.	Simple read of the AG report	AGSA Audit Report	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 Col's Group Compliance and Advisory Services' Compliance Framework, for purposes of integrated reporting and monitoring compliance risks on a holistic level.	Improve the organisation's control environment	Questionnaires supported by evidence and Exclaim Compliance Universe Toolkit Generated Reports	% of all legislations and Acts combined / total number of Acts and legislations assessed multiply by 100.	Non submission by business units responsible for implementation of the Acts monitored for compliance	Output	Non-cumulative	Quarterly	No	95%	EM: Planning & Strategy



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												
11	% 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 on multiplied by 100	Departmental units submission of data	Output	Cumulative	Quarterly	No	95%	EM: Business Planning and Strategy; and All EMs
12	10% 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 positions, SAP report (spreadsheet) that shows positions filled, and Spreadsheet of total funded positions.	Vacant funded positions/ total funded positions X 100.	None	Output	Non-cumulative	Quarterly	No	10% employee vacancy rate	EM: Corporate Services
Smart City												
13	Number of digitalisation initiatives completed	The indicator refers to the number of digitalisation of initiatives or completed.	To contribute to the smart city priority through smart buildings	Dated and signed report	Simple count	None	Output	Cumulative	Quarterly	Yes	8	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
Smart and capable entity												
14	Number of jobs created for the unemployed through EPWP programmes or other employment initiatives	The indicator refers to the number of jobs created through the EPWP Programme during the financial year under review. Jobs: 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/time sheet, proof of payment, ID, and employment contract.	Simple count of jobs created as defined.	Budget from DED	Output	Cumulative	Quarterly	No	1000	COO
Sustainable Service Delivery												
15	Number of housing units completed	The indicator refers to the number of social housing units developed to reach practical completion.	Enhanced quality of life that provides meaningful redress through pro-poor housing development	Occupancy certificate or practical completion certificate or chief fire inspectors report signed and dated.	Simple count of housing units completed	Evidence not provided due to projects not being met on time.	Output	Cumulative	Annually	No	556	COO
16	% of Social Housing units occupancy rate across all units.	The indicator refers to the percentage of units occupied across all available JOSHCO units.	The indicator seeks to improve efficiency in the management of all units and enhance financial sustainability.	MRI report with an occupancy interpretation report or Tenancy schedule or Occupancy audit system generated report for tenant management.	Number of units occupied in active JOSHCO projects as a percentage of the total number of active units available. This excludes untenable units or spaces.	Eligible tenants	Output	Non-cumulative	Quarterly	No	98% occupancy rate	COO

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												
17	% achieved of service level standard	The indicator refers to tracking of the service level standard agreed on with the shareholder	Meet the service level standards with the COJ. Improve customer satisfaction levels.	Approved service level standard report. Individual standard evidence as per SLS Technical indicator descriptor	The number of KPIs achieved in the Service Level Agreement/ total no of Service Level Standards achieved multiply by 100	Unavailability of systems	Qualitative	Non-cumulative	Quarterly	Yes	100%	EM: Planning and Strategy and all Executives
18	Number of Tenant Management/ community based initiatives implemented by Housing management	The indicator refers to the number of tenant initiatives for tenants or greater community conducted. These relate to training, educational programmes and marketing events, community projects, 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, Registers.	Simple count	Unavailability of tenants.	Quantitative	Non-Cumulative	Quarterly	No	4	COO



6.4. SERVICE STANDARD CHARTER

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

A parent municipality which has sole control of a municipal entity:

(a) Must ensure that annual performance objectives and indicators for the municipal entity are established by agreement with the municipal entity and included in the municipal entity's multi-year business plan.

As such JOSHCO and the City sign a five-year SDA that is reviewed annually, and the agreement outlines the entity's scorecard and seven service level standards that JOSHCO should adhere to when delivering its services to the Johannesburg communities.

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



Table 17: Service Level Standards

#	Key Performance Indicator	Baseline 2022/23	2024/25 Target	Quarterly Performance targets				2024/25 budget per projects R 000					Means of Verification
				Q1	Q2	Q3	Q4	Total budget	Quarterly Budget target Capex and Opex				
				Q1	Q2	Q3	Q4		Capex	Opex	Q1	Q2	
1	% Accurate bills of all active customers.	98.05%	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.	99.49%	96%	96%	96%	96%	96%	7 200	1800	1800	1800	1800	MDA/MRI software systems generated report
3	% Implementation of planned routine building maintenance	100%	100% cumulative	25%	50%	75%	100%	20 000	5 000	5 000	5 000	5 000	Approved routine building maintenance plan, signed maintenance forms, approved purchase orders, invoices and certificates of completion
4	Days taken to send the outcome of application enquiry.	1	5	5	5	5	5	2 476	619	619	619	619	Monthly service level standards
5	Days taken to communicate the outcome of the housing unit application for all existing JOSHCO rental units	2.5	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.	1	5	5	5	5	5	856	214	214	214	214	Monthly service level standards Emails to customers

SLS Technical Indicators Descriptors Table

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	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
1.	Billing of customers	98% accurate bills of all active customers	The indicator seeks to measure the accuracy of billing sent to active customers.	To improve service delivery standards by ensuring that bills sent to active customers are close to 100% accurate. Gain trust from our tenants. To execute the billing process in a manner that 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 day	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 maintenance requests reported for the period under review multiplied by 10 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

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	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
3.	Routine Building maintenance	Once per year and as when required	The standard monitors planned maintenance for the financial year to ensure that JOSHCO's building remain user friendly and are preserved	To improve service delivery standards by ensuring that routine building maintenance for JOSHCO projects is completed once per year and/or when required	Approved Routine Building Maintenance Plan for the financial year submitted once during quarter 1 and/or revised plan where necessary; MDA report on Routine Building Maintenance(extracted from MDA system), approved purchase orders, signed maintenance, invoice forms, invoice & certificates of completion.	Monthly: Routine building maintenance jobs completed divided by planned routine building maintenance jobs for the period under review multiplied by 100 Quarterly: Average of the percentage achieved for the 3 months of the quarter	None	Output	Non-cumulative	Monthly/Quarterly	No	100%	COO GM: Housing Management

No	Core Service	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	EVIDENCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
4.	Application of 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 socialhousing 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 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 = 7days, August = 5days & September = 4 days) 7+5+4 = 16/3 = 5 days (average)	None	Output	Non-cumulative	Monthly/ Quarterly	No		COO GM: Housing Management

No	Core Service	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	EVIDENCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
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 complains are resolved within the turnaround time as per the Service Level Agreement for Service Delivery Standards between CoJ & JOSHCO	Dated and signed tracking document or App report & SMS report.	Step 1: Difference between date of application (when leasing Manager: Housing Management approved or declined the application) & the date an SMS was sent to the client (only working days are counted) Step 2: Add all the days in step 1 for that period; and Step 3: Divided the answer to step 2 by the number of applicants received for the period under review. Quarterly: Average of days for each month divided by the number of months reportable	Delays in allocation of units due to: Political influence. Insufficient human capacity vs number of projects to be allocated	Output	Non-cumulative	Monthly/ Quarterly	No	10 days	GM: Housing Management and manager allocations and tenants management.

