

## MID-YEAR CORPORATE SCORECARD REVIEW FOR THE JOHANNESBURG SOCIAL HOUSING COMPANY SOC Ltd FOR THE 2020/21 FINANCIAL YEAR.

### 1. STRATEGIC THRUST

Integrated Human Settlement.

### 2. OBJECTIVE

The objective of this report is to request Council approval of the budget adjustment and proposed mid-year deviation(s) of the 2020/21 organisational scorecard of the Johannesburg Social Housing Company SOC Ltd (JOSHCO) **(attached as annexure A)**

### 3. BACKGROUND

Section 72 of the MFMA, 56 of 2003 requires that the Accounting Officer for each year to submit a mid-year budget and performance assessment report of the City and its Municipal Entities to Council. In terms of **Circular 13 of the MFMA** the SDBIP and its targets cannot however be revised without notifying the Council, and if there are changes in service delivery targets and performance indicators, these must be approved by Council, following approval of an adjustment budget (section 54(1) (c) of the MFMA). This Council approval is necessary to ensure that the Mayor or City Manager do not revise service delivery targets downwards in the event where there is poor performance.

### 4. Proposed Deviation from the Original Performance Scorecard Targets for 2020/21 Financial Year

Below is a summary of the KPI's which have been adjusted. The affected KPIs are highlighted in red under annexure B: -

- % Occupation Rate
- No of SMART and eco-friendly projects.
- No of Social and affordable Housing units developed for under privileged beneficiaries city wide

Below are the Key Performance Indicators that have been adjusted for implementation from the third quarter to June 2021.

#### Table 1: Adjustment to the Balance Scorecard

**PRIORITY: INTEGRATED HUMAN SETTLEMENT**

**GDS OUTCOME: Provide a resilient, livable, sustainable urban environment underpinned by smart infrastructure supportive of low carbo economy.**  
**STRATEGIC PRIORITY: Integrated Human Settlement**  
**STRATEGIC PROGRAMME:**

Change	KPI No	Key Performance Area	Key Performance Indicator	2018/19 Baseline	2020/21 Target	Q1 target	Q 1 actual	Q2 target	Q2 actual	Q3 Jan-Mar	Q4 Apr-Jun	Estimated budget		Evidence and Means of verification	Proposed deviation	Motivation for deviation	
												Capex	Opex				
Existing	6	Social Housing Development	No of Social and affordable Housing units developed for under privileged beneficiaries city wide	297	648	Annual Target						648		310 000	Independent professional report on milestone progress; and handover reports from independent professionals on completed projects.	Increase the target	The entity has realized that more units that originally planned will be achieved. We request to increase the target from 648 units to 662 units. The entity will furnish completion certificates for the 142 units that would reach final completion while the balance of 520 units will

**GDS OUTCOME: Provide a resilient, livable, sustainable urban environment underpinned by smart infrastructure supportive of low carbo economy.**

**STRATEGIC PRIORITY: Integrated Human Settlement**

**STRATEGIC PROGRAMME:**

Change	KPI No	Key Performance Area	Key Performance Indicator	2018/19 Baseline	2020/21 Target	Q1 target	Q 1 actual	Q2 target	Q2 actual	Q3 Jan-Mar	Q4 Apr-Jun	Estimated budget		Evidence and Means of verification	Proposed deviation	Motivation for deviation
												Capex	Opex			
Amended KPI as per the proposed Deviation	6	Social Housing Development	No of Social and affordable Housing units developed <sup>1</sup>	297	662						662		310 000	Completion Certificates for 142 units and, Dated and signed professional reports 520 units.		be supported by dated and signed report from professionals.
Existing	8	Climate change	No of SMART and eco-friendly projects.	New	9	-	-	3	1	3	3	15 000		Departmental report on the installation or upgrade of prepaid meters, solar	Split	The target for the KPI had included installation of prepaid water, electricity and solar system as one. We are requesting to deviate and dismantle it in order to be specific and meet the SMART criteria.

<sup>1</sup> The KPI refers to number of units that JOSHCO will develop by the end of the 2020/21 FY. The entity will develop 662 units of which 142 will reach completion and means of verification will be completion certificate, 520 of the 662 units will be developed without services and the means of verification will be the signed professional reports.

**GDS OUTCOME: Provide a resilient, livable, sustainable urban environment underpinned by smart infrastructure supportive of low carbo economy.**

**STRATEGIC PRIORITY: Integrated Human Settlement**

**STRATEGIC PROGRAMME:**

Change	KPI No	Key Performance Area	Key Performance Indicator	2018/19 Baseline	2020/21 Target	Q1 target	Q 1 actual	Q2 target	Q2 actual	Q3 Jan-Mar	Q4 Apr-Jun	Estimated budget		Evidence and Means of verification	Proposed deviation	Motivation for deviation
												Capex	Opex			
					electricity systems or solar panels.									system or rainwater harvest system		There will be a separate KPI on the installation of prepaid electricity
					2 Properties installed with rainwater systems	-	-	1	0	1						
Amended KPI as per the proposed Deviation	10	Smart and Eco friendly projects	<i>Number of properties installed with prepaid electricity meters</i>	New	9 properties installed with prepaid meters			3	1	3	3	15 000 000		Signed and dated Departmental report on the installation or upgrade of		

**GDS OUTCOME:** Provide a resilient, livable, sustainable urban environment underpinned by smart infrastructure supportive of low carbo economy.

**STRATEGIC PRIORITY:** Integrated Human Settlement

**STRATEGIC PROGRAMME:**

Change	KPI No	Key Performance Area	Key Performance Indicator	2018/19 Baseline	2020/21 Target	Q1 target	Q 1 actual	Q2 target	Q2 actual	Q3 Jan-Mar	Q4 Apr-Jun	Estimated budget		Evidence and Means of verification	Proposed deviation	Motivation for deviation
												Capex	Opex			
														prepaid meters		
	11		<i>Number of properties installed with solar panels.</i>	New	1 properties installed with solar panels.						1			Signed and dated Departmental report on the installation of solar systems		
	12		<i>Number of properties installed with rainwater systems</i>	New	2 Properties installed with rainwater systems			1		1				Signed and dated Departmental report on the installation of rain water		

**GDS OUTCOME:** Provide a resilient, livable, sustainable urban environment underpinned by smart infrastructure supportive of low carbo economy.  
**STRATEGIC PRIORITY:** Integrated Human Settlement  
**STRATEGIC PROGRAMME:**

Change	KPI No	Key Performance Area	Key Performance Indicator	2018/19 Baseline	2020/21 Target	Q1 target	Q 1 actual	Q2 target	Q2 actual	Q3 Jan-Mar	Q4 Apr-Jun	Estimated budget		Evidence and Means of verification	Proposed deviation	Motivation for deviation
												Capex	Opex			
														harvest system		
Amended KPI as per the proposed Deviation	20	Financial sustainability	% Occupancy rate	99% Occupancy rate	98% Occupancy rate	-	-	-	-	98%	98%			System generated occupation report	Include KPI in the scorecard	JOSHCO is a Social Housing Institution that need to comply with Social Housing Regulatory Authority regulation. All SHI are expected to maintain occupancy level of not less than 97%. Therefore, it is important to have this KPI managed at an organizational scorecard

**Table 2: Technical Indicator Descriptors for the proposed KPIs**

Indicator Title	% of occupancy rate
<b>Short Definition</b>	The indicator refers to the percentage of housing units occupied by tenants as a percentage of total units under management.
<b>Purpose</b>	To enhance financial sustainability through measuring of the occupancy rate of JOSHCO projects.
<b>Source/Collection of Data</b>	MDA system
<b>Method of Calculation</b>	Number of units occupied/total number of all units under JOSHCO management (excluding vandalized) multiply by 100
<b>Data Limitations</b>	None
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Portfolio of Evidence</b>	System generated occupation report
<b>New Indicator</b>	yes
<b>Baseline</b>	99%
<b>Desired Performance</b>	98%
<b>Indicator Responsibility</b>	<b>EM: Housing Management</b>