No	Core Service	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	EVIDENCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
6.	Resolution of complaints	Acknowledgement & 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 & 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	Automated emails may not be retrievable to prove that acknowledgment and response was sent within 24 hours	Output	Non-cumulative	Monthly/ Quarterly	No	Turn-around to time of 24 hours	EM, Corporate Services Customer Services Manager

No	Core Service	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	EVIDENCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
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	<p>Mean average scoring NB: only working days are counted Monthly:</p> <p>Step 1: get difference between the day a complaint was received to the day a complaint was resolved by JOSHCO for the month under review for all reported complaints or queries</p> <p>Step 2: Add all the days it took to solve complaints or queries for that period; and</p> <p>Step 3: Divided the answer to step 2 by the number of complaints or queries received for the period under review.</p> <p>Quarterly: Average of days for each month divided by the number of months reportable e.g., Quarter 1 (July = 7 days, August = 5 days & September = 4 days) $7+5+4 = 16/3 = 5$ days (average)</p>	None	Output	Non-cumulative	Monthly/ Quarterly	No	Turnaround time of 5 working days	EM: Corporate Services Customer Services Manager

07

**PERFORMANCE,
MONITORING, EVALUATION
AND REPORTING**

7. PERFORMANCE MONITORING, EVALUATION AND REPORTING

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

Monitoring

Across all spheres of government, performance information reported within accountability documents enables Parliament, provincial legislatures, municipal councils, and the public to track government performance, and to hold it to account. Performance information is also a critical resource used by manager sat 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 are 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.



08 |||

FINANCIAL IMPACT

8. FINANCIAL IMPACT

8.1. Budget and sources of funding

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

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

8.2. Operational expenditure

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

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



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

- ☀️ Revenue drives which involve all JOSHCO departments, with particular emphasis on revenue and housing management
- ☀️ Managing expenditures closely through cost-containment measures, reconciliation, and supervisory controls – with JOSHCO’s adopted policy confirmed as being aligned with National Treasury’s and the City’s cost containment guidelines.
- ☀️ Handover of tenants to the Local Magistrates Courts for Emolument Attachment or Garnishee Orders
- ☀️ Referral of defaulting tenants to the Housing Tribunal Court for mediation (this is a free service)
- ☀️ Where tenants are also COJ employees, collection of arrears account balances through Garnishee Orders
- ☀️ Relocation of non-qualifying tenants to in collaboration with the Human Settlements departments through its various programmes offering.
- ☀️ Education of tenants about social housing – and mutual responsibilities – through the stakeholder engagement programme

8.3. Balance Sheet Optimisation

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



8.4. Budget for the 2024/25FY Table 18: Budget for 2024/25FY

Description	Audited outcome	Tabled budget	Adjusted budget	Forecast		
	2022/23 R'000	2023/24 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000
Revenue						
Interest received - Debtors	26,432	25,474	25,474	25,474	25,474	25,474
Other income	2,895	2,779	3,800	3,982	4,161	4,348
Rendering of services	53,585	64,651	64,651	67,754	70,803	73,989
Rental of facilities and equipment	178,951	210,693	140,029	146,750	153,354	160,255
Government grants and subsidies	48,004	53,617	135,495	137,607	141,156	144,920
Interest Received - Internal				1,591	1,821	1,903
Share of surplus from joint venture	1,331	-	-	-	-	-
Total Revenue	311,198	357,214	369,449	383,158	396,769	410,889
Expenditure						
Employer related costs	(168,586)	(170,712)	(195,914)	(205,318)	(214,557)	(224,212)
Debt impairment	(109,496)	(33,034)	(25,201)	(26,408)	(27,606)	(28,857)
Depreciation & amortization	(2,814)	(1,657)	(1,627)	(1,705)	(1,782)	(1,862)
Finance costs	(76,373)	(959)	(959)	(1,005)	(1,050)	(1,097)
Bad debts written off	(38,694)	-	-	-	-	-
Impairment loss	(5,846)	-	-	-	-	-
Administrative expenses	(282,637)	(150,882)	(145,749)	(148,722)	(151,774)	(154,861)
Total Expenditure	(684,446)	(357,214)	(369,449)	(383,158)	(396,769)	(410,889)
Deficit before taxation	(373,247)	-	-	-	-	-
Taxation						
Surplus (Deficit) for the year, after tax	(373,247)	-	-	-	-	-

8.5. Revenue

JOSHCO's main revenue items are as follows:

- 8.5.1 Rental of facilities and equipment
- 8.5.2 Agency services
- 8.5.3 Grants and subsidies




Housing Development's 'take-on delivery of units' programme will result in the hand-over of an additional 450 units in the 2023/24 FY to Housing Management. These will be used in accommodating qualifying beneficiaries, with this further contributing towards the rental revenue forecast. The revenue forecast for the 2024/25 FY is projected at R146.8 million.

The operational subsidy from the city has also increased to R118,6 million. As noted previously, JOSHCO earns from 7% to 10% management fee for agency services rendered in respect of the development of projects. Revenue will be further maximised through selling advertising space on certain properties under JOSHCO management, especially in the Inner-City, and through letting of commercial space of the ground floor of all new Inner-City projects. The entity is also implementing a student accommodation programme. A second building will be operational from quarter 3 of 2023/24.

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

8.6. Expenditure

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

-  **8.6.1. Employee-related costs:** an increase to R179,8 million. Employee-related costs are an enabler. The budget increase has been revised on the basis of filling key positions in the new organizational structure. The cost associated with the increase in insourcing of key competency staff is higher than the reduction of repairs and maintenance costs, as the amount includes benefits such as pensions.
-  **8.6.2. Repairs and maintenance:** There is an increase in this line item due to aging infrastructure. Planned maintenance for some of the buildings has been included in the capital budget as stock upgrades.
-  **8.6.3. General expenses:** General expenses are also an enabler. Although JOSHCO strives to undertake its business through economies of scale, for the 2024/25 FY, these costs have increased.

8.7. Capital expenditure

The entity has identified the need to improve its planning, delivery and organization 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 realized through strong adherence to the Human Settlements Department's value chain.

Mixed Housing Options and Capital Management

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



Table 20: Capital Expenditure Budget for the 2024/25 FY

Financial Year: 2024-2025						
	Projects	Programme	Project Unit yield	WIP units: 2024/25	Completed units 2024/25	Financial year budget: 2024-25
Soweto Corridor	Lufhereng Social Housing Development		350	140	0	7 000 000
	Nancefield Social Housing Development		372	0	372	55 000 000
	Golden Highway/Devland		181	0	0	40 000 000
SUB TOTAL			903	140	372	102 000 000
JHB CBD and Surrounds	Existing stock Redevelopment; upgrade and major maintenance	Brownfield	0	0	0	5 849 900
	Inner City upgrades		0	0	0	0
	280 Smit Street Student Accommodation		200	50	0	10 000 000
	Abel Street Social Housing Development Ph3		102	0	0	0
	Claim Street		0	0	0	0
	Nederberg		0	0	0	0
	Malvern Development		50	0	0	7 000 000
	Casa Mia		250	0	0	0
	Park Chambers Social Housing Development		165	0	0	10 000 000
	Booysens		40	0	0	30 000 000
Rissik Street Social Housing Development	120	20	0	7 000 000		
SUB TOTAL			927	70	0	69 849 900
Empire perth	Frank Brown/Milpark Social Housing Dev		300			6 000 000
SUB TOTAL			300	0	0	6 000 000
Alexandra - Marlboro, Sandton-Randburg, Midrand	Lombardy East	Greenfields & Turnkeys	514	0	0	10 066 100
	Kelvin Social Housing Development		200	0	0	7 000 000
	Randburg Selkirk		570	0	0	40 000 000
	Marlboro Social Housing Dev		200	0	0	5 000 000
	Region A: Riverside View Project		1108	180	184	30 000 000
	Tum-Key 1: Region B		1032	0	0	1 000 000
Region F: Denver Turnkey Project	1336	100	0	1 000 000		
SUB-TOTAL			4960	280	184	94 066 100
GRAND TOTAL			7090	490	556	271 916 000

Table 21: Capital Expenditure Budget for the 2025/26 Financial Year

Financial Year 2025-2026						
	Projects	Programme	Project Unit yield	WIP units: 2025/26	Completed units 2025/26	Financial year budget: 2025-26
Soweto Corridor	Lufhereng Social Housing Development		550	210	140	5 000 000
	Golden Highway/Devland		181	181	0	45 072 370
SUB TOTAL			731	391	140	50 072 370
JHB CBD and Surrounds	Existing stock Redevelopment; upgrade and major maintenance	Brownfield	0	0	0	10 000 000
	Inner City upgrades		0	0	0	0
	280 Smit Street Student Accommodation		200	100	0	48 000 000
	Abel Street Social Housing Development Ph3		80	0	0	0
	Malvern Development		50	0	0	5 000 000
	Auckland Park Social Housing Region B		200	0	0	0
	Casa Mia		245	0	0	2 500 000
	Park Chambers Social Housing Development		200	0	0	5 000 000
	Booyens		40	0	40	35 000 000
	Rissik Street Social Housing Development		120	60	0	25 000 000
SUB TOTAL			1135	160	40	130 500 000
Empire perth	Frank Brown/Milpark Social Housing Dev		300	100	0	30 000 000
SUB TOTAL			300	0	0	30 000 000
Alexandra - Marlboro, Sandton-Randburg, Midrand	Lombardy East	Greenfields & Turnkeys	514	0	0	40 000 000
	Kelvin Social Housing Development		200	0	0	25 000 000
	Randburg Selkirk		570	100	0	40 000 000
	Marlboro Social Housing Dev		200	0	0	5 000 000
	Region A: Riverside View Project		1108	300	180	60 000 000
	Tum-Key 1: Region B		1032	0	0	0
Region F: Denver Turnkey Project	1336	0	0	0		
SUB-TOTAL			4960	400	180	170 000 000
GRAND TOTAL			7126	1051	360	380 572 370



Table 22: Capital Expenditure Budget for the 2025/27 FY

Financial Year: 2026 - 2027						
	Projects	Programme	Project Unit yield	WIP units: 2025/27	Completed units 2025/27	Financial year budget: 2025-27
Soweto Corridor	Lufhereng Social Housing Development		550	0	0	0
	Golden Highway/Devland		181	0	181	10 000 000
	Nancefield		0	0	0	0
	Princess Plot		0	0	0	0
SUB TOTAL			731	-	181	10 000 000
JHB CBD and Surrounds	Existing stock Redevelopment; upgrade and major maintenance	Brownfield	0	0	0	10 000 000
	Inner City upgrades		0	0	0	0
	280 Smit Street Student Accommodation		200	0	200	30 000 000
	Abel Street Social Housing Development Ph3		80	0	0	5 000 000
	Malvern Development		50	0	0	5 000 000
	Aukland Park Social Housing Region B		200	0	0	0
	Casa Mia		245	0	0	5 000 000
	Park Chambers Social Housing Development		200	0	0	0
	Booysens		40	0	0	0
	Rissik Street Social Housing Development		120	0	120	50 000 000
SUB TOTAL			1135	0	320	105 000 000
Empire perth	Frank Brown/Milpark Social Housing Dev		300		300	60 000 000
SUB TOTAL			300	0	300	60 000 000
Alexandra - Marlboro, Sandton-Randburg, Midrand	Lombardy East	Greenfields & Turnkeys	514	200	0	30 000 000
	Kelvin Social Housing Development		200	200	0	30 000 000
	Randburg Selkirk		570	100	14	0
	Marlboro Social Housing Dev		200	100	0	0
	Region A: Riverside View Project		1108	300	180	37 961 1445
	Tum-Key 1: Region B		1032	0	0	0
Region F: Denver Turnkey Project	1336	200	300	0		
SUB-TOTAL			4960	280	494	97 691 445
GRAND TOTAL			7126	1100	982	272 961 445

09 III

MANAGEMENT AND ORGANISATIONAL STRUCTURE

9. MANAGEMENT AND ORGANISATIONAL STRUCTURE

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

9.1. Governance arrangements

The Board of Directors is in place and geared to exercise its mandate as outlined in the Board Charter and the Shareholder (COJ) 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 and Risk Committee
- Human Resources, Social & Ethics Committee
- 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.

The Chief Executive Officer (CEO) plays a pivotal role in overseeing the day-to-day operations and administration of the organisation, supported by the Internal Audit unit and the Executive Management Team. Additionally, the Chief Operations Officer (COO) focuses on enhancing operational efficiencies within specific functional areas. Compliance management is highlighted as a significant responsibility for the Executive Management Team, emphasising the importance of ensuring adherence to legal requirements, industry standards, and internal policies to mitigate risks and maintain a culture of compliance, this strategic approach to compliance management is essential for organisations to navigate complex regulatory landscapes effectively and minimise potential pitfalls while upholding operational integrity and legal adherence.