Indicator Title	No of Social and affordable Housing units developed
<b>Short Definition</b>	The indicator refers to the number of social and affordable housing units developed through JOSHCO projects within the 2020/21 financial year. This are units that will be comprised of 520 units completed without services and the 142 units that would reach final completion. This are units intended to tenant qualifying beneficiaries city wide.
<b>Purpose</b>	Increase social housing projects within the transport nodes, inner city and economic hubs
<b>Source/Collection of Data</b>	Independent contractors
<b>Method of Calculation</b>	Simple count of housing units completed.
<b>Data Limitations</b>	Evidence not provided due to projects not being met on time
<b>Calculation Type</b>	Non- cumulative (reported in Q4)
<b>Reporting Cycle</b>	Annually
<b>Portfolio of Evidence</b>	Completion certificates for 142 units Dated and signed completion certificates for 520 units. The documents must be dated within the period under review.
<b>New Indicator</b>	No
<b>Baseline</b>	297

<b>Indicator Title</b>	<b>No of properties installed with solar electricity systems.</b>
<b>Short Definition</b>	The indicator refers to the number of JOSHCO buildings that are installed with solar systems meters for electricity.  JOSHCO intends to have smart buildings that contribute towards SMART City primary change challenge
<b>Purpose</b>	Contribute towards addressing climate change impact
<b>Source/Collection of Data</b>	Department and contractors
<b>Method of Calculation</b>	Simple count of projects installed with solar
<b>Data Limitations</b>	None
<b>Calculation Type</b>	Output
<b>Reporting Cycle</b>	Quarterly
<b>Portfolio of Evidence</b>	Signed and dated departmental report and installation certificates
<b>New Indicator</b>	Yes
<b>Baseline</b>	None
<b>Desired Performance</b>	9 properties installed with solar electricity
<b>Indicator Responsibility</b>	<b>EM: Housing Development</b>

<b>Desired Performance</b>	142
<b>Indicator Responsibility</b>	<b>EM: Housing Development</b>

**Table 3: Adjustment to the Operational Budget.**

<b>Class of transaction</b>	<b>Reallocation</b>	<b>Adjustments</b>	<b>Motivation</b>
	<b>R'000</b>	<b>R'000</b>	
Rental of facilities	0.00	R6,993	Allocation of Plein Street and Student Accommodation
Interest on outstanding debt	0.00	R6,012	Interest on Non-paying debtors

GSPCR  
 CITY MANAGER  
 GROUP PERFORMANCE AND AUDIT COMMITTEE  
 SHAREHOLDER MAYORAL COMMITTEE  
 COUNCIL  
 BOARD OF DIRECTORS

Income from Agency Fee	0.00	R30,000	Professional work done for City of Johannesburg, ie Housing
Operational Subsidy	0.00	R11, 850	Financing of changing labour hours for the insourcing and finalization of Job grading report.
Interest on Sweeping	0.00	-R8 718	The Company does not have Cash Reserves
<b>TOTAL REVENUE</b>		<b>R46,137</b>	
Employee Costs	0.00	R39,289	Financing of changing labour hours for the insourcing and finalization of Job grading report as well as new positions.
Bad Debts	0.00	R13 896	Low level of collection on Debtors
Contracted Services	0.00	-R 7, 971	Reduction in responsive on maintenance due to planned maintenance.
Other Expense	0.00	R924	Adjustment on Utility costs i.e. Water.
<b>TOTAL EXPENDITURE</b>		<b>R46,137</b>	

Adjustment to Social Housing Units

**Table 4: Adjustments to Inner City Units**

Project Name	Approved No of Units	Approved Budget 000	Adjusted No of Units	Adjustment Amount 000	Adjusted Budget 000	Project status and scope of work.
106 Claim Street	0	5 000	30	0.00	5 000	Project nearing completion planned to be achieved in Q3.
38 Rissik Street	0	4 550	0	-4 000	550	Procurement of Professional team yet to be done
80 Plein Street	112	10 000	112		10 000	Project is at Practical completion stage. Professional team and main Contractors addressing remedial works on site.
Abel Street	0	10 000	0	13 000	23 000	Nearing completion