9.2. Management and Organisational Structure

As indicated in section 3.3, the strategic objectives that have been determined for JOSHCO are as follows:

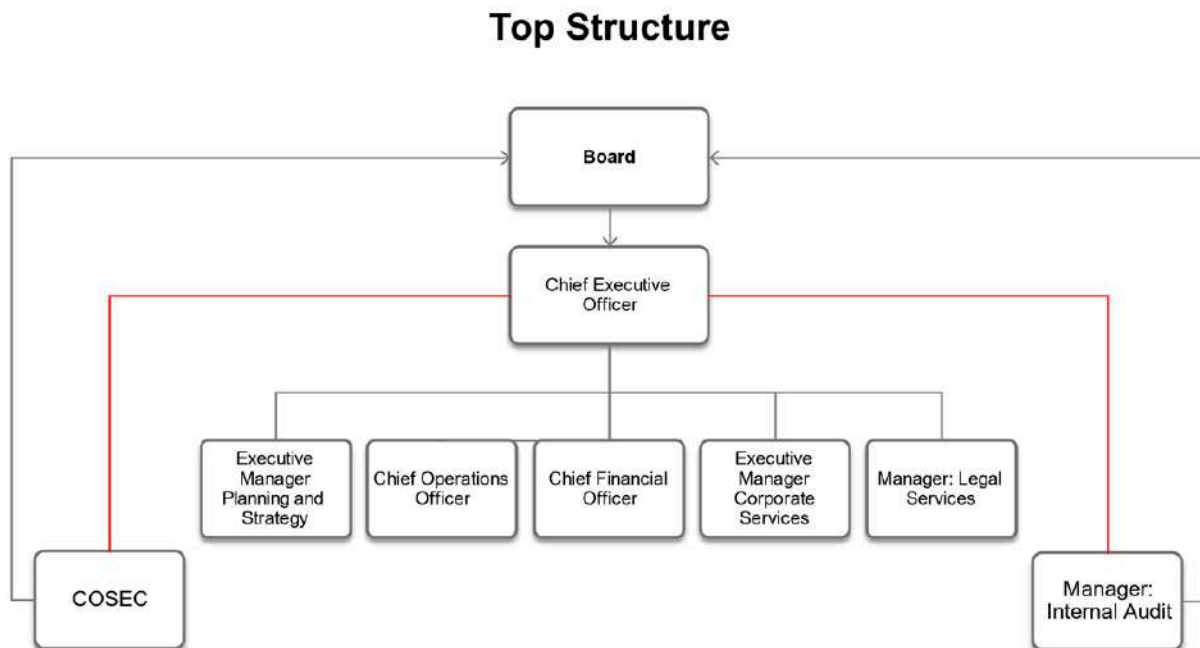
- ☀️ To be a Smart and Capable entity.
- ☀️ To develop and manage Social Housing and Student accommodation.
- ☀️ Develop and manage affordable rental housing.

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-organizational 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.

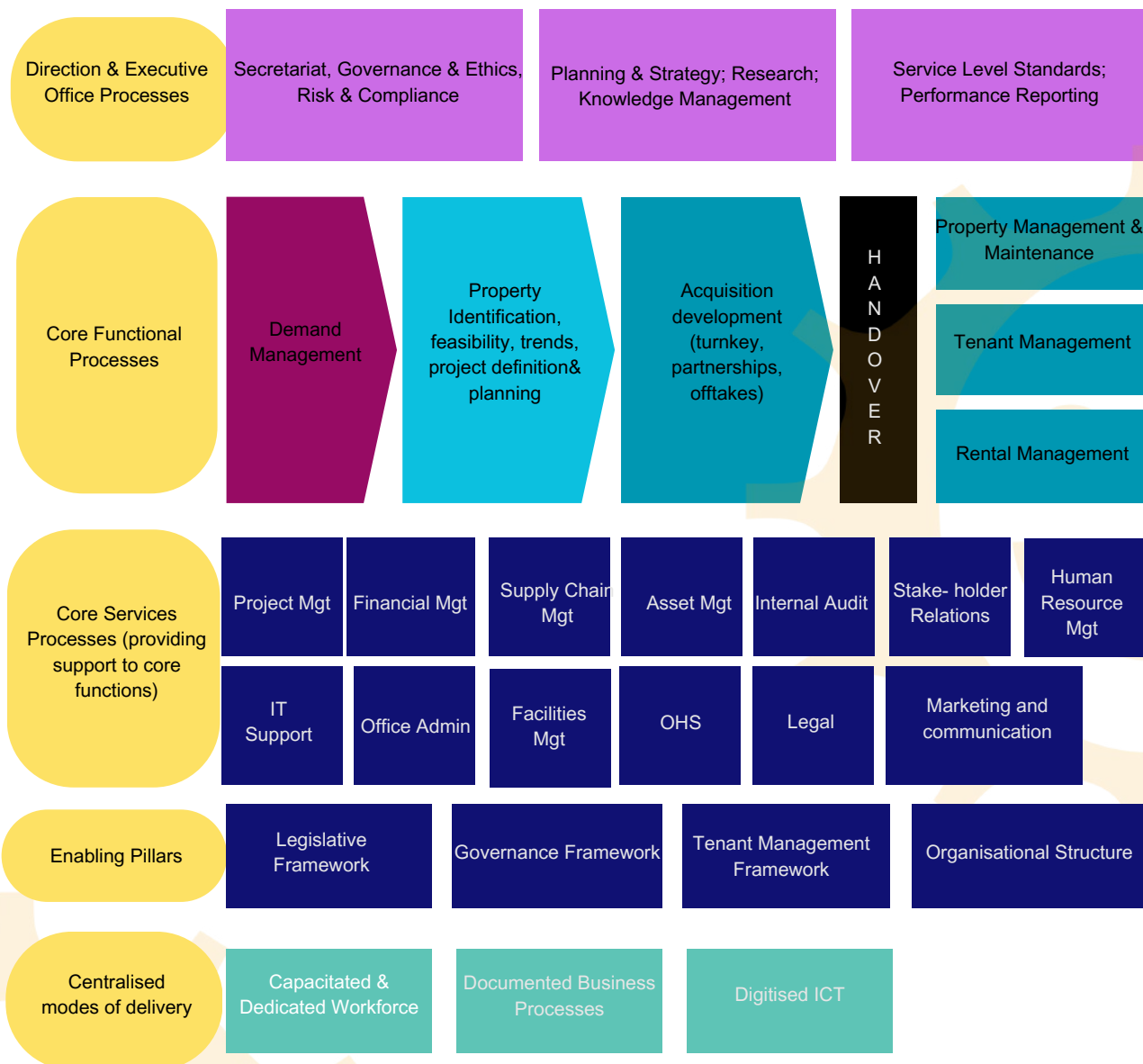


Furthermore, the organisational arrangements are embedded in the operating and services model wherein a clear distinction is made through delineation of:

- ☀️ 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 as shown in the figure below.





9.3. Performance management

9.3.1. Performance management system

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

JOSHCO as a public entity has a transparent performance management process that encompasses 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.

9.3.2. Board Performance

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

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

9.3.3. Personnel Performance Management

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

9.4. Change Management.

In addition being imposed by major transitions, JOSHCO's business climate and environment is speedily changing. There have been notable executive-level leadership transitions in the recent years. At the City (shareholder) level, there have also change of leadership including the incumbent at the Executive Mayoral level, numerous changes in board reconstitutions and administrative levels.

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

- ☺ The revised strategy and revisions as incorporated into this Business Plan
- ☺ The implementation of the 2023 approved Organisational Structure
- ☺ Operating and Service Delivery Models to support the revised strategy
- ☺ Remodelled Financial Management Framework
- ☺ Risk Management & Governance Framework
- ☺ Need to achieve optimal performance at organizational, 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 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 organization.

9.5. Capacity analysis

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

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

Table 23: Proposed number of positions per occupational level to be filled over the next three financial years

Occupational Levels	2024/25			2025/26	2026/27	2027/28
	Actual as at 31 Dec 2023	Forecast Additional	Total	Additional	Additional	Additional
Top Management is level 1 and 2	2	1	3	0	0	0
Senior Management is level 3 and 4	4	2	6	0	0	0
Professionally qualified and experienced specialists and mid- management level 3 and 6	32	6	38	3	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents' level 7 and 8	99	26	125	13	0	0
Semi skilled and discretionary decision-making level 9 and 10	5	2	7	0	0	0
Unskilled and defined decision- making level 11	361	4	365	0	0	0
Total	503	41	544	16	00	0

9.6 Employment Equity

Table 24: Employment Equity – 2024/25 FY

Occupational Level	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 superintendens	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





10

COMMUNICATION AND STAKEHOLDERS MANAGEMENT

10. COMMUNICATION AND STAKEHOLDER MANAGEMENT

The Communication Plan serves as a guide for JOSHCO's programs to keep all stakeholders informed and engaged in driving the company's strategic agenda as outlined in the 2024/25 Approved Business Plan. The Plan outlines systematic approaches to how the organization will involve its stakeholders in its strategic processes and the platforms that will be used to accentuate the significance of collaborating to build dependency. JOSHCO stakeholders are defined as people, groups or organizations that either impact or are impacted by JOSHCO operations, projects, and programs.

The organization's Communication and Marketing priority is to position JOSHCO as a reliable and consistent brand in its service offering. This requires consideration of the organizational communication objectives and tactics to drive positive outcomes and foster good relations between departments. This Plan is based on current environmental factors influencing JOSHCO's communication with stakeholders and the sectoral environment it operates. Therefore, JOSHCO needs to prioritize all areas of improvement and build on them.

JOSHCO aims to work with its stakeholders to meet their needs and expectations, address issues as they occur, and engage throughout JOSHCO's operations and projects' life cycles. JOSHCO's stakeholders include both internal and external stakeholders with varying degrees of influence, including but not limited to funders, customers, the 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.

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



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

Table 25: Stakeholders reflecting levels of interest, power, and impact.

Category	Stakeholder	Specific Interest in Our Business	Interest	Power	Impact
Shareholder	City of Johannesburg	Delivery on the socio-political mandate, financial sustainability, Service delivery, and Development of sustainable social housing.	High	High	V. High
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
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

The organisation has specific messages that are directed to both internal and external stakeholders. The plan incorporates a comprehensive public relations component, to convey effective messages in a professional tone. This is crucial to encourage stakeholders to receive communication from JOSHCO positively.

The Marketing and Communications Department of JOSHCO is responsible for the implementation of the Plan including managing and coordinating the reputation and image of the organisation.

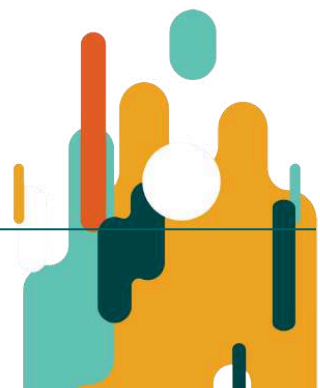
10.1 DRIVING TACTICS OF IMPLEMENTATION:

- ☀️ **Support** - Assist stakeholders with the correct contact points and information.
- ☀️ **Empower** - Provide opportunities for growth and learning.
- ☀️ **Educate** - Provide staff and tenants with continuous training.
- ☀️ **Engage** - Foster positive engagements and partnerships with key stakeholders.
- ☀️ **Connect** - External stakeholders to connect with JOSHCO for improved and responsive service. Staff to connect with Management for collaboration, planning and implementation. Enhance Tenant engagement tactics.
- ☀️ **Inform** - Keep all stakeholders informed always.
- ☀️ **Awareness** - Increase awareness, drive buy-in and promote information sharing.
- ☀️ **Feedback** - Provide feedback to stakeholders to ensure inclusivity.
- ☀️ **Innovation** - Review old processes and devise innovative ways to improve processes.
- ☀️ **Communicate** - Communicate effectively and efficiently, tell the JOSHCO good story.
- ☀️ **Visibility** - Drive JOSHCO's visibility by using multiple channels.

10.2 CURRENT COMMUNICATION CHALLENGES

JOSHCO operates in a political environment that is highly competitive and challenging. This has resulted in a lack of effective profiling and positioning of the organisation in terms of service delivery. Several factors have contributed to the continuous degradation of JOSHCO's brand and reputation, including:

- ☀️ A growing number of imposters and cases of identity fraud
- ☀️ Insufficient budget for marketing and communication
- ☀️ Lack of proactiveness and transparency in communication
- ☀️ Inadequate use of technology
- ☀️ Insufficient utilisation of media platforms such as television and radio
- ☀️ Communication in only one language
- ☀️ Inconsistency in processes and procedures
- ☀️ Lack of coordination and centralisation of communication
- ☀️ Poor turnaround times for customer queries
- ☀️ Insufficient capacity within the Communications department



10.3. 2024/25 COMMUNICATION PRIORITIES

At the core of JOSHCO's priorities lies a commitment to provide affordable, dignified housing solutions that cater to low- and middle-income households. The 2024/25 Communication objective is to prioritise and enhance JOSHCO's strategic initiatives and programme by doing the following:

- ☀️ Be proactive in communicating about JOSHCO's services and areas of focus.
- ☀️ Maximise impact on vulnerable communities through projects.
- ☀️ Promote all milestones through various communication platforms.
- ☀️ Improve JOSHCO's digital presence by boosting posts.
- ☀️ Tackle tenant problems in a proactive and transparent manner.
- ☀️ Continuously engage with stakeholders to improve service delivery.
- ☀️ Encourage the use of digital solutions for better customer experience. Boost posts to increase JOSHCO's brand visibility.
- ☀️ Create multilingual animated videos to enhance messaging.
- ☀️ Use audio messages and infographics to reach broader audiences.
- ☀️ Utilise billboards, pop-ups, mall activations, webinars, live streaming, and live chats to engage with customers.
- ☀️ Develop campaigns to emphasise key messages, i.e. JOSHCO IS STRICTLY RENTAL
- ☀️ Drive both internal and external engagements and campaigns.
- ☀️ Proactively communicate about strategic initiatives, such as lease renewals and revenue collection.
- ☀️ Explore the use of pre-recorded messages for media outreach.
- ☀️ Proactively engage and educate communities to avoid boycotts through tenant education drives, public meetings, imbizos, committee engagements, and training webinars.
- ☀️ Support internal campaigns to ensure information flow between departments.