GSPCR  
 CITY MANAGER  
 GROUP PERFORMANCE AND AUDIT COMMITTEE  
 SHAREHOLDER MAYORAL COMMITTEE  
 COUNCIL  
 BOARD OF DIRECTORS

Project Name	Approved No of Units	Approved Budget 000	Adjusted No of Units	Adjustment Amount 000	Adjusted Budget 000	Project status and scope of work.
Booyens Place	0	5 000	0	-4 500	500	Professional team to be procured
Casa Mia	0	5 000	0	-3 000	2 000	Site need repackaging and eviction of illegals
Inner City Buildings	0	16 000	0		16 000	
JOSHCO HQ	0	30 000	0		30 000	Project progressing. Main Contractor on site, although slow progress due to Tenant occupation of the site.
Special Projects	0	24 058	0	-4 000	20 058	Procurement process underway to implement outcomes of the assessment done on three (3) sites.

**Table 5: Adjustment to the Green Fields Units**

Project Name	Approved No of Units	Approved Budget	Adjusted No of units	Adjustment Amount	Adjusted Budget	Project status and scope of work.
Devland Development	60	33 000	273	26 000	59 000	The project is so far progress well and expected to deliver more units than expected, as per Business Plan.
Lufhereng Development	56	31 000	155	26 000	57 000	The project is so far progress well and expected to deliver more units than expected, as per Business Plan.
Nancefield Housing	30	18 000	0		18 000	A new Professional team has been appointed for the project. The main Contractor is appointed, and the project is planned to commence in Q3 of 2020/21 financial year.
Princess Plots	70	40 000	0	-11 000	29 000	The main Contractor is appointed and currently on site. The project has suffered delays due to local SMME appointments and allocation of work-packages.
Randburg/Selkirk	73	40 442	0	-17 500	22 942	The main Contractor is appointed, and site handed over. However, the project has had delays due to land allocation between JOSHCO and JPC. This has since been resolved and the

GSPCR  
 CITY MANAGER  
 GROUP PERFORMANCE AND AUDIT COMMITTEE  
 SHAREHOLDER MAYORAL COMMITTEE  
 COUNCIL  
 BOARD OF DIRECTORS

						project is planned to progress from Q3 onwards.
Roodepoort	92	20 000	92		20 000	The project would be completed in Q3 of 2020/21 financial year.
Turffontein Development	0	0	0	2 000	2 000	Completed and tenanted, however, the project has outstanding compliance matters.
Dobsonville	0	0	0	2 000	2 000	Completed and tenanted. The project has outstanding invoices from the main Contractor and the Professional team that were submitted after end of previous financial year.
Turnkey 1 – Region A	47	25 950	0	-10 000	15 950	Project commencing in Q3 of financial year 2020/21.
Turnkey 2 Region B	36	20 000	0	-5 000	15 000	Project commencing in Q3 of financial year 2020/21.
Turnkey 3 Region D	36	20 000	0	-5 000	15 000	Project commencing in Q3 of financial year 2020/21.
Turnkey 4 Region G	36	20 000	0	-5 000	15 000	Project commencing in Q3 of financial year 2020/21.
<b>TOTAL</b>	<b>648</b>	<b>378 000</b>	<b>662</b>	<b>0</b>	<b>378 000</b>	

## 5. MOTIVATION

The units in the approved Business Plan were **648**. The units are revised upward to a total of **662** units to be delivered by the end of financial year. The change in the units target is due to the performance of projects that varied from the initial plan. Table 4 and 5 above reflect clearly projects that will be delivering the **662** units against the originally approved projects where the **648** units were planned. This adjustment put JOSHCO in a better position as more units than what was originally planned will be delivered in the end of the financial year.

## 6. LEGAL AND CONSTITUTIONAL IMPLICATIONS

The City's Adjustment Budget process is in accordance with the MFMA and the Budget Regulations of the MFMA and reflects the amended budget allocations to JOSHCO. The approved adjustments require amendments to the 2020/21 Business Plan

## 7. FINANCIAL IMPLICATIONS

The OPEX budget has increased by R46 million (From R215 million to R261million).