10.4 KEY MESSAGES AND POSITION STATEMENT

People and Places: We strive to create neighborhoods and communities that people love to live in. In partnership with our stakeholders, we actively engage with communities throughout the City of Johannesburg to ensure that our tenants have a great living experience. We prioritise housing projects that foster personal connections between neighbors and communities. **Message: safety, convenience, partnership, community, involvement.**

Project / Unit Maintenance: We are committed to creating and maintaining safe and comfortable homes for our tenants. Our responsive and high-quality repair and maintenance services are designed to meet their needs.

Message: quality, professional, efficient, cost-effective.

Customers and Service: At JOSHCO, we prioritise the needs of our tenants. We believe in putting our tenants at the heart of everything we do. We actively listen to and learn from the feedback we receive from our customers, which helps us improve our services. We strive to offer accessible and hassle-free services to everyone.

Message: efficient, effective, timely, fair, honest, transparent, accessible.

Health and Growth: We ensure financial security, good governance, and staff development to maximise JOSHCO's potential to provide excellent services. **Message: accountability, ambition, security, knowledge.**

Value and Investment: Our goal is to offer affordable and high-quality services to our clients. As a social housing provider, we aim to refurbish and develop new rental units that are cost-effective and located in proximity to the workplace of our tenants. We also plan to invest our resources in regenerating existing projects and units, making them more efficient and appealing to potential renters. **Message: resourceful, considered, practical.**

Changing Lives: We provide affordable rental solutions for low-income earners from underserved areas, allowing them to stay in well-designed and equipped spaces. **Message: restore dignity, pride, innovation.**

Sustainability: We will send payment and revenue collection messages to ensure that our services and properties are well-maintained. We also educate the public about JOSHCO's rent-only option and provide information to those who default on their rent about the various stages and options available before any legal proceedings take place.

10.5 CORPORATE COMMUNICATION CHANNELS

JOSHCO's communication is disseminated using the below channels:

Face to Face

Events, Campaigns, Meetings, Exhibitions / EXPOS, Roadshows, Launches & Site Visits.

Digital

Website/ Intranet/ E-mail, Infographics/ E-Brochures/ E-Banners, Telephone, Webinars, Bulk SMS, Live chats, Podcasts, QR codes. Videography, Promo Animations.

Social media

Twitter or X, Facebook, TikTok, WhatsApp, WhatsApp Channel, YouTube, LinkedIn, Instagram.

Outdoor

Buildings Wraps, Billboards, Highway Posts, Notice Boards and Banners.

Written

Business Plans, Annual reports, Brochures, Flyers, Posters, Manuals, Newspaper and Magazine Advertorials, Media Statements and Newsletters.

Broadcasting

Radio, Television,

Text

Push Messages, Bulk Messaging.

10.6 REPUTATION AND BRAND MANAGEMENT

Having a good reputation and effective brand management is crucial for enhancing credibility and encouraging positive perceptions, which ultimately lead to increased customer loyalty and support. A strong reputation sets an organisation apart from its competitors, giving it a competitive edge. However, JOSHCO still needs to work on building its brand.

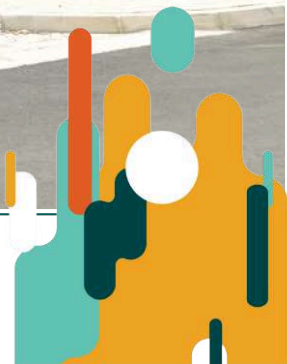
This can be achieved by establishing a distinct identity for the entity, which will help to stabilise stakeholder relations, expand the organisation, and reposition it as a respected brand within the housing sector and Johannesburg as a whole.

Tactics to keep the brand noticeable:

- ☀️ Improve digital presence.
- ☀️ Use Radio and Television to communicate the Brand Differentiation Messages
- ☀️ Optimise our brand visibility through the use of Billboards and Promo posts.
- ☀️ Use Outdoor advertising to leverage on revenue and brand footprint.
- ☀️ Use one-on-one pop-up campaigns to engage with the public.
- ☀️ Regular messaging to tenants to promote rent payment, renewal or leases and updating of details on the system.
- ☀️ Engage tenants using different categories i.e. non-paying tenants, illegal occupants, committee members, legal tenants, etc. This will help drive relevant messages to relevant groups or individuals.
- ☀️ Establish efficient, interactive engagement platforms.
- ☀️ Engage in robust and uncomfortable engagements to communicate the entity's position.
- ☀️ Use polls and surveys to measure the impact of the JOSHCO messages and activations.
- ☀️ Publish articles regularly to control the JOSHCO narrative.

Effective brand management includes targeting media outlets for broadcasting and publication. The organisation plans to use media campaigns to increase visibility on radio and TV, including to:

- ☀️ Publish articles to educate the public about JOSHCO's offerings and highlight important information.
- ☀️ Run radio promotions to inform people about the application and maintenance processes, rental payment, fraud and corruption etc.
- ☀️ Commission advertising space in regional and national newspapers to spread JOSHCO's messages, as well as paid radio slots on national and local radio stations every quarter.
- ☀️ To further promote JOSHCO's messages, we will partner with reputable media outlets and organisations.
- ☀️ Coordinate media tours to showcase JOSHCO's properties.
- ☀️ Engage local editors to influence the narrative about JOSHCO and use the City's media monitoring services to track their PR mileage.
- ☀️ Finally, procure software to help with media data analysis concerning JOSHCO.





Collaboration



Teamwork



Support



Trust



Communication

INTEGRATED PLANNING AND COLLABORATION:

JOSHCO aims to respond to the legitimate interests of all stakeholders by providing opportunities for substantive involvement in JOSHCO programmes. The Stakeholder Department needs to prioritise collaboration with regional leadership and councillors to get their buy-in for our programme. Tenants are a crucial part of JOSHCO's stakeholder matrix, and their impact on the organisation's existence and sustainability is significant. Therefore, it is important to prioritise collaboration with tenants and to ensure that the programme undertaken this year are impactful and done in partnership with them. Collaboration with other stakeholders is equally important, and it needs to be given the same level of importance.

The Communications Department will use robust media interventions and target relevant platforms to disseminate JOSHCO messages proactively. This includes the services of a PR company to ensure that the JOSHCO brand position is clear and distinct. Our brand statement depends, to some extent, on key collaborations that require the company to exploit innovative ways to build close and harmonious working relationships with stakeholders. Forming Strategic Partnerships and devising interactive programmes will help in elevating service delivery to meet customer needs and improve turnaround times.