## 8. COMMUNICATION IMPLICATIONS

The Council is required in terms of section 44 of the Municipal Systems Act No 32 of 2000 (as amended) to publicise, both internally and to the general public, the key performance indicators and performance management system. JOSHCO's Scorecard and KPIs will be communicated to all the stakeholders in a manner prescribed by the law.

## 10. IT IS RECOMMENDED THAT

The deviation report that include the amended JOSHCO Scorecard for the 2020/21 financial year aligned to the City's key priorities, attached as annexure "A", be approved.

## APPROVALS

Mr. Victor Rambau  
**CHIEF EXECUTIVE OFFICER**  
**JOSHCO**

---

**DATE:**

---

Mr. T Dlamini  
**Board Chairperson**

---

GSPCR  
CITY MANAGER  
GROUP PERFORMANCE AND AUDIT COMMITTEE  
SHAREHOLDER MAYORAL COMMITTEE  
COUNCIL  
BOARD OF DIRECTORS

---

**JOSHCO**

**Date:**

\_\_\_\_\_  
COUNCILLOR: Mlungisi Mabaso

**MMC HOUSING**

\_\_\_\_\_

**DATE:**

\_\_\_\_\_

GSPCR  
CITY MANAGER  
GROUP PERFORMANCE AND AUDIT COMMITTEE  
SHAREHOLDER MAYORAL COMMITTEE  
COUNCIL  
BOARD OF DIRECTORS

---

**Annexure A**

Adjusted Balance Scorecard to June 2021

Strategic Objectives	Key Performance	Key Performance Indicator	Ref No	1. Baseline 2018/19	2020/21 Target	Quarterly Performance Targets				2020/21 Budget Per Projects R 000					
						Q1	Q2	Q3	Q4	Total budget		Quarterly Budget Target Capex and Opex			
										Capex (000)	Opex (000)	Q1	Q2	Q3	Q4
Become a financial sustainable entity.	Financial Sustainability	Achievement of selected profitability and liquidity ratios	1	Current Ratio: 0.92:1	Current ratio 1:1	1:1	1:1	1:1	1:1	-	-	-	-	-	-
		Solvency Ratio 0.99:1		Solvency Ratio 1:1	1:1	1:1	1:1	1:1	-	-	-	-	-	-	
		Cost coverage		50 days cost coverage	50 days coverage	50 days coverage	50 days coverage	50 days coverage	-	-	-	-	-	-	
		% Collection in respect of current debtors.	2	72% collection in respect of debtor	85% collection in respect of debtor	85%	85%	85%	85%	N/A	23 471	5 600	5 600	5 600	6 671
Contribute towards economic development through Broad Based Black Economic Empowerment.	Economic Development	Number of jobs created for the unemployed through EPWP programme	3	301 number of jobs created for the unemployed through EPWP programme	910 number of jobs created for the unemployed through EPWP programme	227	455	683	910	-	680	170	340	510	680
		% of capex spent on SMME	4	17% of capex spent on SMMEs'	30% of capex spent on SMMEs'	30%	30%	30%	30%	-	-	-	-	-	-
		% of valid invoices paid within 30 days of invoice receipt	5	New KPI	100% valid invoices paid within 30 days of invoice receipt.	100% valid invoices paid within 30 days of invoice receipt.	100% valid invoices paid within 30 days of invoice receipt.	100% valid invoices paid within 30 days of invoice receipt.	100% valid invoices paid within 30 days of invoice receipt.	-	-	-	-	-	-
	Social Housing Development	No of Social and affordable Housing units developed for under privileged beneficiaries city wide	6	297 no of social housing developed for the disadvantage beneficiaries	648 no of social housing developed for the disadvantage beneficiaries	-	-	-	648	-	310	-	-	-	310
Develop Social housing projects within the transport corridors, Inner City and Green Fields (including suburbs and economic hubs).	Social Housing Development	No of Social and affordable Housing units developed	6	297 Units	662 Units	-	-	-	662	-	310	-	-	-	-
		% Capital budget spent on rental social housing infrastructure.	8	95% capital budget spent on rental of social infrastructure.	95% capital budget spent on rental of social infrastructure.	15%	50%	80%	95%	-	-	-	-	-	-