- ☺ Public Education will differentiate JOSHCO from other SHIs and housing offerings.
- ☺ Robust Community Engagement Programmes will assist to avoid community interruptions during allocations.
- ☺ Transparency and updates on applications, allocations and job/work opportunities will assist to avoid protests.
- ☺ Inclusive Planning will also assist to avoid work stoppages.
- ☺ Audience analysis will help to customise and translate messages accordingly.
- ☺ Regular media engagement on the good stories will boost the brand media footprint.

10.7. INTERNAL COMMUNICATION SOLUTIONS

How we will do this:

- Ensure that prompt updates and feedback are provided to staff regarding EXCO decisions that affect them.
- Hold quarterly meetings between staff and management.
- Commemorate special calendar days within the organisation.
- Conduct organisational planning sessions and team-building sessions twice a year.
- Hold regular inter-departmental planning meetings.
- Establish committees and working groups to drive specific projects.
- Launch awareness campaigns.

Internal publications

- Newsletter
- E-mail
- Intranet
- E-posters & Manuals

EXTERNAL COMMUNICATIONS

How we will do this:

The following strategies will be implemented to expand the JOSHCO brand and share information with tenants:

- ☀️ Physical engagements and digital activations, including social media platforms, will be utilised.
- ☀️ The services of media personalities and influencers will be considered to boost the JOSHCO brand visibility/footprint.
- ☀️ Billboards will be placed on various JOSHCO buildings to carry key messages.
- ☀️ Information will be shared using the JOSHCO website – this is the most reliable platform of the organisation.
- ☀️ The website will be optimised to include live-chat functionality.
- ☀️ Social media pages will be optimised to carry key messages.
- ☀️ The WhatsApp API will be developed to provide 24/7 customer response in addition to the WhatsApp Channel, which can't capture public comments.
- ☀️ Pre-recorded training sessions will be used to host webinars to ensure that information is always accessible to stakeholders.
- ☀️ Education campaigns will be hosted to inform tenants about affordable rentals, house rules, rental payments, evictions, and other offerings from JOSHCO. This includes regular notices to drive rent payment and maintenance.
- ☀️ Audiovisual material will be developed to boost JOSHCO messages to include language translations to vernacular.

10.8. COMMUNICATION DEPARTMENT RESPONSIBILITIES

The Marketing and Communications Department of JOSHCO is responsible for managing and coordinating the reputation and image of the organisation. This involves interpreting JOSHCO's strategic vision, priorities, challenges, strategy on intervention programme and concerns to enhance the CoJ brand. The department's main focus is to ensure collaboration and inclusive planning with the City of Johannesburg and the Human Settlement Department. Additionally, the department works with other JOSHCO departments to disseminate information to internal and external customers and stakeholders, using different platforms and in their preferred language. The department will distribute targeted messages to ensure common understanding and promote corporate governance through the media.

Responsibilities include:

The following are the responsibilities of managing the overall reputation and image of JOSHCO, aimed at enhancing the CoJ brand:

- ☀️ Interpret JOSHCO's strategic imperatives, priorities, challenges, and concerns to make them easily understandable for everyone.
- ☀️ Communicate JOSHCO's vision, strategy, priorities, and intervention programme.
- ☀️ Share information with customers and stakeholders in their preferred language.
- ☀️ Manage all JOSHCO communication platforms.
- ☀️ Develop key messages to ensure a common understanding of JOSHCO processes and protocols to help improve corporate governance.
- ☀️ Create a budget for communication publications and activities to support the approved business plan.
- ☀️ Manage crises originating from internal and external sources.
- ☀️ Optimise existing communication channels.
- ☀️ Identify effective new ways of reaching stakeholders.
- ☀️ Lead the company in crafting key strategic messages.
- ☀️ Establish closer collaboration, relationships, and alignment with all stakeholders.
- ☀️ Monitor progress on interventions and initiatives.
- ☀️ Manage relations with the media.
- ☀️ Preserve the JOSHCO brand.
- ☀️ Support departments with their communication needs and objectives.
- ☀️ Develop communication strategies, policies, guidelines, processes, and standards.
- ☀️ Ensure successful implementation of the communication plan.
- ☀️ Develop media strategies and policies.
- ☀️ Coordinate and implement events and activations.
- ☀️ Create a content collation hub.
- ☀️ Attend the City's Newsroom to ensure proactive media engagements.
- ☀️ Develop and implement brand and reputation tracking.
- ☀️ Identify best practices for JOSHCO's communications and stakeholder engagement.
- ☀️ Provide communication strategic counsel to leadership and departments.

Table 26: TARGETED ACTIVITIES FOR 2024/ 2025

Key Performance Area	Activation / Event	Purpose
Corporate Events	<ul style="list-style-type: none"> • New Project Launches • Key Handovers to new Tenants • Organisational Performance Meeting • Project Oversight Visits 	<p>Corporate events serve as pivotal moments for organisations to engage with stakeholders, showcase achievements, and foster relationships. From annual meetings and conferences to product launches and team-building activities, corporate events offer platforms for networking, knowledge sharing, and brand promotion. These gatherings not only reinforce the company's identity and values but also provide opportunities for employees, clients, and partners to connect in meaningful ways, driving collaboration and reinforcing organisational objectives.</p>
Activations	<ul style="list-style-type: none"> • Commemorations of special calendar days • Pop-Up campaigns • Anti-Fraud & Corruption campaigns • Tenant Engagements and Training • Lease Renewal & Revenue Drive • Staff Wellness Event /Awareness • Mall Activations • Regional Open Days • Mayoral Campaigns 	<p>Activations are dynamic marketing initiatives designed to engage consumers, create brand awareness, and drive sales. These campaigns leverage experiential marketing techniques to immerse audiences in memorable brand experiences, often through interactive events, pop-up installations, or digital platforms. By captivating the target audience and eliciting emotional responses, activations aim to strengthen brand affinity, generate buzz, and influence consumer behaviour, ultimately contributing to brand loyalty and market success.</p>
Communication Products	<ul style="list-style-type: none"> • Newsletter • Promo video • Project • Information Flyer • Notices/posters /Manuals/ Infographics • Awareness Campaigns 	<p>Communication products encompass a wide range of tools and materials designed to convey information, messages, and brand narratives effectively. From traditional print materials such as brochures, flyers, and newsletters to digital assets like websites, videos, and social media content, communication products play a crucial role in shaping perceptions, informing stakeholders, and driving engagement. By employing strategic messaging, compelling visuals, and user-friendly formats, organisations can enhance their communication efforts and establish meaningful connections with their target audiences across various channels and touchpoints.</p>
Media Relations	<ul style="list-style-type: none"> • Press Release (activation, events, processes, profiling) • Newspaper Advertorial • Paid Interview • Summary • Media Report & Articles 	<p>Media relations entail the strategic management of relationships between an organisation and the media to shape public perception, disseminate information, and manage reputation. Through proactive outreach, press releases, media briefings, and interviews, organisations aim to secure favourable coverage, address inquiries, and respond to emerging issues in a timely and transparent manner. Effective media relations require fostering trust, cultivating relationships with journalists and influencers, and aligning messaging with organisational goals, ensuring that the media serves as a valuable ally in amplifying key messages and reaching diverse audiences.</p>
Digital Platforms Information Management	<ul style="list-style-type: none"> • Promote the use of the JOSHCO Intranet • Optimise the Website to activate a Live Chat • Manage social media queries, daily. • Post on the WhatsApp channel, daily. • API and Licensing 	<p>Digital platforms information management involves the systematic organisation, storage, retrieval, and dissemination of data and content across digital channels and platforms. In an increasingly digitised landscape, organisations must leverage robust information management systems to streamline processes, enhance accessibility, and ensure data integrity and security. From content management systems and customer relationship management tools to data analytics platforms and cloud-based storage solutions, effective information management enables organisations to harness the power of data, optimise workflows, and deliver personalised experiences to users while adhering to regulatory requirements and best practices.</p>

11 III

AUDIT RESOLUTION

11. AUDIT RESOLUTION

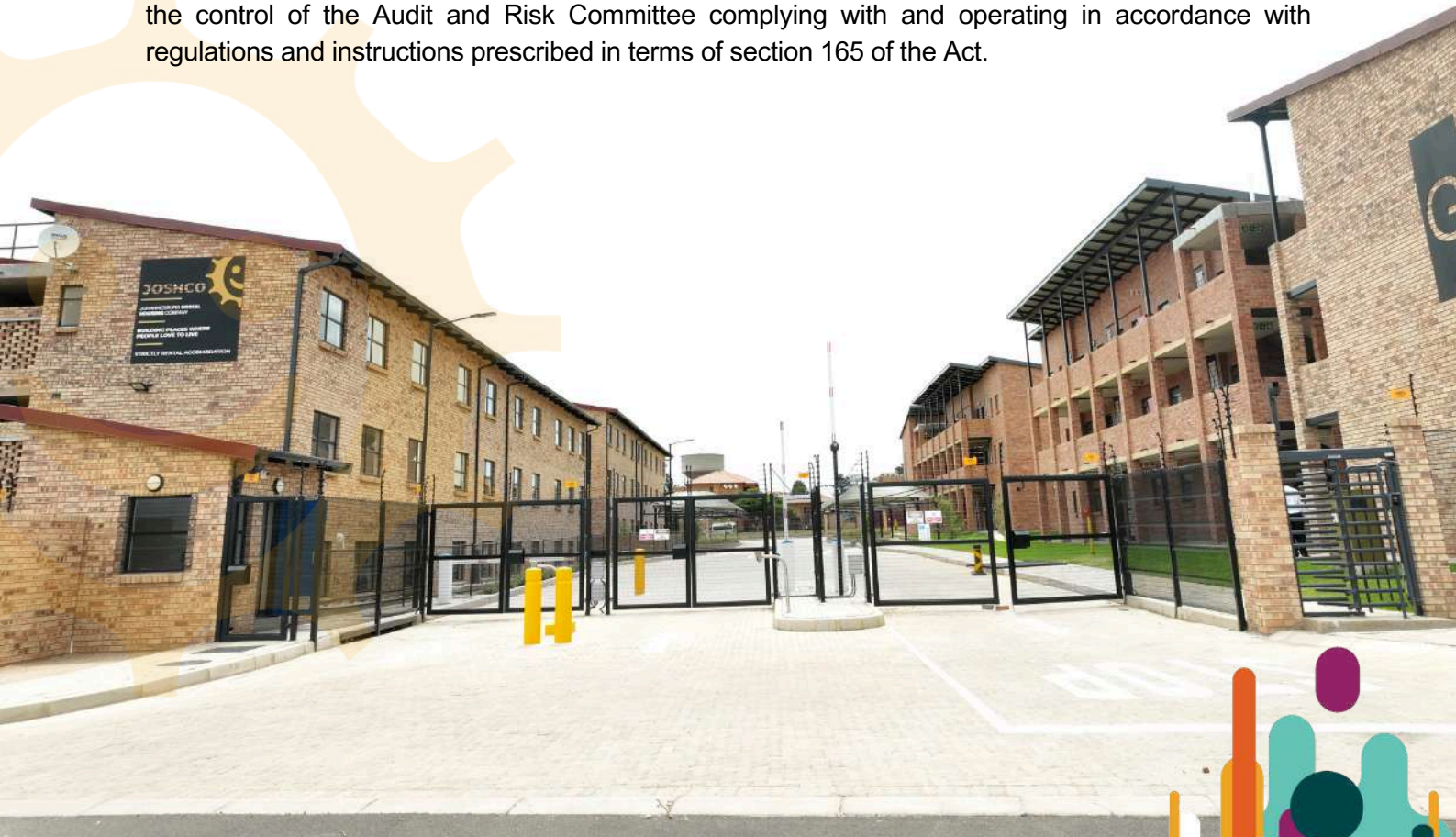
11.1. Introduction

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

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

11.2. Internal Audit Mandate

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



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

- (1) A Municipal Entity has an internal audit unit.
- (2) The internal audit unit of a municipality or municipal entity must;
 - (a) prepare a Risk-Based Audit Plan and an Internal Audit Program for each financial year.
 - (b) advise the Accounting Officer and report to the Audit and Risk Committee on the implementation of the Internal Audit Plan and matters relating to:
 - (i) Internal Audit.
 - (ii) Internal controls.
 - (iii) Accounting procedures and practices.
 - (iv) Risk and Risk Management.
 - (v) Performance Management.
 - (vi) Loss control; and
 - (vii) Compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
 - (c) perform such other duties as may be assigned to it by the Accounting Officer.
- (3) The Internal Audit function referred to in subsection (2) may be outsourced if the Municipal Entity requires assistance to develop its internal capacity. The board of directors of the entity has determined that is this or cost-effective.



11.3 Internal Audit Plan 2024/25FY
Table 27: Internal Audit Plan for 2024/2025

No.	Audits Name	Quarter			
		Q1	Q2	Q3	Q4
1	Human Resource Audit			X	
2	Review of the Annual Financial Statements	X			
3	Review of the Interim Financial Statements				X
4	Supply Chain Management Audit			X	
5	Revenue and Debtors Management Audit				X
6	Financial Discipline Review			X	
7	Tender Probity Review	X	X	X	X
8	Housing Maintenance Audit				X
9	Housing Development Audit (Outsourced)				X
10	IT Security – Penetration Test Review (Outsourced)				X
11	OHASA Audit		X		
12	Housing Leasing Management Audit				X
13	Performance Information Review	X	X	X	X
14	Compliance Review		X		
15	Follow-up on Internal Audit Findings	X	X	X	X
16	Follow-up on AG Findings	X		X	X
17	UIFW Investigations Expenditure	X	X	X	X

12 III

CONCLUSION

12. CONCLUSION

JOSHCO's 2024/25 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 2024/25 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.'





ANNEXURES

A: TARIFFS

B: RISK REGISTER