	<i>Climate Change</i>	<i>No of SMART and eco-friendly projects.</i>	9	New KPI	9 properties installed with either pre-paid water, electricity systems or solar panels.	-	3 projects	3 projects	3 projects	15 000	-	15 %	50 %	80 %	95%	
					2 Properties installed with rainwater systems	-	1 project	1 project	-			15 %	50 %	80 %	95%	
<i>Contribute to mitigating climate change impact.</i>	<i>SMART and eco-friendly projects.</i>	<i>Number of properties installed with electricity systems</i>	10	New KPI	<i>9 properties installed with electricity systems</i>	-	<i>3 projects</i>	<i>3 projects</i>	<i>3 projects</i>	15 000	-	15 %	50 %	80 %	100 %	
		<i>Number of properties installed with solar panels.</i>	11	New KPI	<i>1 properties installed with solar panels.</i>	-			<i>1 projects</i>		-					100 %
		<i>Number of properties installed with rainwater systems</i>	12	New KPI	<i>2 Properties installed with rainwater systems</i>	-	<i>1 project</i>	<i>1 project</i>	-			15 %	50 %	80 %	100 %	
<i>Strengthen governance and compliance.</i>	<i>Adherence to Corporate Governance Principles.</i>	<i>Unqualified audit opinion</i>	13	Unqualified audit opinion.	Unqualified audit opinion.	-	-	-	Unqualified audit opinion.	N/A	3 746	-	-	-	3 746	
		<i>% Compliance to laws and regulation</i>	14	85% Compliance to laws and regulation	95% compliance to laws and regulation	95%	95%	95%	95%	N/A	2 001	500	500	500	500	
		<i>% implementation of corrective action against identified risks</i>	15	<i>95% implementation of corrective action against identified risks</i>	<i>95% implementation of corrective action against identified risks</i>	95%	95%	95%	95%	N/A	1 101	275	275	275	275	
<i>Strengthen governance and compliance.</i>	<i>Corporate governance</i>	<i>% implementation of corrective action against audit findings</i>	16	<i>100% implementation of corrective action against internal audit findings</i>	<i>100% implementation of corrective action against internal audit findings</i>	100%	100%	100%	100%	-	-	-	-	-	-	
				<i>100% implementation of corrective action against external audit findings</i>	<i>100% implementation of corrective action against external audit findings</i>	100%	100%	100%	100%	-	--	-	-	-	-	
		<i>% Filling of vacancies from middle management to Executive Management</i>	17	New KPI	100% Filling of vacancies from middle management to Executive	100% filling of vacancies	100% filling of vacancies	100% filling of vacancies	100% filling of vacancies	-	-	-	-	-	-	
<i>Become a customer centric company.</i>	<i>Stakeholder Centric</i>	<i>% Customer satisfaction rating.</i>	18	66.74% Customer satisfaction rating	85% Customer satisfaction rating	-	-	-	85% Customer satisfaction rating	-	1 200	-	-	-	1 200	
<i>Become a customer centric company.</i>		<i>% employee satisfaction rating</i>	19	New KPI	85% employee satisfaction rating	-	-	-	85% employee satisfaction rating	-	250	-	-	-	250	
<i>Become a financial sustainable entity.</i>	<i>Financial Sustainability</i>	<i>% Occupancy rate</i>	20	<i>99% of Occupancy Rate</i>	<i>98% Of occupancy rate.</i>	<i>0% Of occupancy rate.</i>	<i>0% Of occupancy rate.</i>	<i>98% Of occupancy rate.</i>	<i>98% Of occupancy rate.</i>							

GSPCR  
CITY MANAGER  
GROUP PERFORMANCE AND AUDIT COMMITTEE  
SHAREHOLDER MAYORAL COMMITTEE  
COUNCIL  
BOARD OF DIRECTORS

---